COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2018

CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO

Dedicated to Excellence
Cherry Creek Schools

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ARAPAHOE COUNTY, COLORADO

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2018

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Superintendent

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Chief Financial Officer/COO

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Manager of Accounting

Cherry Creek Schools

Dedicated to Excellence

CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO

COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2018

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INTRODUCTORY SECTION

CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO

BOARD OF EDUCATION
2017-2018

From Left to Right Standing
David Willman, President
Eric Parish, Treasurer

From Left to Right Sitting
Karen Fisher, Vice President
Kelly Bates, Assistant Secretary/Treasurer
Janice McDonald, Secretary

Cherry Creek Schools
Dedicated to Excellence

Our Mission

To inspire every student

to think,

to learn,

to achieve,

to care.

The Cherry Creek Vision and Mission

The words "*dedicated to excellence*" convey the vision of the Cherry Creek School District. The pursuit of excellence in academics, athletics, activities, and the arts guides our decisions and actions. We believe in education of the whole person, as expressed in the district mission, ***"to inspire every student to think, to learn, to achieve, to care."*** The vision and mission reflect a commitment to inspire all students toward excellence and the full development of their potential.

The Cherry Creek School District will provide safe, intellectually stimulating schools. The school programs will enable all students to demonstrate significant achievement of district-defined learning goals, and develop as healthy, well-rounded individuals. The education students receive will equip them to succeed in higher education and the work place, ready them for responsible citizenship, and prepare them for a complex and changing world.

Dedicated to Excellence

Cherry Creek's Values

As a district, we are committed to:

- Placing the needs and welfare of students above all else.
- Providing safe and caring environments for learning.
- Holding high expectations for the growth and achievement of each student.
- Developing meaningful relationships with students and families.
- Respecting and understanding the diversity of the students and families we serve.
- Engaging students, parents, and community members as partners in the educational process.
- Utilizing organizational strategies that promote involvement and empowerment.
- Attracting quality personnel who reflect the diversity of our community, are knowledgeable, and care deeply about young people.
- Demonstrating a strong service orientation to students and parents.
- Encouraging creativity and innovation to attain the vision.
- Improving the organization continuously.
- Fostering a desire for lifelong learning, achievement, and service to others.

Cherry Creek Schools

Dedicated to Excellence

Letter

of

Transmittal

Cherry Creek Schools

Dedicated to Excellence

Cherry Creek Schools

Dedicated to Excellence

Educational Services Center
4700 South Yosemite Street
Greenwood Village, Colorado 80111

Cherry Creek Schools
Dedicated to Excellence

October 15, 2018

Members of the Board of Education
and Community
Cherry Creek School District No. 5
Arapahoe County, Colorado

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the Cherry Creek School District No. 5 (District) for the fiscal year ended June 30, 2018. The CAFR was prepared by the Fiscal Services Division. Responsibility for the accuracy, completeness, and fairness of presentation, including all disclosures, rests with the District. We believe the data, as presented, is accurate in all material respects, that it is presented in a manner designed to fairly set forth the financial position and results of operations of the District as measured by the financial activity of its various funds, and that all disclosures necessary to enable the reader to gain an understanding of the District's financial activities for the fiscal year ended June 30, 2018, have been included.

The CAFR is presented in conformity with Governmental Accounting Standards Board Statement No. 34 titled *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments (GASB 34).* This reporting standard is intended to parallel private sector reporting by consolidating governmental activities and business-type activities into a single total column for government-wide activities. GASB 34 also requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditor in the Financial Section on pages 35-50.

The CAFR is presented in four sections: Introductory, Financial, Statistical, and Single Audit Reports. The Introductory Section includes this letter of transmittal, a list of the Board of Education members for the District, an organization chart of the District, and the mission statement of the District. The Financial Section includes the Independent Auditors' Report, MD&A, the Basic Financial Statements, Combining Statements for Component Units, Notes to Basic Financial Statements, and Supplementary Information, which includes financial statements by fund type. The Basic Financial Statements, together with the Independent Auditors' Report, MD&A, and the Notes to Basic Financial Statements are designed to provide a financial overview of the District; the Supplementary Information provides more detailed financial information on a fund-by-fund basis. The Statistical Section, which is unaudited, includes financial and demographic information, generally presented on a multi-year basis. The Single Audit Reports Section contains the Schedule of Expenditures of Federal Awards and related Schedules on Findings and Recommendations, and the Independent Auditors' Reports on the internal control structure and compliance aspects. The District is required to undergo an annual single audit in conformity with the provisions of the U.S. Office of Management and Budget guidance outlined in *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

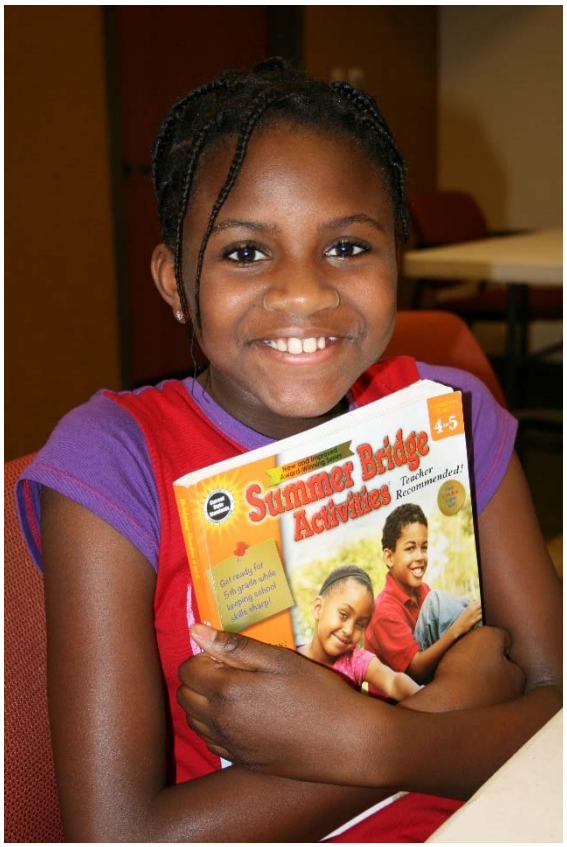
THE DISTRICT AND ITS SERVICES

This report includes all of the activities of the District (the Primary Government), as well as its component units. The District provides a full range of educational programs and services authorized by Colorado Statutes. These include K-12 education in elementary, middle, and high schools, special education for handicapped students, career and technical education, multicultural education, and numerous other programs.

The Cherry Creek Schools Foundation (Foundation) was organized in the spring of 1993, and is a nonprofit, tax-exempt corporation established for the purpose of attracting funding from business, industry, and individuals to enhance educational programs and activities for students. The Foundation is not presented as part of the reporting entity for financial reporting purposes because the Foundation's financial operations are not considered to be significant in comparison to the District as a whole. All grants and funding provided to the District by the Foundation have been accounted for within the District's Special Revenue - Designated Purpose Grants Fund.

On July 21, 1995, the District entered into an agreement with Cherry Creek Academy, as allowed under the Colorado Charter Schools Act, for the educational instruction of children in grades K-8. While the charter school is a public school funded through the District under the school finance act and under the general supervision of the local Board of Education, the school meets the requirements under Governmental Accounting Standards to be presented as a discrete component unit.

On May 9, 2016, the District entered into an agreement with Heritage Heights Academy, as allowed under Colorado Charter Schools Act, for the educational instruction of children in grades K-8. The charter school began operations for the 2016-2017 school year. While the charter school is a public school funded through the District under the school finance act and under the general supervision of the local Board of Education, the school meets the requirements under Governmental Accounting Standards to be presented as a discrete component unit.



ECONOMIC CONDITION AND OUTLOOK

State and Local Economy

The District includes approximately 108 square miles and is located in the southeast portion of the Denver metropolitan area in Arapahoe County, approximately 10 miles southeast of downtown Denver. Included within the District are the cities of Cherry Hills Village and Glendale, and the Town of Foxfield, portions of the cities of Aurora, Centennial, Greenwood Village, Englewood, and certain unincorporated areas of Arapahoe County. The Denver Technological Center and other office complexes also located partially within the boundaries of the District include many office buildings as well as hotels, restaurants, and other facilities. Arapahoe County, with more than 643,000 residents, has the third largest population of the counties in Colorado. The District, with approximately 55,500 students projected for fiscal year 2018-2019, is currently the fourth largest of the 178 school districts in the state.

The following economic data (through page 8) was obtained from the September 2018 revenue forecast for the State of Colorado, prepared by the Governor's Office of State Planning and Budgeting.

Colorado's economic growth has continued during 2018. Colorado's employment growth has been robust and widespread across all industries and most regions, while wage growth has risen above inflation in recent months. Oil and gas production has recovered from the mid-decade downturn. Business formation has continued to grow in response to greater economic confidence and as entrepreneurs identify opportunities in the expanding economy. Although Colorado continues to boast one of the lowest unemployment rates in the nation, tight labor and housing market conditions are expected to limit growth in future years.

Underlying growth in the U.S. economy looks solid and recession risk appears low, however, unforeseen events could occur that might change this outlook. Trade policy continues to be a risk factor to business costs and investment, as well as for agricultural prices. Further, if monetary policy tightens excessively and slows the supply of money in the economy, it could lead to a contraction.

Colorado personal income growth is expected to reach 5.6 percent in 2018, before moderating slightly to 5.2 percent in 2019 and 5.0 percent in 2020 in response to a tighter labor market and slowing economic growth.

Colorado wage and salary growth is expected to increase at a slightly faster pace in 2018 compared with 2017, rising 5.8 percent. Growth is driven by continued employment gains, with a tight labor market putting upward pressure on wages. Wage and salary growth for the State is expected to moderate to 5.2 percent in 2019 and 2020.

Colorado's population growth was 1.4 percent in 2017. Population growth is expected to continue at the same rate in 2018, before slowing to 1.3 percent in 2019 and 2020. The State's total population is expected to reach 5.8 million by 2020.

Colorado's unemployment rate reached a post-recession low of 2.8 percent in 2017. The unemployment rate is projected to increase slightly over the next few years, to 2.9 percent in 2018, 3.0 percent in 2019, and 3.2 percent in 2020. Colorado is expected to continue to experience unemployment rates among the lowest in the nation.

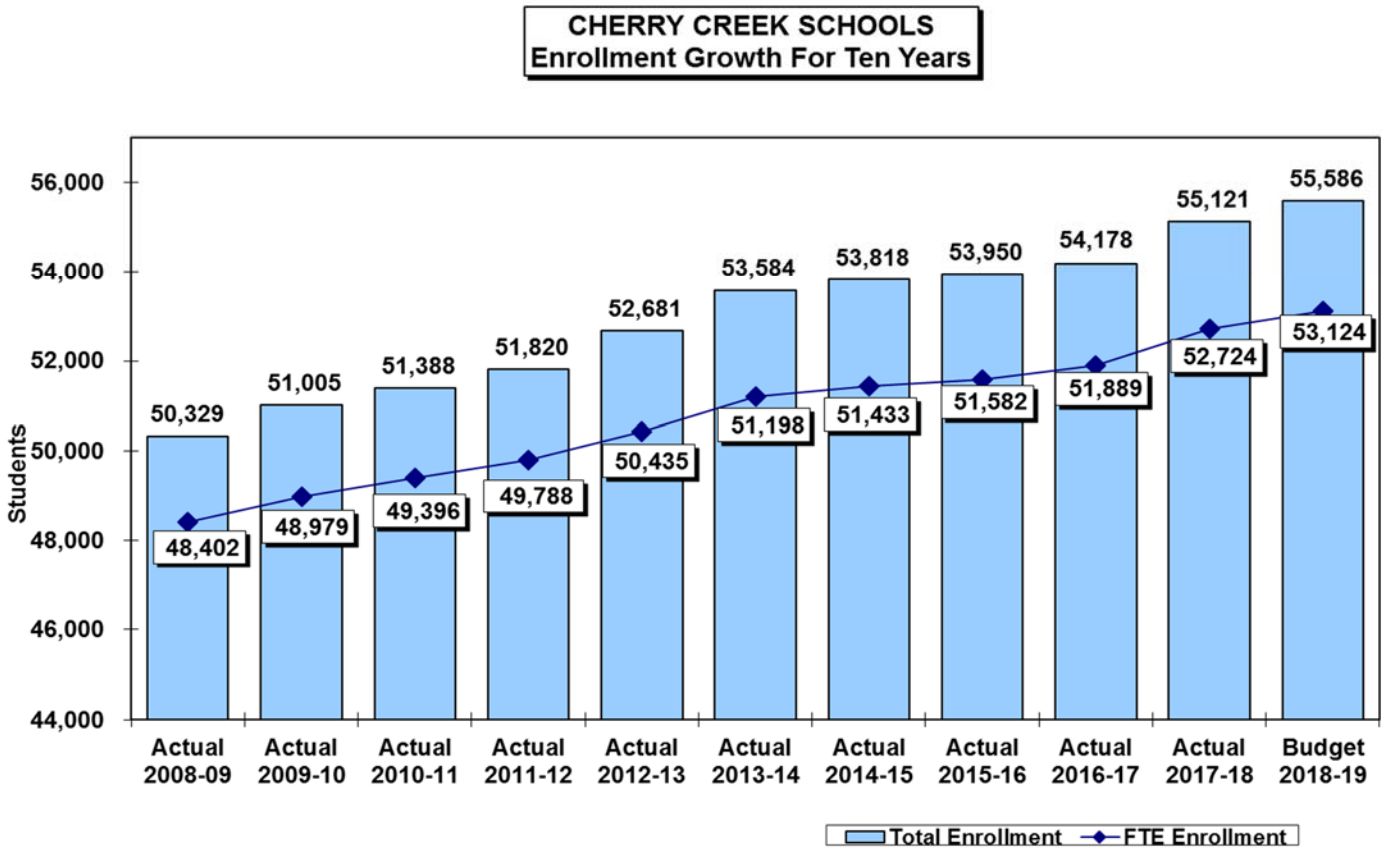
Colorado housing permits are projected to increase 15.2 percent to 48,300 in 2018, driven by the continued demand for new housing construction. Housing permit growth is expected to level off in 2019 and 2020, growing 2.1 and 3.8 percent, respectively.

The Denver-Aurora-Lakewood Consumer Price Index (formerly the Denver- Boulder-Greeley Consumer Price Index) is projected to grow faster than the national average, with 3.0 percent growth in 2018, 2.8 percent growth in 2019, and 2.7 percent growth in 2020.

Revenue to the State Education Fund increased 14.3 percent in fiscal year 2017-2018 and is expected to grow another 6.8 percent in fiscal year 2018-2019 and 6.1 percent in fiscal year 2019-2020. The Colorado Constitution requires that one-third of one percent of taxable income from Colorado taxpayers be credited to the State Education Fund. In addition to this revenue, policies enacted over the past several years have transferred other General Fund money to the State Education Fund.

In fiscal year 2018-2019, the State Education Fund's year-end balance is projected to decrease from its fiscal year 2017-2018 level of $210.2 million to $128.1 million. This decrease is the result of a higher level of State Education Fund expenditures in fiscal year 2018-2019, which reduced the need for General Fund appropriations for funding pre-K through 12th grade education. However, fiscal year 2018-2019's lower ending balance leaves less funding available for fiscal year 2019-2020, resulting in an increased need for General Fund next fiscal year.

Provisions of section 20 Article X of the State Constitution, also known as the Taxpayer's Bill of Rights (TABOR) limit the growth of certain State revenue to the sum of inflation and population growth. Revenue collected above the TABOR limit must be returned to taxpayers unless voters decide the State can retain the revenue. TABOR revenue is projected to be above the cap by a preliminary $16.2 million in fiscal year 2017-2018. TABOR revenue is expected to exceed the cap by $260.5 million in fiscal year 2018-2019 and $381.3 million in fiscal year 2019-2020. Under this forecast, the refund of the excess fiscal year 2017-2018 revenue will occur through the senior homestead and disabled veterans property tax exemption expenditures in fiscal year 2018-2019. The refund of excess fiscal year 2019-2020 revenue will occur via the homestead and disabled veterans property tax exemption expenditures and six-tier sales tax refund in fiscal year 2020-2021.



Note: 2018-2019 enrollment numbers are projected.

Enrollment

District total enrollment increased last fall by 943 students to put the District at 55,121 students for the 2017-2018 school year. The breakdown of those students includes 23,148 in elementary schools; 12,545 in middle schools; 16,880 in high schools; 790 in the District's charter schools; 1,145 pre-school students and 51 special program students, and 562 Options students.

The Options program started in the District in the 2012-2013 school year. The program is for students in grades K-12 designed to support parents who choose to school their children at home. Parents remain the primary instructional provider, with the District supplementing their efforts. Students participating in the program get limited instruction of about one day per week and receive educational materials from the District. The State funds these students at one half of the State per pupil funding.

Kindergarten students are counted as a partial student in the State funding formula, therefore, on a Full Time Equivalent Basis (FTE), enrollment increased last fall by 835.4 FTE students to 52,724.1 for the 2017-2018 school year. While the District continues to be a growing school district, the rate of growth has slowed. Prior to the 2008-2009 school year, enrollment growth in the District was in the range of about 900 students per year. From the 2008-2009 school year to the 2013-2014 school year, the average growth was closer to 650 students, then slight increases for three years, then a larger increase for the 2017-2018 school year. Enrollment for the 2018-2019 school year is budgeted for an increase of 465 total enrollment which equates to 400 FTE.

School Financial Issues

The primary revenue sources for the District are based on the current provisions of the Colorado Public School Finance Act of 1994, as amended annually. Funding provided under this Act includes local property taxes, specific ownership taxes from vehicle registration, and State equalization aid. District revenue also includes voter approved mill levy budget overrides of $114.0 million. These funding sources are approximately 95% of the District's General Fund revenues for fiscal year 2017-2018.

Voters approved State Constitutional Amendment 23 in November 2000, which provided for funding per student of at least the metro Denver CPI rate plus 1% through the 2010-2011 fiscal year and then at inflation thereafter.

Due to the Great Recession and the lack of available resources at the State level, the State has not been able to fund at that level and introduced a reduction into the State funding formula starting during the 2009-2010 fiscal year which reduces State per pupil funding. While the State still faces budget constraints, the economy has improved since then.

The economic conditions remained strong for the 2017-2018 fiscal year and included a 3.3% increase in per pupil funding and included funding for enrollment growth. Per pupil funding for fiscal year 2017-2018 was $7,630, which is an increase of $243 per pupil over the prior fiscal year. The Statewide negative factor was held constant at $828.3 million, however, the District's proportionate share decreased by $0.4 million to $49.4 million.

The State did continue to provide partial funding of full day kindergarten for the 2017-2018 fiscal year at an additional .08 FTE for each kindergartener enrolled. The District continues to provide full day kindergarten at six schools.

The actual results for fiscal year 2017-2018 are discussed more fully in the MD&A found on pages 35-50.

The budget balancing plan for fiscal year 2017-2018 utilized funds from the School Finance Act and the 2016 override election to achieve a balanced budget that is consistent with the strategic mission and values of Cherry Creek Schools. General Fund Expenditures and Transfers were budgeted to increase by $25.3 million, while General Fund Revenue and Transfers were budgeted to increase by $17.7 million. Unassigned General Fund reserves were budgeted to be maintained as well as a balanced budget for fiscal year 2017-2018.

The District will maintain adequate reserves consistent with Board policy and a fiscally sound approach to District financial management including maintaining very strong credit ratings. The District has planned for an adequate level of Unassigned General Fund reserves to provide protection from possible reductions in District funding such as State legislative action, lower than anticipated property tax collections, lower than projected enrollment, or other factors.

With the ongoing uncertainty with State funding the District continues to review budget reductions, cost containment measures, and funding reallocations to continue focusing its financial resources on student achievement in the classroom in its long term planning.

Additional discussion of Economic Factors and Next Year's Budget can be found in the MD&A on pages 49-50.

Other realities affecting the financial outlook are mandates that are outside of the District's control. In addition to Amendment 23 approved in November 2000, the District operates under the financial restrictions of two State Constitutional Amendments: the Gallagher Amendment and TABOR. The TABOR Amendment limits the growth in both revenues and expenditures for the State, local governments, and school districts. The annual percentage increase in revenues and expenditures are limited by TABOR to the total of the inflation rate and the rate of increase in student enrollment. If revenue exceeds this restricted level, the excess must be refunded to the taxpayers.

The assessed property values revisions required by the 1982 Gallagher Amendment have continued to limit increases in the residential assessed values used to levy taxes for the District, even though actual property values for most residential properties have increased substantially. This Amendment requires that the residential property share of the total assessed value in the State be stabilized at approximately 45% of the total. However, by fixing the residential percentage share of property tax collections, an increasing portion of the taxes levied continues to be shifted to the commercial and nonresidential property owners.

In an effort to equalize per pupil funding across the State, the 1988 School Finance Act shifted the responsibility of setting a district's property tax mill levy rate (per $1,000 assessed valuation) from the local school boards to the State's General Assembly. The system required districts to first rely on its "local share" funding produced by a district's local tax rate, with the State share back-filling or equalization funding for districts that did not raise enough money locally.

In 1992, TABOR limited school districts from retaining any revenues that exceeded inflation plus student enrollment growth. An amended School Finance Act of 1994 established a new formula requiring districts to impose a mill levy at the same level as the preceding year, unless that particular number of mills generated revenues that exceeded TABOR's growth limits. In school districts with rising property values and growth that outpaced TABOR's restrictions, districts were required to lower their mill levy rates, reducing districts' local revenue share and increasing the amount of State funding. Therefore, if assessed values of property decrease or increases are sufficiently restricted, and the mill levy rates restricted by TABOR cannot be increased, the education funding responsibility will continue to be shifted to the State. Senate Bill 07-199 passed in 2007, discussed later, also affects the mill levy of Colorado school districts.

It is possible that the State may not have sufficient spendable revenue or spending ceiling to meet increased education funding needs each year in the future, since annual increases in State revenue and spending are also limited by the provisions of TABOR. In November 2005, the voters approved Referendum C, which provided a temporary override to the current TABOR revenue formula for the State of Colorado. Referendum C allowed the State to keep and spend the revenue it collected under current rates for five years and established a new base for the TABOR revenue formula to calculate future years' limits on inflation and population change.

In 2007, Senate Bill 07-199 was put into law, which stabilizes or "freezes" local property tax mill levies for the majority of Colorado public school districts. Although total funding for school districts will continue to grow, keeping pace with inflation and student growth, the relative proportions of State and local funding changed beginning in the 2007-2008 fiscal year. The 174 school districts that have had voter elections to retain revenues beyond the tax limitations of TABOR, had their mill levy rates permanently frozen at their 2006-2007 budget year levels, unless a district's levy exceeded the new levy cap of 27 mills. Those over the 27 mills limit received a mill levy reduction to the cap.

The Cherry Creek School District and the three other districts in the State that have not had voter elections to retain revenues beyond the tax limitations of TABOR are not impacted by the law change. The District has not asked voters to be exempt from TABOR limits because the District has experienced yearly growth and annual spending within TABOR limits. The District's mill rate will continue to fluctuate downward with rising property assessment values that are in excess of the TABOR limits.

In addition to the State requirements of the Gallagher and TABOR amendments, the District conducts its operations in compliance with Federal statutes, including those regulating safety in the workplace, access for the disabled, and adequacy of educational services for students with special needs.

INSTRUCTIONAL OBJECTIVES

The District is one of the highest-achieving school districts in the State. The District's Vision, Mission and Values describe the culture of the District: who the District is, what the District believes, and how the District goes about providing an excellent education for the children of the Cherry Creek School District.

District Mission

To inspire every student to think, to learn, to achieve, to care

District Vision

Dedicated to Excellence

District Values

- Placing the needs and welfare of students above all else
- Providing safe and caring environments for learning
- Holding high expectations for the growth and achievement of each student
- Developing meaningful relationships with students and families
- Respecting and understanding the diversity of the students and families we serve
- Engaging students, parents and community members as partners in the educational process
- Promoting involvement and empowerment
- Attracting quality personnel who reflect the diversity of our community, are knowledgeable, and care deeply about young people
- Demonstrating a strong service orientation to students and parents
- Encouraging creativity and innovation to attain the vision
- Improving the organization continuously
- Fostering a desire for lifelong learning, achievement and service to others

Instructional Commitments

The District is committed to ensuring that every student will be prepared for college or other post-secondary options. The educational program provides academic experiences for all students to meet or exceed expectations beyond the Colorado Academic Standards. In order to meet the needs of all students, a variety of programs and instructional practices are offered.

The District's Instructional Framework provides the foundation for pedagogical excellence. It outlines the essential components of teaching and learning while giving teachers the flexibility to exercise their professional judgment to meet the needs of individual students. This framework is a cycle with four key components: plan, teach, monitor, and adjust. While these components overlap to a degree, the framework outlines the key ideas and best instructional practices to achieve the District's mission.

The District's Instructional Framework is grounded in the principles of classroom practice, climate and organization that research has demonstrated are the most effective methods in increasing student achievement.

Academic Programs

Elementary School K-5: The development of literacy and numeracy skills is the primary focus in elementary school. The curriculum also stresses fundamental skills and concept development in science and social studies. Elementary students enhance their education through the arts, physical education, technology and use of media resources.

Middle School 6-8: Middle school builds on the academic fundamentals of the elementary grades, ensuring a strong foundation for student achievement in high school and postsecondary education. Students must master a broad and thorough knowledge base in reading, writing, mathematics, science, history and geography. Students also may participate in enhanced core curriculum programs, including the arts, media skills, world languages, computers, applied technology, physical education, health and consumer and family studies.

High School 9-12: The high-school curriculum ensures students are prepared for college and careers. All students are encouraged to take the academic core classes as defined by ACT and SAT. ACT defines the specific courses listed below as comprising the academic core. SAT defines the core as the 20+ credits below plus a world language.

4 or more years:
- English

3 or more years:
- Mathematics
- Social Studies
- Natural Sciences

2 or more years:
- Physical Education/Health

Advanced and rigorous curriculum is offered in all high schools through International Baccalaureate, Advanced Placement and Honors course work.

Academic Standards

The District Academic Standards provide students with the academic knowledge and skills they need to be successful in college, career and life. District teachers and administrators customize the State standards to clarify the high expectations that are a hallmark of a Cherry Creek School District Education

The District Academic Standards are available in the following content areas: English Language Arts, English Language, Mathematics, Performing Arts, Physical Education, Science, Social Studies, Technology, and World Languages. Each set of standards is organized around six critical components:

- Overarching Goals: The concepts and skills that all students must master to ensure their success in a postsecondary and workforce setting.
- Standards: The broad, topical organization of the content area.
- Grade Level Expectations: These articulate by grade level, the concepts and skills that indicate a student is making progress toward being ready for the next grade level, career or college.
- Priority Standards: All standards must be taught. The Priority Standards just receive greater instruction and assessment emphasis. Priority Standards represent the assured student competencies that each teacher needs to help every student learn and demonstrate mastery in by the end of the current grade or course. The following criteria are used to identify Priority Standards in each content area.
    - Endurance – lasting beyond one grade or course; concepts and skills needed in life
    - Leverage – crossover applicable within the content area and to other content area
    - Readiness for the next level of learning – prerequisite concepts and skills students need to enter a new grade level or course of study
    - External exams – standardized exams for which student must prepare.
- Supporting Standards: Supporting standards are taught in the context of the Priority Standard but do not receive the same degree of instructional time and assessment emphasis as the priority standards.
- Essential Skills; Essential skills that are necessary for success in college, career, and life.

Assessments

Assessments in the District serve various purposes from screening students for participation in District programming to monitoring student progress towards college and career preparedness and success.

The District Assessment System incorporates three vertically aligned assessments - the ACT Aspire Summative, the Pre-Act, and the District ACT. This system will act as the District's internal summative assessment system and serve three purposes:

- Create stability for measuring student, school, and district performance that is independent from changes to the State assessment system
- Maintain the District's long-standing recognition of the ACT assessment as the primary measure of College and Career Preparedness and Success
- Extend the measure of College and Career Preparedness and Success into elementary and early middle school grade levels

ACT Aspire Summative: (Grades 4-9): The ACT Aspire Summative is an online assessment designed to measure students' progress toward College and Career Preparedness and Success over the course of time. The ACT Aspire test battery produces scores that describe students' projected growth in English, reading, mathematics and science.

Pre-ACT: (Grade 10): The Pre-ACT is a paper/pencil assessment for 10th grade students that predicts performance on the 11th grade ACT.

District ACT: (Grade 11): The District ACT, like the Colorado ACT, is a college-reportable test that juniors can take at their school. It is also a paper/pencil test.

State Assessment Systems

CMAS (Colorado Measures of Academic Success): assesses student performance on the Colorado Academic Standards.

CMAS English Language Arts and Math: (Grades 3-8)

CMAS Science and Social Studies Summative: An assessment of Science and Social Studies. Grades 4 & 7 are assessed in Social Studies. Grades 5, 8, & 11 are assessed in Science.

COALT DLM (Colorado Alternate Student Assessment Dynamic Learning Map) ELA/L and Math: An alternate version of the CMAS for students with significant cognitive impairment. The COALT DLM ELA/L and Math assessments are available for students in grades 3-11.

Colorado Alternate Science and Social Studies: Alternate version of the CMAS for students with significant cognitive impairment. Grades 4 & 7 are assessed in Social Studies. Grades 5, 8, & 11 are assessed in Science.

Additional District Assessments

i-Ready: (Grades K-3): i-Ready by Curriculum Associates is an adaptive computer assessment which monitors student progress on State standards throughout the school year. Data is used for instructional planning and monitoring.

(CogAT) Cognitive Abilities Test: (Grade 2)
The CogAT measures students' learned reasoning abilities in the three areas most linked to academic success in school: Verbal, Quantitative and Nonverbal.

TCAP (Transitional Colorado Assessment Program): The TCAP measures and monitors annual status and growth on State standards. Grades 3-10 are assessed in reading, writing, and math. Grades 5, 8, and 12 also are assessed online in science. Grades 4, 7 and 12 are assessed online in Social Studies.

EXPLORE: (Grades 8 and 9): Measures and monitors annual status and progress toward college readiness. Precursor and predictor of the PLAN and ACT. The results help students understand their plans and goals for after high school and to find out if they are on track for college.

PLAN: Measures and monitors annual status and progress toward college readiness. Precursor and predictor of the ACT. This assessment is administered in the 10th grade.

COACT (Colorado ACT): (Grade 11) Measures and monitors annual status and progress toward college readiness. State mandated for 11th graders. Measures each student's content area performance as well as provides a composite score for all content areas combined.

MAP (Measures of Academic Progress): Monitors student progress and on State standards throughout the school year. Data is used for instructional planning and monitoring. MAP is administered to select students in Grades 2-12.

College Entrance Assessments:
SAT: (For all Graduating Seniors)
ACT: (for Graduating Seniors)

Colorado School Performance Framework

The performance frameworks measure attainment on the four key performance indicators identified in Senate Bill 09-163 as the measures of educational success: academic achievement, academic longitudinal growth, academic gaps and postsecondary and workforce readiness. State identified measures and metrics for each of these performance indicators are combined to arrive at an overall evaluation of a school's or a district's performance. For districts, the overall evaluation leads to their accreditation. For schools, the overall evaluation leads to the type of plan schools will implement.

Schools are assigned to an improvement plan category based on an index calculated from overall performance and growth on State assessments and graduation/dropout rates. Schools are assigned to one of four types of school plans:

- Performance Plan
- Improvement Plan
- Priority Improvement Plan
- Turnaround Plan

Schools and District with low participation will have one of the following added to their plan type.

- Low Participation will be added to the ratings for schools and districts with test participation rates below 95 percent in two or more content areas. The participation rate used for this descriptor includes students as non-participants if their parents formally excused them from taking the tests.

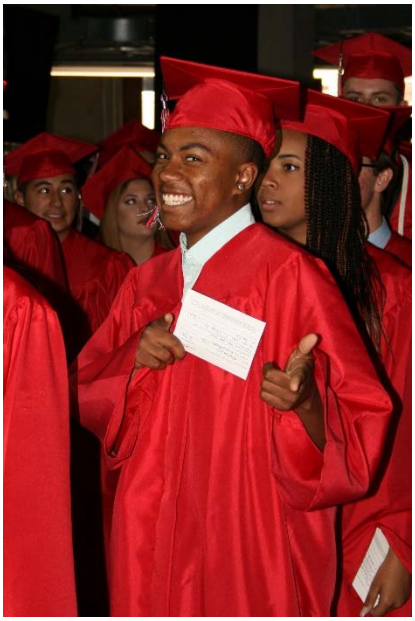
- Decreased Due to Participation indicates the plan type or rating, was lowered one level because assessment participation rates fell below 95 percent in two or more content areas. Parent refusals are excluded from the calculations used for this descriptor. According to a State Board of Education motion, schools and district will not be held liable for parental excusals.

For the last measurement period, most of the District's schools are included in the top two plans with 84% of Cherry Creek schools assigned to Performance Plans, 13% assigned to Improvement Plans and 3% assigned to Turnaround Plans.

The District Performance Framework assigns to each district one of five accreditation categories:

- Accredited with Distinction: The district meets or exceeds Statewide attainment on the performance indicators and is required to adopt and implement a Performance Plan.
- Accredited: The district meets Statewide attainment on the performance indicators and is required to adopt and implement a Performance Plan.
- Accredited with Improvement Plan: The district is required to adopt and implement an Improvement Plan.
- Accredited with Priority Improvement Plan: The district is required to adopt and implement a Priority Improvement Plan.
- Accredited with Turnaround Plan: The district is required to adopt and implement a Turnaround Plan.

The District is rated as Accredited - Low Participation.



MAJOR INITIATIVES

District Goals

Inclusive Excellence – raising the academic achievement of all students, closing the gap between the highest- and lowest- performing students, and eliminating the predictability of achievement by race.

College and Post-Secondary Preparedness and Success – preparing students for success in college and other post-secondary options, including vocational education, the military, and the workforce.

Major Improvement Strategies and Key Action Steps are those strategies and steps that are being employed District-wide to help meet District Goals.

- Provide all students with the opportunity to learn challenging academic concepts through interdisciplinary, real-world applications in Science, Technology, Engineering and Mathematics.
- Provide all students the opportunity to learn challenging academic content so that they are prepared for college and from high school.
- Provide equitable academic experiences which include all students in excellence.
- Establish strong positive relationships between parents of students of color and school and District staff.
- Develop and implement a systemic plan for professional learning for all Cherry Creek School District Employees.
- Create/sustain supportive learning environments in which each student feels safe, respected as a learner, and connected with adult staff, other students, and the community.

Key Performance Indicators and Targets for Schools - progress toward District Goals is demonstrated by increasing the number of schools that meet the District Targets for Key Performance Indicators including Academic Achievement, Academic Growth, and College Readiness.

The Cherry Creek School District Instructional System:

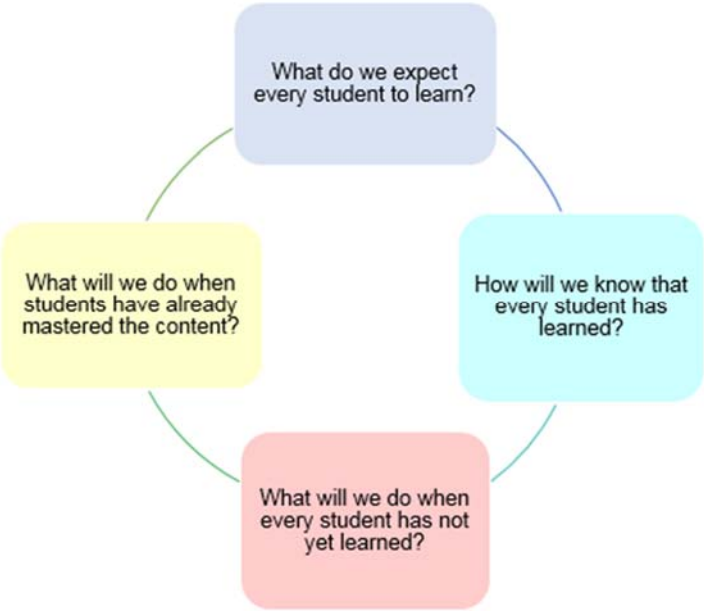
- Articulates high expectations for all students through challenging academic standards and workforce skills
- Measured by comprehensive assessment system;
- Delivered through high quality instruction that is culturally responsive, coupled with a system of intervention and enrichment/acceleration;
- Supported by a safe, inclusive and engaging learning environment;
- Taught by effective teachers who are supported through Professional Learning;
- Publically reported through the accountability system; and with
- Focused improvement through the PLC process.

Professional Learning Communities

A Professional Learning Community (PLC) is an ongoing process in which educators commit to working collaboratively in reoccurring cycles of collective inquiry and action research, asking why and how to achieve better results for the students they serve.

In a PLC, educators focus on collaborative inquiry into four questions as they seek to improve the learning experience for all students. The dialogue that results from inquiry and action research results in changes to professional practice, deepens understanding of academic content, and solidifies commitments to students, community and each other.

PLCs operate under the assumption that the key to improved learning for students is continuous, job-embedded learning for educators.



Safety and Security

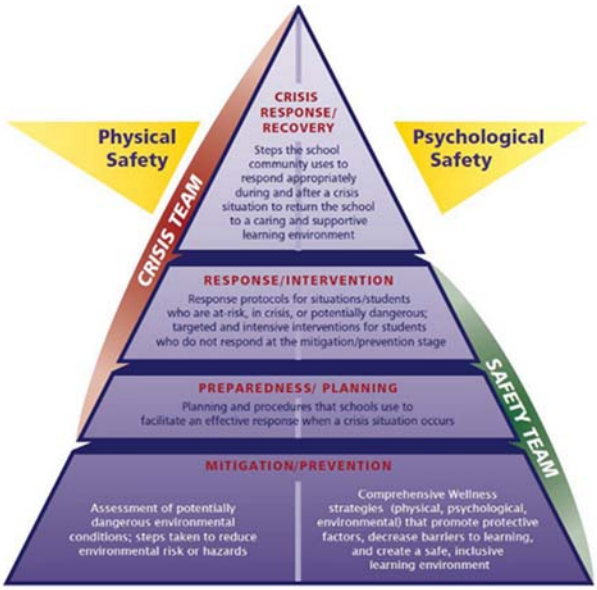
The District is committed to creating safe, respectful, and inclusive learning environments where all community members work together to promote academic excellence, civil behaviors, and social competence. All staff, students, and parents help create safe schools. This emphasis has resulted in a Comprehensive Safe Schools Plan that includes a purposeful connection between physical safety/security and the "psychological safety" of students.

Physical safety includes measures such as visitor check-in and identification badges, video surveillance, preparedness planning, and practice drills to prepare for a variety of potential incidents. District and school crisis plans are aligned with the recommendations of State Homeland Security, local emergency responders, and public safety officials and use the general response practices outlined in the National Incident Management System.

Psychological safety provides for the social-emotional well-being of students and works to create positive school climates through measures such as asset development, bullying prevention, Positive Behavior Supports, and early identification and intervention for at-risk students.

The District's Safe Schools Design Team, composed of staff from various District departments and schools, continually updates the District's planning and resources to reflect current needs and world events. Over the past several years, the District's safety efforts have been responsive to events such as Columbine and other school related shootings, September 11th, and the potential threat of domestic terrorism. Training and practice drills for staff and students have been held to contribute to preparedness for potential crisis events.

Each school has a functioning school safety team that monitors the building plan for both psychological and physical safety, and a crisis response & recovery team that oversees and implements the school's crisis response plan when needed. Major components of the District Comprehensive Safe Schools Plan and school safety plans as recommended by the US Department of Education (2004) are conceptualized as a continuum of efforts represented by the District safety triangle.



Cherry Creek School District
Comprehensive Safe Schools Plan

Prevention steps are taken to ensure that:

C - Communities are connected, inclusive and work to prevent bullying
A - Asset-building is integrated into the school, family and community
R - Responsive decision-making is based on data
E - Expectations are clearly communicated to students, staff and parents
S - Socio-emotional behavior skills are taught

Preparedness includes plans that schools develop to facilitate an effective response when a crisis situation occurs. This also includes planning for effective interventions with youth who demonstrate behavioral difficulties, including training of all staff, students and parents in Early Warning Signs of Violence: Getting Help for Troubled Children.

The District and schools have response protocols for situations and/or students who are at-risk, in crisis or potentially dangerous. Interventions are designed for students who may not respond to prevention efforts. This also includes implementing the District team danger assessment process, and using the RTI/Problem Solving Process when needed.

Recovery includes the steps the school community uses to respond appropriately during and after a crisis situation for the care and recovery of students and staff. The goal is to return the school to a caring and supportive learning environment.

School Bond Election and School Facilities

The mission of the Long-Range Facility Planning Committee (LRFPC), an advisory committee to the Board of Education, is to promote “Excellence in Education” by recommending cost-effective plans for the use of capital facilities. Toward this end, the committee evaluates issues such as new construction, renovation of existing facilities, attendance boundaries, and 4-track calendar issues from a K-12 facilities perspective, while honoring diversity among facilities and populations within the District.

The LRFPC engaged in an in-depth, 18-month process to develop the current Five-Year Facility Plan for District needs through the 2020-2021 school year. In February 2016, the LRFPC voted to finalize their formal recommendations to the Superintendent and the Board of Education. The Board of Education unanimously voted to support a bond and budget election at the April 11, 2016 Board Meeting, which was approved by voters in November 2016.

The budget election provides $29.4 million in operating funds during fiscal year 2017-2018 to:

- Maintain class sizes throughout all grades to properly manage student growth.
- Prepare students for success in college and the workforce by investing in comprehensive curriculum and instruction.
- Continue the District’s commitment to academic excellence by providing an educational program of the highest quality and meeting the highest standards.
- Ensure every student has access to STEM (science, technology, engineering, and mathematics) instruction for success in the 21st century.
- Recruit and retain a quality teaching staff.

The bond election provides $250 million for:

Career and Innovation Technology ($77.7 million): Through the community-based Cherry Creek 2021 process of updating graduation requirements, parents, students, staff, District graduates, local business and industry owners determined that the District must prepare students differently for the workforce they will enter in the future. A focus on innovation, critical thinking, real world experiences, project-based learning, relevancy, communication skills, adaptability and working in teams is critical.

- Every elementary school will receive $500,000, and every middle school will receive $750,000 to work collaboratively with their community to renovate space to support 21st-century teaching and learning.
- The District will construct and equip a new Career and Innovation Academy to increase the pathways for students to complete high school. This building will be a stand-alone, central facility available to all District 11th and 12th grade students to ensure preparation for college and careers in the 21st century.
- Information systems upgrades will include wireless network, web filtering and firewall systems, data center upgrades, classroom projection improvements, technology asset management and timekeeping software.

New Facilities and Major Renovations ($90.8 million): New facilities to support continued student growth and class sizes and provide a healthy learning environment to all students and teachers.

- New elementary school to alleviate overcrowding at Pine Ridge, Coyote Hills, and Black Forest Hills.
- New middle school to alleviate overcrowding at Fox Ridge.
- Major renovations include: New special education Transition Center, gym at Cherry Creek Academy, high traffic redesign at the Cherry Creek High School campus, Horizon breezeway, and identified cafeterias.
- Stutler Bowl track and turf is near the end of its product life, requiring replacement for safety and liability.

Safety and Security ($1.9 million): The number one priority is the safety and security of students and staff. Students and school staff must be as prepared as they possibly can be, at all times, for the unexpected.

- Communication: Radio system upgrades, uniform dispatch center, CARE Line upgrades.
- Physical Safety: Additions to the surveillance system, police Knox boxes, key cards, laminate glass.

Maintaining Community Investment ($79.7 million): It is important that the school foundation (buildings and equipment), where students attend school, is maintained for current and future generations.

- Significant investment in the foundation includes:
    - Fire Protection
    - Roofing, Carpet and Flooring
    - Mechanical/Electrical/Plumbing
    - Doors/Hardware/Keying
    - Utility/Specialty Infrastructure
    - Tennis Courts/Tracks

Among other factors, the committee considers the age and condition of all the District buildings in determining projects to include in the bond issue. All of the District's buildings are of new construction or have had maintenance and renovations to maintain the buildings. A detail of each school's size, capacity, enrollment and year of opening is included in Schedule 19 of the Statistical Section on pages 158 to 162.

FINANCIAL INFORMATION

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

Single Audit

As a recipient of federal financial assistance, the District is also responsible for ensuring that an adequate internal control structure is in place, including that portion related to federal financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations. The results of the District's single audit for the fiscal year ended June 30, 2018, noted an internal control deficiency related to the grant application process but indicated no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

Budgetary Controls

The District maintains numerous budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget adopted by the Board of Education. Activities of all funds are included in the District's financial plan. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the individual fund level.

The District also maintains an encumbrance accounting system to account for commitments for goods and services, which have not yet been provided or rendered. Encumbrances outstanding at year-end are not reported as expenditures in the financial statements for GAAP purposes, but are reported as assignment of fund balance for subsequent years' expenditures based on the encumbered appropriation authority carried over. Budgets for all fund types are adopted on a basis consistent with GAAP.

The District's financial plan, adopted in June of the year prior to the budget year, may be amended by the Board of Education or management. Management may amend individual lines within the budget. The Board of Education may revise the budget due to unforeseen circumstances, which did not exist at the time of the original budget adoption, such as emergencies or unanticipated revenues.

Accounting Policies

Detailed descriptions of the District's accounting policies are contained in the Notes to Basic Financial Statements on pages 59-105, and they are an integral part of this report. These policies describe the basis of accounting, funds and accounts used, valuation policies for inventories and investments, and other significant accounting information. No unusual situations or transactions occurred during the 2017-2018 fiscal year related to District accounting policies.

OTHER INFORMATION

Independent Audit

Under the provisions of the Colorado statutes, an annual audit of the District's financial statements must be performed by an independent public accounting firm licensed to practice in Colorado. The independent public accounting firm of CliftonLarsonAllen LLP was selected by the District to perform the audit for the fiscal year ended June 30, 2018. In addition to meeting the requirements of the Colorado statutes, the audit was also designed to meet the requirements of the provisions of the U.S. Office of Management and Budget guidance outlined in the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.* The Independent Auditors' Report on the basic financial statements, the combining and individual fund statements and schedules, and supplementary information included in the financial section is on pages 31-33 of the Financial Section. The Independent Auditors' Report related specifically to the single audit is included in the Single Audit Reports Section.

Awards

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting, and the Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2017. In order to be awarded a Certificate of Achievement and the Certificate of Excellence, the District published an easily readable and efficiently organized Comprehensive Annual Financial Report. This report satisfied both generally accepted accounting principles and applicable legal requirements. The Certificate of Achievement and the Certificate of Excellence are valid for a period of one year. The District has received a Certificate of Achievement and a Certificate of Excellence for the last twenty five consecutive fiscal years.

We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement and Certificate of Excellence programs' requirements and we are submitting it to GFOA and ASBO respectively to determine its eligibility for another certificate.

The Distinguished Budget Presentation award was conferred by GFOA to the District for its fiscal year 2017-2018 budget document. In addition, the ASBO awarded its Meritorious Budget Award to the District for the fiscal year 2017-2018 budget document.

Acknowledgments

The preparation of the Comprehensive Annual Financial Report on a timely basis could not be accomplished without the efficient and dedicated services of the members of the staff of the Fiscal Services Division, as well as the independent auditors, the members of the Publications Department, and administrative staff. We would like to express our appreciation to all staff members who assisted and contributed to its preparation. We would also like to thank the members of the Cherry Creek School District Board of Education for their interest and support in planning and conducting the financial operations of the District in a responsible and progressive manner.

Respectfully submitted,

Dr. Scott Siegfried
Superintendent

David D. Hart
Chief Financial Officer

Cherry Creek Schools

Dedicated to Excellence

ASBO International Certificate of Excellence in Financial Reporting

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS INTERNATIONAL

The Certificate of Excellence in Financial Reporting is presented to

Cherry Creek School District

for its Comprehensive Annual Financial Report (CAFR) for the Fiscal Year Ended June 30, 2017.

The CAFR has been reviewed and met or exceeded ASBO International's Certificate of Excellence standards.

CERTIFICATE OF EXCELLENCE IN FINANCIAL REPORTING

Charles E. Peterson, Jr., SFO, RSBA, MBA
President

John D. Musso, CAE
Executive Director

GFOA Certificate of Achievement for Excellence in Financial Reporting

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Cherry Creek School District No. 5

Colorado

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

June 30, 2017

Christopher P. Morrill

Executive Director/CEO

Elected Officials

Board of Education

District A	Eric Parish
District B	Janice McDonald
District C	David Willman
District D	Kelly Bates
District E	Karen Fisher

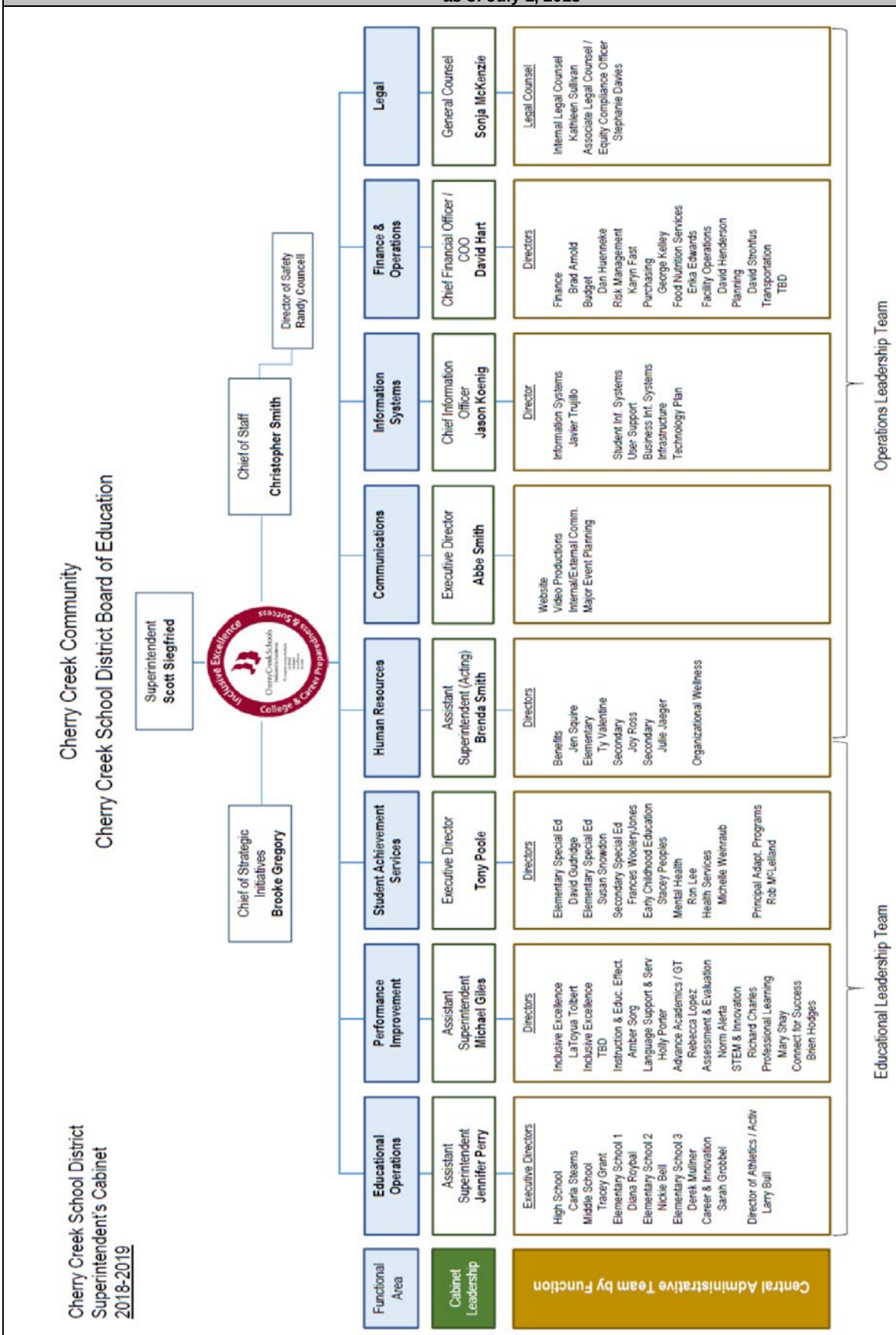
Appointed Officials

District Cabinet Leadership Team

Superintendent	Dr. Scott A. Siegfried
Chief of Staff	Christopher Smith
Chief of Strategic Initiatives	Brooke Gregory
Assistant Superintendent	Michael Giles
Assistant Superintendent	Jennifer Perry
Assistant Superintendent (Acting)	Brenda Smith
Chief Financial Officer / COO	David D. Hart
Chief Information Officer	Jason Koenig
General Counsel	Sonja McKenzie
Executive Director	Tony Poole
Executive Director	Abbe Smith

CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO

Administrative Organizational Chart
as of July 1, 2018



CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO
Administrative Functions
as of July 1, 2018

CHERRY CREEK SCHOOL DISTRICT ADMINISTRATIVE FUNCTIONS

Superintendent
Dr. Scott Siegfried

Chief of Strategic Initiatives
Brooke Gregory

Chief of Staff
Christopher Smith
Director of Safety
Randy Councell

Assistant Superintendent
Educational Operations
Jennifer Perry

Innovation
Supervision of Schools
Elementary Schools
- Principals
- Challenge School
- Charter Schools
- Extended Child Services

Middle Schools
- Principals

High Schools
- Principals
- North Area Achievement Support
- Endeavor Academy
- Options Program
- Concurrent Enrollment

Athletics & Activities

Career & Technical Education

Dedicated to Excellence
Cherry Creek Schools

Assistant Superintendent
Performance Improvement
Michael Giles

Curriculum & Instruction
- Content & Instructional Technology Coordinators & Coaches
- Professional & On-line Learning
- S.T.A.R. Mentor Program
- Advanced Academic Services-G/T
- Media Services

Inclusive Excellence
- District P.A.S.S. & Equity Teams
- AVID/Language Support & Services
- Cultural Liaison & Title I

Assessment & Evaluation
- Districtwide Testing
- District & School Performance Improvement Reports
- District Accountability Committees

Funded Projects
- Federal/State/Local Grants

Science, Technology, Engineering, & Mathematics (STEM)

Assistant Superintendent
Human Resources (Acting)
Brenda Smith

Human Resources Services
- Administrative Leadership Academy
- Background Checks
- Benefits-Health Insurance
- Employee Negotiations/ Relations
- Licensure/NCLB Liaison
- Post-employment Certified Relations
- Pre-employment Recruitment
- Student-Teacher Placement/ Substitutes
- Teacher & Administrator Recruitment
- Teacher & Classified Evaluations
- Organizational Wellness

Dedicated to Excellence
Cherry Creek Schools

Chief Financial Officer/COO
Finance & Operations
David Hart

Accounting
- Accounts Payable/Payroll
- Accounting/Reporting
- General Fixed Assets
- Investments

Budget
- Budget Preparation
- Financial Planning/Projections
- Financial Systems

Legislative Liaison

Risk Management
- Property & Casualty Insurance
- Workers' Compensation Claims
- Risk Assessment
- Workforce/Facility Safety Programs

Procurement/Printing
- Purchasing
- Printing Services
- Warehouse/Mail Delivery

Facilities Maintenance
- Facility Planning
- Construction/Renovation
- Custodial Maintenance
- Grounds/Carpentry

Facilities Support
- Utilities/Energy Conservation

Planning & Interagency Relationships
- Admissions/Records
- Intra/Inter-District Choice
- Interagency Relations
- Planning/Boundaries

Food & Nutrition Services
- Catering
- Food Services Operations

Transportation

Prevention/Bully-Prevention
Safety & Security
- Security Teams
- Crisis Response
- School Safety Planning
- Safe Schools Design Team

Executive Director
Student Achievement Services
Tony Poole

Student Achievement Services
- Adaptive Programs
- Colorado Preschool & Early Childhood
- Expulsion Program & Foote Youth Services
- Head Start
- Interdisciplinary Teams
- Mental Health
- Out-of-District Placement
- Special Education
- Transition Program

Health Services & Wellness
- School Nurses
- Pandemic Planning
- Comprehensive Wellness Strategy
- Physical, Psychological, & Environmental Wellness

Chief Information Officer
Information Systems
Jason Koenig

Information Systems
- Student Information Systems
- User Support
- Business Information Systems
- Infrastructure

General Counsel
Legal
Sonja McKenzie

Legal Matters
- Board Policies/Contracts
- District Compliance Issues
- Elections
- EEOC/CCRD/OCR Matters
- Liaison-Outside Counsel

Executive Director
Communications
Abbe Smith

Public & Districtwide Communications
- Website
- Video Productions
- Internal/External Communications
- Major Event Planning

Cherry Creek Schools

Dedicated to Excellence

FINANCIAL SECTION

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT

Board of Education
Cherry Creek School District No. 5
Arapahoe County, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Cherry Creek School District No. 5 (the District), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the entity'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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Cherry Creek Academy and Heritage Heights Academy, which represent 100 percent of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for Cherry Creek Academy and Heritage Heights Academy, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of Cherry Creek Academy and Heritage Heights Academy 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 auditors' 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.

A member of Nexia International

Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the District as of June 30, 2018, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

The District adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. As a result of the implementation of GASB Statement No. 75 as described in Note 19 to the financial statements, the District reported a restatement for the change in accounting principle. Our opinions are not modified with respect to the restatement.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 35-50 and pension and other postemployment benefit information on pages 107-113 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, the combining component unit financial statements, the schedules of revenues, expenditures and changes in fund balance – budget and actual for the Bond Redemption Fund, Building Fund, Capital Reserve Fund, Designated Purpose Grants Fund, Extended Child Services Fund, Food Services Fund, and Pupil Activities Fund, and the State required schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules, the combining component unit financial statements, the schedule of expenditures of federal awards, the schedules of revenues, expenditures and changes in fund balance – budget and actual for the Bond Redemption Fund, Building Fund, Capital Reserve Fund, Designated Purpose Grants Fund, Extended Child Services Fund, Food Services Fund, and Pupil Activities Fund, and the State required 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory 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 have also issued our report dated October 15, 2018, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Greenwood Village, Colorado
October 15, 2018

Cherry Creek Schools

Dedicated to Excellence

Management's

Discussion

and

Analysis

Cherry Creek Schools

Dedicated to Excellence

Cherry Creek Schools

Dedicated to Excellence

Management's Discussion and Analysis
Cherry Creek School District No. 5
Arapahoe County, Colorado
June 30, 2018

As management of the Cherry Creek School District No. 5, Arapahoe County, Colorado (the District), we offer readers of the District's Comprehensive Annual Financial Report (CAFR) this narrative and analysis of the financial activities of the District for the fiscal year ended June 30, 2018. We encourage readers to consider the information presented here in conjunction with additional information that can be found in the Letter of Transmittal on pages 5-23.

Financial Highlights

Financial statements presented in the CAFR include both government-wide financial statements and fund financial statements. The differences in these two presentations are presented in more detail starting on page 37.

The District has a negative net position. The governmental liabilities and deferred inflows of resources exceed its assets and deferred outflows of resources by $1,689.1 million. This negative net position is the result of the application of Governmental Accounting Standards Board (GASB) Statement No. 68 *Accounting and Financial Reporting for Pensions* (GASB 68) and Statement No. 75 Accounting and Financial Reporting for Other Post Employment Benefits(OPEB) (GASB 75). The fiscal year ended June 30, 2018 is the fourth year that the District has been required to apply GASB 68 and the first year of GASB 75. These GASB pronouncements are discussed in more detail under Accounting Pronouncements on page 38.

GASB 68 revised and established new financial reporting requirements for governments that provide their employees with pension benefits. The District provides its employees with pension benefits through a multiple employer cost-sharing defined benefit retirement program administered by the Public Employees' Retirement Association of Colorado (PERA).

Among other requirements, the District is required to report its proportionate share of the total PERA net pension liability (NPL) in its government-wide financial statements. The District's share of the PERA NPL is $2,596.9 million as of June 30, 2018. Inclusion of this figure in the government-wide financial statements does not indicate that the District has a liability to pay the amount shown. The District's liability is limited to the annually required contributions established by the State Legislature.

GASB 75 revised and established financial reporting requirements for governments that provide their employees with other post employment benefits. The District provides its employees with OPEB through the Health Care Trust Fund (HCTF), a cost-sharing multiple employer defined benefit OPEB plan administered by PERA.

Similar to GASB 68, GASB 75 requires the District to report its proportionate share of the total PERA HCTF net OPEB liability in its government-wide financial statements. The District's share of the PERA HCTF net OPEB liability is $59.3 million as of June 30, 2018.

Fund level statements, including the General Fund statements, are not impacted by GASB 68 and GASB 75 reporting.

The net position of the District's governmental activities includes $175.6 million net investment in capital assets; net position of $82.0 million restricted for debt service payments, required emergency reserves, restricted cash and food service operations; and an unrestricted net position balance of $(1,946.7) million. The unrestricted balance is negative due to the effects of GASB 68 and GASB 75. The unrestricted balance is also different than what would be reflected on a governmental fund accounting basis due to the accounting treatment in the government-wide statements of accrued salaries and benefits earned but unpaid and compensated absences payable. Under governmental fund accounting, long term compensated absences are not recorded in governmental funds as a liability because they are not payable with current funds.

The total net position of the District's governmental activities decreased by $474.3 million during fiscal year 2017-2018. This decrease in net position on a government-wide basis is in contrast to an increase in fund balance on a governmental fund basis. Several large factors impact differences between the two methods. The reconciliation between the two methods is found on page 57. The last two reconciling items on page 57 shows the effect of GASB 68 and GASB 75 on net position. The District's share of the NPL of PERA increased by $229.7 million (from $2,367.2 million at June 30, 2017 to $2,596.9 million at June 30, 2018). The impact of that increase in NPL is an increase in pension expense reflected in the Statement of Activities. The District's share of the net OPEB liability is $59.3 million at June 30, 2018 (first year presented). If not for the effect of GASB 68 and GASB 75, the District would show an increase in net position.

While the total net position of the District's governmental activities decreased, the fund balance of the District's governmental funds increased. In addition to the effect of GASB 68 and GASB 75 discussed above, the difference is due primarily to the treatment of the issuance of debt for building projects and the spending of funds in the Capital Projects - Building Fund. Fund balance increased from the sale of bonds related to the successful passage of a $250.0 million bond election discussed in more detail in the following paragraphs. On a governmental fund basis, the capital outlays associated with Building Fund projects are reflected as a reduction of the fund balance while on a government-wide basis the capital outlay is reflected as an increase in capital assets. The issuance of debt is reflected as an increase of the fund balance on a governmental fund basis, while the bond issuance is reflected as a liability on a government-wide basis. Another difference is the treatment of the payment of principal on long term debt. Debt is reflected as a liability on the government-wide statements while long term debt is not reflected in the governmental fund statements.

Depreciation expense begins on new capital expenditures upon completion of the projects which has the effect on the government-wide statements of reducing net position. While the repayment of bond principal is an expenditure on a governmental fund basis, those payments reduce long term liabilities on the government-wide statements and do not reduce net position. The net effect from capital related activity for the District is a $97.9 million increase in net position and the net effect of debt related activity is a decrease of $111.2 million in net position on a government-wide basis compared to the impact on changes in fund balance on a governmental fund basis.

Fund balance of the District's governmental funds increased by $23.2 million resulting in an ending fund balance of $338.4 million.

The General Fund had an increase in fund balance of $7.7 million. In order to address reductions in funding while minimizing the use of District reserves and to provide for long term capital needs, the Board of Education called for an election to be held on November 8, 2016 asking the voters to increase the mill levy budget override by an initial amount of $23.9 million or twenty-five percent of total program funding to provide additional funding to the District. Due to an increase in total program funding, this mill levy budget override amounts to $29.4 million for fiscal year 2017-2018. The Board also asked voters to approve a bond election of $250.0 million to help prepare the District infrastructure to ensure all students are prepared for success. The successful passage of the mill levy budget override is the primary reason for the increase in fund balance. The General Fund is discussed more fully on page 46.

The Capital Projects - Building Fund had an increase in fund balance of $9.4 million. On November 8, 2016, the District voters approved a bond and mill levy budget override. The bond election provides $250.0 million for long-term costs including career and innovation technology which includes renovating space at each elementary and middle school to support 21st-century teaching and learning; a new Career and Innovation Academy to increase the pathways for students to complete high school; information systems upgrades; new facilities including an new elementary and middle school; major renovations and maintenance which include fire protection, roofing, carpet, flooring, mechanical, electrical, plumbing; and safety and security. In October 2017, the District sold $100.0 million of District General Obligation debt as the final part of the $250.0 million debt authorization approved by District voters in November 2016. The District sold the first $150.0 million of General Obligation Debt in the prior fiscal year. The remaining proceeds from both of those bond issues not yet spent on projects reside in the Capital Projects – Building Fund. Planned capital outlay associated with those projects during the year is reflected as expenditure and reduces fund balance.

The Debt Service – Bond Redemption Fund had an increase of $8.1 million in fund balance due to property tax and other revenues in excess of required payments on outstanding debt. The nonmajor governmental funds had a decrease of $1.9 million in fund balance from operations primarily from decreased fund balance in the Special Revenue Fund - Capital Reserve Fund.

The District's long-term obligations increased by $111.9 million to $752.6 million. The increase is the net result of issuing $100.0 million of District General Obligation debt as discussed above, a 7.3 million capital lease entered into during the year for the purchase of school buses, $15.2 million in a Certificate of Participation, $75.5 million advance refunding and by the scheduled current year payments on existing debt. Further discussion of long-term debt is also found on page 48.

Overview of the Financial Statements

Management's Discussion and Analysis is intended to serve as an introduction to the District's basic financial statements. This document also provides a comparison to the prior year's activity. The basic financial statements presented on pages 51-105 are comprised of three components: 1) Government-Wide Financial Statements, 2) Fund Financial Statements, and 3) Notes to the Basic Financial Statements. This CAFR also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The Government-Wide Financial Statements are designed to provide the reader of the District's CAFR a broad overview of the financial activities in a manner similar to a private sector business. The Government-Wide Financial Statements include the Statement of Net Position and the Statement of Activities.

The Statement of Net Position presents information about all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. The difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources is reported as net position. Over time, changes in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities presents information showing how the net position of the District changed during the current fiscal year. Changes in net position are recorded in the Statement of Activities when the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement even though the resulting cash flow may be recorded in a future period.

Both of the Government-Wide Financial Statements distinguish functions of the District that are supported from taxes and intergovernmental revenues (governmental activities) and other functions that are intended to recover all or most of their costs from user fees and charges (business-type activities). Governmental activities consolidate Debt Service Fund, Capital Projects Funds, and Special Revenue Funds. The District only reports governmental activities since it does not currently have any business-type activities.

The Government-Wide Financial Statements can be found on pages 51-53 of this report.

Accounting Pronouncements

PERA adopted GASB No. 67, *Financial Reporting for Pension Plans* (GASB 67), effective for the year ending December 31, 2014. GASB 67 establishes a shift in financial disclosure requirements from a funding-based approach to an accounting-based approach. GASB 67 requires a different approach for determining the net pension liability (NPL) as opposed to the previously disclosed unfunded accrued actuarial liability (UAAL).

Actuarially determined contributions ("ADC") have replaced annual required contributions ("ARC") as the gauge of the adequacy of the State's statutory contribution rates. GASB 67 requires the disclosure of the amount of contributions, the ADC amount and the difference between those amounts. The ADC is calculated using the investment rate of return and discount rate assumptions according to the PERA Board's Funding policy (currently 7.25%). An ADC deficiency arises when contributions are less than the ADC.

The District has no legal obligation to fund PERA's UAAL or ADC, nor does it have any ability to affect funding, benefits or annual required contribution decisions made by PERA in administering the defined benefit pension plan.

Effective with fiscal year 2014-2015, the District was required to apply GASB 68. GASB 68 significantly changed pension accounting and financial reporting by requiring a NPL on the statement of net position. Historically, an unfunded pension obligation for employers in a cost-sharing plan, such as PERA, was considered a liability to be reported in future periods. Information about the total liability, unfunded and funded, was disclosed only in the notes to the financial statements and as required supplemental information. Financial statements now reflect a NPL based on a model similar to single employer plans.

The current period pension expense primarily results from changes in the components of the NPL. NPL is computed as the difference between the employer's obligation to provide pension benefits earned and funding of those benefits (the plan assets held in trust); pension amounts earned by current and former employees for past services are recorded as a liability in current statements, not in future statements. Most causes of change in the NPL are included in pension expense immediately. Changes resulting from certain causes are introduced into pension expense over multiple periods.

See Note 13 on pages 83-92 in the Notes to Basic Financial Statements for the full disclosure related to PERA under GASB 68.

Effective with fiscal year 2017-2018, the District was required to apply GASB 75. GASB 75 significantly changed OPEB accounting and financial reporting by requiring a net OPEB liability on the statement of net position. Historically, an unfunded OPEB obligation for employers in a cost-sharing plan, such as PERA HCTF, was considered a liability to be reported in future periods. Previously, information about the total liability, unfunded and funded, was disclosed only in the notes to the financial statements and as required supplemental information.

See Note 14 on pages 93-101 in the Notes to Basic Financial Statements for the full disclosure related to PERA HCTF under GASB 75.

Fund Financial Statements

Fund financial statements are designed to demonstrate compliance with finance-related requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific objectives. Fund financial statements for the District include one of the three possible fund types. The fund type presented by the District only includes governmental funds. The District currently does not have activities that require the use of proprietary or fiduciary fund types.

Governmental funds account for essentially the same information reported in the governmental activities of the Government-Wide Financial Statements. However, unlike the Government-Wide Statements, the governmental fund financial statements focus on near-term financial resources and fund balances. Such information may be useful in evaluating the financing requirements in the near term.

Since the governmental funds and the governmental activities reports use the same functions, it is useful to compare the information presented. Because the focus of each report differs, reconciliations are provided on the fund financial statements to assist the reader in comparing the near-term requirements with the long-term needs.

The District maintains eight different governmental funds. The major funds are the General Fund, the Capital Projects - Building Fund, and the Debt Service – Bond Redemption Fund. They are presented separately in the fund financial statements with the remaining governmental funds combined into a single aggregated presentation labeled Nonmajor Governmental Funds. Individual fund information for the nonmajor governmental funds is presented as Supplementary Information elsewhere in this document.

The District adopts an annual appropriated budget for each of the governmental funds. A budgetary comparison schedule for the General Fund is included in the Basic Financial Statements to demonstrate compliance with the adopted budget. The remaining governmental funds budgetary comparisons are reported as Supplementary Information.

The Basic Governmental Fund Financial Statements can be found on pages 54-58 of this report.

Notes to the Basic Financial Statements

The Notes to the Basic Financial Statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes can be found on pages 59-105 of this report.

Supplementary Information

In addition to the Basic Financial Statements and accompanying notes, the CAFR also contains supplemental information concerning the District's non-major governmental funds, Combining Statements of Component Units, and schedules required as part of the Colorado Public School Finance Act and GASB 68 and GASB 75 required schedules. Combining and individual fund statements and schedules can be found on pages 116-124 of this report. The additional schedule required as part of the Colorado Public School Finance Act can be found on pages 127 of this report. The GASB 68 and GASB 75 schedules can be found on pages 107-113 of this report. The combining statements for the discretely presented component units can be found on pages 125-126.

Government-Wide Financial Analysis

The assets of the District are classified as current assets and noncurrent assets. Cash and investments, receivables, inventories, and prepaid expenses are current assets. These assets are available to provide resources for the near-term operations of the District. The majority of the current assets are the result of the property tax collection process; the District receives about 95% of the annual property tax assessment by the end of June.

Noncurrent assets include capital assets used in the operations of the District. Capital assets are land, improvements, buildings, equipment, vehicles, and projects in progress. Capital assets are discussed in greater detail in the section titled Capital Assets and Long-term Debt found elsewhere in this analysis.

Deferred outflows of resources are a consumption of net position that is applicable to a future reporting period. This has a positive effect on net position, similar to assets.

Current and long-term liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, accrued salaries and benefits, unearned revenues, and current debt obligations. The liquidation of current liabilities is anticipated to be either from currently available resources, current assets or new resources that become available during fiscal year 2018-2019. Long-term liabilities such as long-term debt obligations, compensated absences payable and net pension liability will be liquidated from resources that will become available after fiscal year 2018-2019.

Deferred inflows of resources are an acquisition of net position that is applicable to a future reporting period. This has a negative effect on net position, similar to liabilities.

Net position is the residual of all elements presented in a Statement of Net Position equal to assets plus deferred outflows less liabilities less deferred inflows.

The liabilities and deferred inflows of resources of the primary governmental activities exceed assets and deferred outflows of resources by $1,689.1 million. Total net position of the primary government does not include internal balances.

A net investment of $175.6 million in land, improvements, buildings, equipment, and vehicles, provide services to the District's 55,121 public school students. Net position of $53.7 million, accumulated due to voter approved bonded debt mill levy assessments, have been restricted to provide resources to liquidate the current general obligation bond principal and related interest payments. The net position of Food Services operations of $5.5 million is restricted for that fund's use only. The required emergency reserves of $18.8 million have also been restricted. Investments in trust related to capital lease proceeds not yet released for expenditures are required to be restricted in the amount of $3.9 million.

As mentioned earlier, unrestricted net position is different than what would be reflected on a governmental fund accounting basis. This is due to GASB 68 and GASB 75 along with the accounting treatment in the Government-Wide Statements of accrued salaries and benefits earned but unpaid and compensated absences payable. The $36.1 million long-term portion of compensated absences is recorded as a liability on the Government-Wide Statements, but not on the governmental fund statements because they are not payable with current funds. The GASB 68 NPL is reported in the same manner as compensated absences and is $2,596.9 million. The GASB 75 OPEB liability is reported in the same manner and is $59.3 million.

Cherry Creek School District No. 5 Comparative Summary of Net Position as of June 30, 2018 and 2017 (in millions)		
	Primary Government	
	Governmental Activities	
	2018	2017
Assets:		
Capital assets	$ 773.4	$ 675.5
Other assets	431.0	380.6
Total assets	1,204.4	1,056.1
Deferred outflows of resources:	771.6	937.9
Liabilities:		
Current liabilities	129.8	96.3
Noncurrent liabilities	3,408.2	3,011.6
Total liabilities	3,538.0	3,107.9
Deferred inflows of resources:	127.1	44.2
Net position:		
Net investment in capital assets	175.6	179.5
Restricted	82.0	83.9
Unrestricted	(1,946.7)	(1,421.5)
Total Net position	$ (1,689.1)	$ (1,158.1)

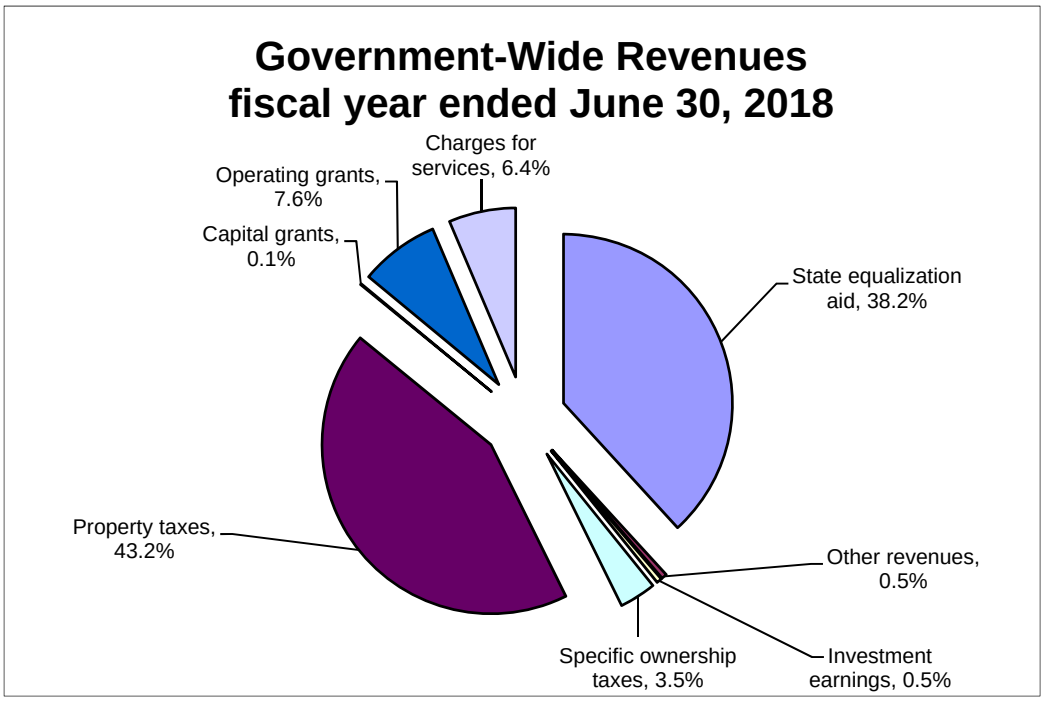
Government-Wide Activities

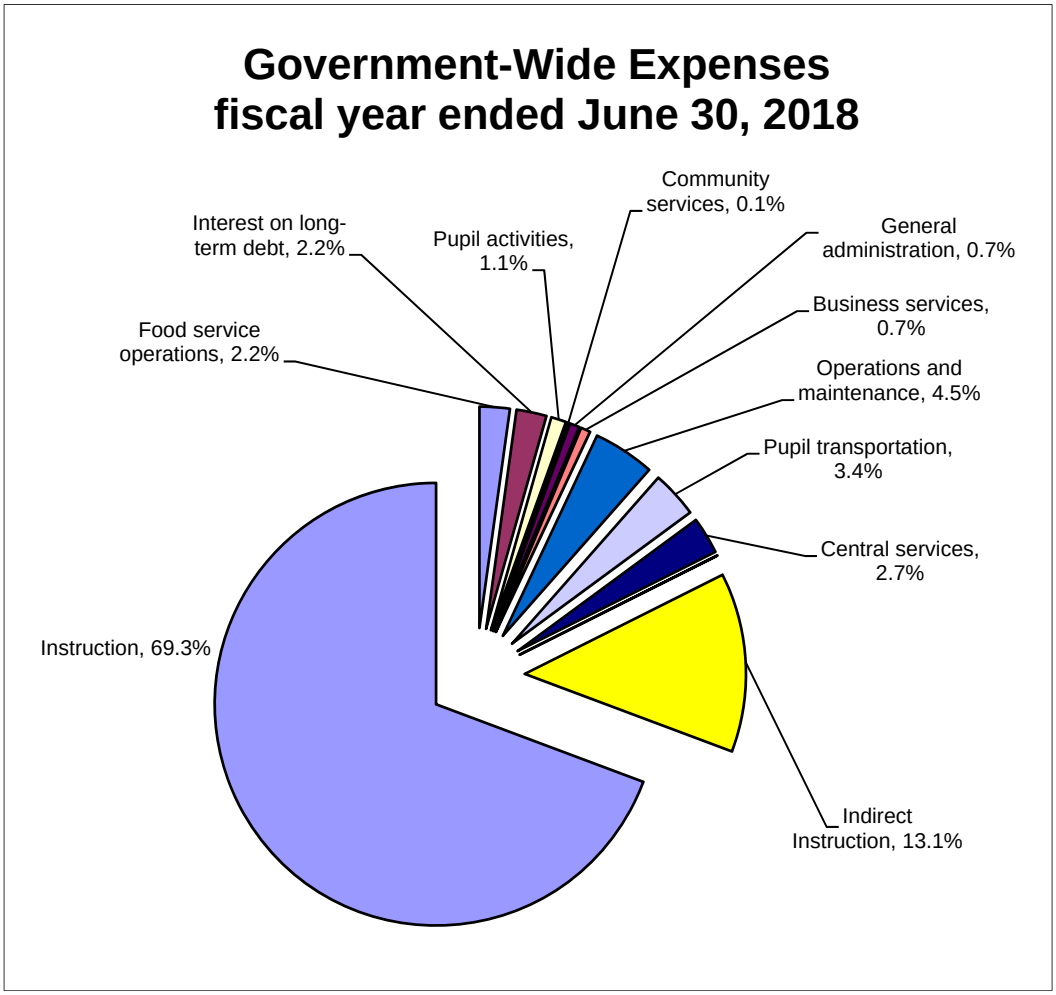
Governmental Activities decreased the net position of the District by $474.3 million.

Cherry Creek School District No. 5
Comparative Schedule of Changes in Net Position
as of and for the fiscal year ended June 30, 2018 and 2017
(in millions)

	Primary Government Governmental Activities	
	2018	2017
Revenues:		
Program revenues		
Charges for services	$ 44.7	$ 44.5
Operating grants and contributions	52.0	52.0
Capital grants and contributions	0.8	0.8
General unrestricted revenues		
Property taxes	297.2	276.0
Specific ownership taxes	23.9	21.2
Investment earnings	3.2	1.2
Other revenues	3.6	3.4
State equalization aid	263.2	250.2
Total revenues	688.6	649.3
Expenses:		
Governmental activities		
Instruction	804.8	703.4
Indirect instruction	151.9	137.7
Supporting services	141.1	118.4
Community services	1.5	1.4
Pupil activities	12.4	13.0
Assets conveyed to other govts	-	0.8
Interest on long-term debt	25.3	19.8
Food services operations	25.9	22.8
Total expenses	1,162.9	1,017.3
Increase (decrease) in net position before transfers	(474.3)	(368.0)
Changes in net position	(474.3)	(368.0)
Net position, beginning of year (restated)	(1,214.8)	* (790.1)
Net position, end of year	$ (1,689.1)	$ (1,158.1)

*restated beginning net position for fiscal year 2018 due to implementation of GASB 75


Government-Wide Revenues
fiscal year ended June 30, 2018
Charges for services, 6.4%
Operating grants, 7.6%
Capital grants, 0.1%
State equalization aid, 38.2%
Property taxes, 43.2%
Other revenues, 0.5%
Specific ownership taxes, 3.5%
Investment earnings, 0.5%


Government-Wide Expenses
fiscal year ended June 30, 2018
Community services, 0.1%
Interest on long-term debt, 2.2%
Pupil activities, 1.1%
General administration, 0.7%
Business services, 0.7%
Food service operations, 2.2%
Operations and maintenance, 4.5%
Pupil transportation, 3.4%
Central services, 2.7%
Instruction, 69.3%
Indirect Instruction, 13.1%

Key elements of the change in net position for governmental activities are as follows:

The Colorado Public School Finance Act provides for the majority of the funding of local school districts based on a funded per pupil count formula and a maximum property tax mill levy determined for each school district. State equalization aid increased by $13.0 million during the fiscal year, while property taxes increased by $21.2 million during the year. The State's economic conditions remained strong for the 2017-2018 fiscal year and included a 3.3% increase in base per pupil funding and included funding for enrollment growth. Per pupil funding for fiscal year 2017-2018 was $7,630, which is an increase of $243 per pupil over the prior fiscal year. The Statewide negative factor was held constant at $828.3 million, however, the District's proportionate share decreased by $0.4 million to $49.4 million. State equalization aid also increased from increased enrollment of 835 FTE.

On November 8, 2016, the District voters approved a bond and a mill levy budget override. The mill levy budget override approved was an initial amount of $23.9 million or twenty-five percent of total program funding. Due to an increase in total program funding, this mill levy budget override amounts to $29.4 million for fiscal year 2017-2018. The mill levy budget override provides operating funds to maintain class sizes throughout all grades; prepare students for success in college and the workforce by investing in comprehensive curriculum and instruction; continue the District's commitment to academic excellence by providing an educational program of the highest quality and meeting the highest standards; ensure every student has access to STEM (science, technology, engineering, and mathematics) instruction for success in the 21st century; and recruit and retain a quality teaching staff.

The bond election provides $250 million for long-term costs including career and innovation technology which includes renovating space at each elementary and middle school to support 21st-century teaching and learning; a new Career and Innovation Academy to increase the pathways for students to complete high school; information systems upgrades; new facilities including an new elementary and middle school; major renovations and maintenance which include fire protection, roofing, carpet, flooring, mechanical, electrical, plumbing; and safety and security.

The property taxes increase relates to an increase in voter approved bonded debt and budget override mill levy assessments approved in November 2016. Specific Ownership taxes and other revenue areas also showed increases over the prior year primarily as a result of the strong economy.

The State did continue to provide partial funding of full day kindergarten for the 2017-2018 school year at an additional .08 FTE for each kindergartener enrolled. The District continues to provide full day kindergarten at six schools.

School financial issues are discussed in more detail in the Letter of Transmittal on pages 10-12.

Total governmental activities expenses increased by $145.6 million. Approximately $93.4 million of that increase relates to the way pension and OPEB expenses are recorded as a result of GASB 68 and GASB 75. In prior years, pension expense was equal to the amount the District was legally obligated to contribute at the established statutory amount. Pension expense is now calculated based on the District's share of the change in PERA NPL which includes many more factors such as changes in investment earnings that affect the NPL. GASB 75 is a new requirement for the District to report its proportionate share of the total PERA HCTF net OPEB liability and related expense in its government-wide financial statements. Another $4.3 million of the increase in expenses relates to higher actual PERA payments made by the District related to a higher salary base and an increase in the blended employer contribution rate from 19.4% for fiscal year 2016-2017 to 19.9% for fiscal year 2017-2018. Instructional expenses also increased as a result of increased enrollment and related staffing and direct expenses related to those students. Salaries and other benefits increased approximately $19.0 million based on increased staffing and average pay increases of 3.3%. Capital projects completed during the fiscal year with funding provided from the $250.0 million bond election resulted in an increase in depreciation expense and non-capitalized expenses of approximately $15.9 million. The District also agreed to an $11.5 million settlement as a result of confidential mediation of which the District's insurance carrier will contribute $2.0 million with the District liable for the remainder.

The District completed the second year of a three year Memorandum of Understanding with the teachers, mental health professionals and nurses. For the 2017-2018 fiscal year, the District provided teachers with a 3.3% increase to the salary schedule along with providing experience step. Other employee groups received a 3.3% salary increase, with a 3.3% increase for administrators. Recurring monthly health insurance contributions were maintained at existing levels, with some increases for certain employee work groups.

Cost increases for PERA continue to impact the District. Current employer contribution rates are 20.15% of salary. This rate caps out at 20.40% starting July 1, 2019. During the 2018 legislative session, the Colorado General Assembly passed significant pension reform through SB 18-200 with the goal of eliminating the unfunded PERA actuarial accrued liability within the next 30 years. This legislation includes several changes including increases to the employer contribution rates by 0.25 percent on July 1, 2019 and increases to employee contribution rates by a total of 2 percent (to be phased in over a period of 3 years starting on July 1, 2019). More information on this legislation can be found in note 13) Defined Benefit Pension Plan of the Notes to the Basic Financial Statements found on pages 83-92.

Financial Analysis of the Governmental Funds

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

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

As of the end of the current fiscal year, the District's governmental funds reported a combined ending fund balance of $338.4 million, an increase of $23.2 million in comparison with the prior year. Activity related to the Capital Projects – Building Fund with an increase to fund balance from the sale of bonds related to the successful passage of a $250.0 million bond election partially offset by capital outlays associated with Building Fund projects accounts for an increase in governmental fund balance of $9.4 million. The General Fund had an increase in fund balance of $7.7 million discussed more fully on page 46. The Debt Service – Bond Redemption Fund had property tax and other revenues in excess of required payments on outstanding debt which resulted in an increase in fund balance of $8.1 million. Long Term Debt is also discussed on page 48. Other governmental funds show a decrease of $1.9 million in fund balance primarily in the Special Revenue Fund - Capital Reserve Fund. That decrease in fund balance is primarily a timing difference related to capital lease proceeds received late in the prior fiscal year while the expenses occurred in the current fiscal year. Fund balances also increased slightly in the Special Revenue Funds - Pupil Activities and Extended Child Services Fund, while the Food Services Fund had a slight decrease. The unassigned fund balance for the District at the end of the fiscal year includes` $43.7 million for the General Fund. The remainder of the fund balance is in other categories to indicate that it is not available for new spending because it is 1) nonspendable for inventories and prepayments, $3.6 million; 2) restricted for construction, $153.7 million; restricted to pay debt service, $55.1 million; restricted for food service operations, $5.5 million; restricted for investments in trust, $3.9 million; and restricted for emergency reserves, $18.8 million; 3) committed to specific Extended Child Services activities, $4.0 million; committed to Pupil Activity activities, $6.0 million; and committed to multiple year commitments and future year expenditures of $3.5 million and 4) for a variety of other assigned purposes, $40.6 million.

The Debt Service - Bond Redemption Fund has adequate resources accumulated to make the December 2018 principal and interest payments. The mill levy to accumulate resources for the June 2019 and December 2019 principal and interest payments will be certified in December 2018.

General Fund

Differences between the original budget and the final amended budget include supplemental budget appropriations approved by the Board of Education. The supplemental budget appropriations include certification of the mill rate for taxation purposes for the fiscal year and supplemental appropriations related to a settlement as a result of confidential mediation. In order to address reductions in funding while minimizing the use of District reserves, the Board of Education called for an election to be held on November 8, 2016 asking the voters to increase the mill levy budget override to twenty-five percent of total program funding, $29.4 million for fiscal year 2017-2018, to provide additional funding to the District. The successful passage of the mill levy budget override is reflected in the mill levy and an increase to budgeted property tax revenue.

The budget was also increased to include encumbrances at June 30, 2017 in the amount of $500,550 for supplies ordered but not yet received by the end of the prior fiscal year. This amount was reflected as an assignment of fund balance as of June 30, 2017.

During the current fiscal year the fund balance in the General Fund increased by $7.7 million primarily due to the successful mill levy override election. In addition to increased property taxes, per pupil funding increased during the fiscal year by $243 compared to the prior fiscal year and student enrollment increased by 835 FTE. Specific ownership tax revenues received from automobile sales in the County were also more than projected as a result of the strong economy while expenses where less than projected.

The District was also able to reduce actual expenditures by $0.7 million against budget. The positive expenditure variances include utilities, general supplies, and benefits. The positive results allowed the District to fund additional projects in the Special Revenue -Capital Reserve Fund.

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. Actual expenditures of the General Fund including other financing uses amounted to $546.3 million. Unassigned fund balance represents 8.0% of expenditures while total fund balance represents 16.1% of budget-based expenditures.

The components of the fund balance are as follows:

Cherry Creek School District No. 5
Fund Balance Components: General Fund
June 30, 2018 and 2017
(in millions)

	General Fund 2018	General Fund 2017
Nonspendable for:		
Prepayments and deposits	$ 181,837	$ 1,013,064
Inventories	1,576,812	1,646,301
Restricted for:		
Emergency reserve	16,388,000	15,302,000
Committed for:		
Multiple year commitments	950,470	-
Future year expenditures	2,550,106	-
Assigned for:		
Future year purchases and curriculum	463,732	500,550
Future year expenditures	5,784,741	5,874,709
Board reserve	16,388,000	-
Unassigned	43,680,217	55,915,851
Total fund balance	$ 87,963,915	$ 80,252,475

Capital Assets and Long-term Debt

Capital Assets

The District's investment in capital assets for its governmental activities as of June 30, 2018, amounts to $773.4 million (net of accumulated depreciation). This investment in capital assets includes land, improvements, buildings, equipment and vehicles, and projects in progress. The total increase in the District's investment in capital assets for the current fiscal year was $97.9 million. This increase is the net result of remaining capital additions completed during the current fiscal year the $250.0 million bond election in 2016, less current year depreciation expense. The District has used those funds to make capital improvements.

Major capital asset events during the current fiscal year included the following:

- Construction continued on various school and administration sites with projects in progress as of the close of the fiscal year at $109.7 million.
- Major projects included finalizing work on multiple school and facility renovations as outlined in the $250.0 million bond issue approved by voters in 2016.

Cherry Creek School District No. 5
Capital Assets (net of accumulated depreciation)
June 30, 2018 and 2017
(in millions)

	Primary Government	
	Governmental Activities	
	2018	2017
Land	$ 29.7	$ 19.9
Improvements	7.5	3.5
Buildings	604.7	609.1
Projects in progress	109.7	27.6
Equipment and vehicles	21.8	15.4
Total capital assets	$ 773.4	$ 675.5

Additional information on the District's capital assets can be found in Note 6 on pages 73-74.

Long-term Debt

At June 30, 2018, the District had total bonded debt outstanding of $708.9 million backed by the full faith and credit of the District.

The District's general obligation bonds increased by $92.1 million which is the net result of a debt issuance related to the successful passage of a bond election of $250.0 million and the scheduled current year payments on existing debt.

On September 21, 2017, the District sold $100.0 million of District General Obligation debt. This is the final part of the $250.0 million debt authorization approved by District voters in November 2016. The bonds were sold competitively with bids received electronically via the internet. The winning bid was submitted by Hutchinson, Schokey, Erley & Co. with a true interest cost of 3.22%.This bond issue provides funds for District-wide capital improvement to be completed over the next three years.

The Board approved the purchase of 178 school buses based on a five year replacement plan and entered into a Master Lease Purchase Agreement, in an amount not to exceed $18,500,000. The first portion of 41 buses, totaling $4,178,500, were received during fiscal year 2014-2015. During fiscal year 2015-2016 the District ordered an additional 34 buses for $3,368,178 which arrived in January 2016. Another 34 buses were received during fiscal year 16-17 for $3,552,683. During the current fiscal year the District purchased and ordered another 66 buses for $7,262,050, with $4,452,021 being delivered in fiscal year 2017-2018 and the remainder in fiscal year 2018-2019.

On December 13, 2017, the District issued $15,465,000 Certificates of Participation through RBC Capital Markets, LLC with a true interest cost of 3.09% for the purchase of a building known as the Freemont property to be used for the Options program and other District programs.

On September 21, 2017, the District also successfully sold $75,510,000 of bonds to refinance some existing general obligation debt. The bonds were sold competitively with bids received electronically via the internet. The winning bid was submitted by Raymond James & Associates, Inc. with a true interest cost of 1.9%. The issue refinances $78,740,000 of Series 2009 bonds which were outstanding and carried an interest rate of 4.91%. The bond issue reduced the principal amount of the outstanding debt by over $3 million dollars.

The District continues to maintain its Aa1 rating from Moody's Investors Service and raised its long-term rating from Standard & Poor's Corporation to AA+ from AA.

State statutes limit the amount of general obligation debt that the District may issue. At the end of the current fiscal year, the legal debt limit was $1,221.9 million and the legal debt margin was $635.1 million.

Cherry Creek School District No. 5
Long Term Debt
June 30, 2018 and 2017
(in millions)

	Primary Government	
	Governmental Activities	
	2018	2017
General obligation bonds	$ 708.9	$ 616.8
Certificates of particpation	15.2	-
Capital leases	28.5	23.9
Total	$ 752.6	$ 640.7

Additional information on the District's long-term debt can be found in Notes 9 and 10 on pages 76-82 of this report.

Economic Factors and Next Year's Budget and Rates

The State Constitutional Amendment 23, passed by the voters in November 2000, is meant to provide an increase in per pupil funding by at least inflation plus 1% through the 2010 -2011 fiscal year and then at inflation thereafter. However, the State has not been able to fulfill that commitment.

Due to the Great Recession and the lack of available resources at the State level, the State has not been able to fund at that level and introduced a negative factor into the State funding formula starting during the 2010-2011 fiscal year which reduces State per pupil funding. While the State still faces budget constraints, the economy has improved since then.

Recent State economic forecasts indicate an increase in State revenues for the 2018-2019 fiscal year. Information from the September 2018 Economic Forecast prepared by the Governor's Office of State Planning and Budgeting (OSPB) is included in the Letter of Transmittal on pages 7-8.

While the economy in Colorado remains strong, the State is limited to the amount of revenue that can be retained due to Provisions in Taxpayers' Bill of Rights (TABOR), Article X, Section 20 of the Colorado Constitution, which limits the growth in a large portion of State revenue to the sum of inflation plus population growth in the previous calendar year. Revenue collected above the TABOR limit must be returned to taxpayers, unless voters decide the State can retain the revenue. TABOR revenue is projected to be above the cap starting in fiscal year 2017-2018 which will limit funds available for school funding.

Fiscal year 2018-2019 budget planning considerations reflect a stable outlook for revenue, confirmed by School Finance legislation (HB 18-1379 -School Finance Act). District funding for fiscal year 2018-2019 will include funding for a 3.4% increase in base per pupil funding reflective of the 2017 calendar year inflation for Denver, Boulder and Greeley Consumer Price Index increase for Urban Consumers. Funding is also projected to increase for a 400 full-time equivalent (FTE) students. As a result of the Statewide decrease in the Negative Factor (now referred to as the Budget Stabilization Factor), the District's estimated funding increases $9.3 million from $50.1 million in fiscal year 2017-2018 to $40.8 million in fiscal year 2018-2019. The District's estimated per pupil funding increases 6.2%, or $476 from $7,630 in fiscal year 2017-2018 to $8,106 in fiscal year 2018-2019.

District net total program is estimated to increase $28.2 million from $402.1 million in fiscal year 2017-2018 to $430.3 million in fiscal year 2018-2019. Of this increase, $15.7 million is inflationary increase of 3.4%, $9.3 million is for the District's share of the Statewide reduction in the Budget Stabilization Factor, and $3.2 million is for revenue from projected enrollment increase of 400 student FTE. At the State level, the Budget Stabilization Factor will be reduced by $150.0 million from $822.3 million in fiscal year 2017-2018 to $672.4 million in fiscal year 2018-2019

Although the average funded enrollment growth over the past five years equates to 458 FTE per year, there are signs of the enrollment growth pattern changing in the fiscal year 2018-2019 through fiscal year 2020-2021 period. During that three year period, traditional projected growth slows considerably. Specifically, in the fiscal year 2020-2021 year, enrollment would flatten out, a result of a continual slowing trend in birth rates, less in-migration of students, and lower average household sizes for families moving into the community.

In September 2017, the PERA Board voted in favor of changes to their current funding structure in order to strengthen their fiscal status in recognition of longer life expectancies for members and a current benefit structure that is not deemed to be sustainable over the long term. In November 2017, the PERA Board substantiated their proposal as part of a formal request for legislation. A PERA reform bill (SB18-200) was passed by the Senate and House on May 9, 2018. Included in the PERA Bill is a PERA increase of .25% for PERA employer contributions that is to be effective July 1, 2019. This increases the PERA rate from the current 20.15% to 20.40% in fiscal year 2019-2020. In addition, employee PERA rates are adjusted beginning July 1, 2019 to increase from 8% to 8.75% in fiscal year 2019-2020 followed by increases to 9.5% in fiscal year 2020-2021 and 10% in fiscal year 2021-2022. More information on this legislation can be found in note 13) Defined Benefit Pension Plan of the Notes to the Basic Financial Statements found on pages 83-92.

The District's proposed budget is balanced through a combination of a revenue increase and a measured use of General Fund reserves that provides a plan for fiscal year 2018-2019. Expenditure increases are proposed to provide instructional support that is focused on student achievement. Staffing is planned using the 18.5:1 student teacher ratio for classroom teachers across elementary and secondary schools. Teacher and mental health support is provided for affected student populations that experienced unusual growth in fiscal year 2017-2018. Specifically English Language Acquisition populations and Special Education populations grew by 7% and 4%, respectively in the 2017-2018 school year. The budget as proposed will position the District well for the start of the 2018-2019 school year, including for the opening of Altitude Elementary School and Infinity Middle School.

Included in the revenue budget are inflationary increases in State revenue for categorical programs of $0.5 million, estimated increases in property tax abatements of $1.5 million and increment in the property tax override of $4.4 million, along with specific ownership tax increases of $0.2 million. The total fiscal year 2018-2019 General Fund revenue increase of $35.0 million plus the operating margin of revenue over expenditures in fiscal year 2017-2018 of $7.7 million, and the use of $2.5 million of reserves in the beginning fund balance of the General Fund provides for a $49.6 million increase in expenditures in the fiscal year 2018-2019 budget plan. Total revenue budget of $592.0 million plus use of reserves of $2.5 million results in an expenditure budget of $594.5 million in the budget balancing plan.

District General Fund expenditures in the proposed budget are concentrated on the resources to serve our student population, maintain class sizes in our schools, and provide for estimated increases under negotiated compensation policies for teaching and non-teaching staff.

For fiscal year 2018-2019, most employee groups received a 3.4% increase to base pay. The District entered a three year agreement with the teachers during the 2017-2018 fiscal year to provide an increase yearly to the salary schedule equal to the change in District per pupil funding unless there is a decrease in funding whereby the salary schedule would not change. For the 2018-2019 fiscal year, the District will provide teachers with a 3.4% increase to the salary schedule along with providing experience step increases and additional education attainment increases. Recurring monthly health insurance contributions were maintained at existing levels. Cost increases for the PERA continue to impact the District.

Funding for the 2019-2020 fiscal year generally takes into consideration recent quarterly economic forecasts, primarily the March 2019 economic forecast. The School Finance Act is considered during the 2019 Legislative Session, which convenes in January 2019 and adjourns in May 2019.

Further consideration of staffing ratio changes to be phased in over time, or alternative targeted achievement funding aligned to future strategic District educational initiatives may need to be considered in a study of adjustments to the existing 18.5:1 standard ratio across the District. As funding projections are confirmed over the next year, these areas will need to be evaluated for feasibility and alignment with the strategic mission of District. This is an essential element of a fiscally sound budget plan to close the gap between revenue and expenditures that is expected to grow over time.

Requests for Information

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

Office of Fiscal Services
Cherry Creek School District No. 5
4700 South Yosemite Street
Greenwood Village, Colorado 80111

Basic

Financial

Statements

Cherry Creek Schools

Dedicated to Excellence

Cherry Creek Schools

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CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO
STATEMENT OF NET POSITION
June 30, 2018

	Primary Government	Component Unit
	Governmental Activities	Charter Schools
ASSETS		
Cash and investments	$ 409,526,581	$ 2,669,258
Receivables, net		
Property taxes	8,409,399	-
Other governments	8,165,999	-
Other	1,252,856	109,383
Prepayments and deposits	1,563,382	53,538
Inventories	2,080,322	-
Capital Assets		
Land	29,659,837	744,711
Improvements	29,819,536	283,886
Buildings	1,002,469,376	5,940,961
Equipment and vehicles	87,098,253	698,027
Projects in progress	109,707,664	5,585,892
Less accumulated depreciation	(485,373,944)	(1,771,852)
Total Capital assets	773,380,722	11,481,625
Total Assets	1,204,379,261	14,313,804
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources related to pensions	768,023,560	8,874,875
Deferred outflows of resources related to OPEBs	2,710,097	47,453
Deferred outflows on refunding	867,785	76,156
Total Deferred outflows of resources	771,601,442	8,998,484
LIABILITIES		
Current liabilities		
Accounts and other current payables	41,508,322	266,866
Accrued interest payable	1,337,539	30,107
Accrued salaries and benefits	32,521,639	261,360
Unearned revenues	11,256,744	57,495
General obligation bonds	31,345,000	155,000
Capital lease obligations	5,257,115	-
Compensated absences payable	6,590,723	-
Total Current liabilities	129,817,082	770,828
Noncurrent liabilities		
General obligation bonds	677,513,705	2,470,794
Certificates of participation	15,208,252	-
Capital lease payable	23,216,475	-
Compensated absences payable	36,072,311	-
Net OPEB liability	59,301,374	517,717
Net pension liability	2,596,852,260	22,655,969
Total Noncurrent liabilities	3,408,164,377	25,644,480
Total Liabilities	3,537,981,459	26,415,308
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources related to OPEBs	992,098	8,662
Deferred inflows of resources related to pensions	126,140,828	926,446
Total Deferred inflows of resources	127,132,926	935,108
NET POSITION		
Net investment in capital assets	175,620,267	8,901,116
Restricted for:		
Debt service	53,732,092	340,966
Emergency reserve	18,809,000	226,730
Restricted investments in trust	3,866,291	-
Food service	5,501,700	-
Repair and replacement	-	50,053
Unrestricted	(1,946,663,032)	(13,556,993)
Total Net position	$ (1,689,133,682)	$ (4,038,128)

See accompanying notes to basic financial statements.

CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO

STATEMENT OF ACTIVITIES
For The Year Ended June 30, 2018

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES:				
Instruction	$ 804,844,158	$ 20,906,239	$ 33,325,274	$ 768,013
Indirect instruction	151,859,223	307,984	5,560,715	-
Support services				
General administration	8,746,332	-	-	-
Business services	7,914,755	179,634	-	-
Operations and maintenance	52,849,553	684,539	-	-
Pupil transportation	39,853,661	130,845	4,418,001	-
Central services	31,702,337	-	-	-
Community services	1,542,553	541,119	-	-
Pupil activities	12,436,368	12,944,412	-	-
Food service operations	25,907,388	8,956,515	8,719,537	-
Interest on long-term debt, unallocated	25,274,579	-	-	-
Total Governmental activities	1,162,930,907	44,651,287	52,023,527	768,013
Total Primary government	$ 1,162,930,907	$ 44,651,287	$ 52,023,527	$ 768,013
Component unit - Charter schools	$ 11,906,398	$ 343,372	$ 407,173	$ 4,741,887

GENERAL UNRESTRICTED REVENUES:
Taxes:
Property taxes
Specific ownership taxes
Investment earnings
Other revenues
State equalization aid
Sale of assets
Total General unrestricted revenues

Changes in net position

Net position, Beginning (restated)

Net position, Ending

See accompanying notes to basic financial statements.

Net (Expenses) Revenue and Changes in Net Position	
Primary Government	Component Unit
Governmental Activities	Charter Schools
$ (749,844,632)	$ (7,671,119)
(145,990,524)	-
(8,746,332)	1,390,565
(7,735,121)	-
(52,165,014)	-
(35,304,815)	-
(31,702,337)	-
(1,001,434)	-
508,044	-
(8,231,336)	-
(25,274,579)	(133,412)
(1,065,488,080)	(6,413,966)
$ (1,065,488,080)	-
-	(6,413,966)
297,242,905	801,065
23,957,474	-
3,183,624	30,511
3,569,362	286,375
263,158,611	5,591,606
42,028	-
591,154,004	6,709,557
(474,334,076)	295,591
(1,214,799,606)	(4,333,719)
$ (1,689,133,682)	$ (4,038,128)

CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2018

	General Fund	Debt Service - Bond Redemption Fund	Capital Projects - Building Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments	$ 127,958,319	$ 53,888,865	$ 174,600,266	$ 53,079,131	$ 409,526,581
Receivables, net					
Property taxes	5,630,006	2,779,393	-	-	8,409,399
Other governments	2,116,577	-	-	6,049,422	8,165,999
Other	317,120	18,947	532,122	384,667	1,252,856
Interfund receivables	211,239	-	-	-	211,239
Prepayments and deposits	181,837	-	222,216	1,159,329	1,563,382
Inventories	1,576,812	-	-	503,510	2,080,322
Total Assets	$ 137,991,910	$ 56,687,205	$ 175,354,604	$ 61,176,059	$ 431,209,778
LIABILITIES					
Accounts payable and retainage payable	$ 14,432,689	$ -	$ 21,442,297	$ 5,543,902	$ 41,418,888
Other payables	89,435	-	-	-	89,435
Interfund payables	-	-	-	211,239	211,239
Accrued salaries and benefits	30,140,352	-	-	2,381,287	32,521,639
Unearned revenues	-	-	-	11,256,744	11,256,744
Compensated absences	3,676,757	-	-	363,966	4,040,723
Total Liabilities	48,339,233	-	21,442,297	19,757,138	89,538,668
DEFERRED INFLOWS OF RESOURCES					
Unavailable property tax revenues	1,688,762	1,617,574	-	-	3,306,336
FUND BALANCES					
Nonspendable for:					
Prepayments and deposits	181,837	-	222,216	1,159,329	1,563,382
Inventories	1,576,812	-	-	503,510	2,080,322
Restricted for:					
Construction	-	-	153,690,091	-	153,690,091
Debt service	-	55,069,631	-	-	55,069,631
Investments in trust	-	-	-	3,866,291	3,866,291
Emergency reserve	16,388,000	-	-	2,421,000	18,809,000
Food service operations	-	-	-	5,501,700	5,501,700
Committed for:					
Multiple year commitments	950,470	-	-	-	950,470
Future year expenditures	2,550,106	-	-	-	2,550,106
Extended Child Services Fund activities	-	-	-	3,989,513	3,989,513
Pupil Activities Fund activities	-	-	-	5,953,997	5,953,997
Assigned for:					
Future year purchases and curriculum	463,732	-	-	-	463,732
Future year expenditures	5,784,741	-	-	-	5,784,741
Board reserve	16,388,000	-	-	-	16,388,000
Future year transfers	-	-	-	2,058,161	2,058,161
Capital Reserve Fund activities	-	-	-	15,965,420	15,965,420
Unassigned	43,680,217	-	-	-	43,680,217
Total Fund balances	87,963,915	55,069,631	153,912,307	41,418,921	338,364,774
Total Liabilities, Deferred inflows of resources and Fund balances	$ 137,991,910	$ 56,687,205	$ 175,354,604	$ 61,176,059	$ 431,209,778

See accompanying notes to basic financial statements.

CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
June 30, 2018

Amounts reported for governmental activities in the statement of net position are different because:		
Total fund balance - governmental funds		$ 338,364,774
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.		
The cost of capital assets is	$ 1,258,754,666	
Accumulated depreciation is	(485,373,944)	
		773,380,722
Unearned property taxes will be collected this year, but are not available to pay for the current period's expenditure, and therefore are not recorded as revenue in the funds.		3,306,336
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:		
General obligation bonds payable	708,858,705	
Capital leases payable	28,473,590	
Certificates of participation	15,208,252	
Compensated absences payable	38,622,310	
Net OPEB liability	59,301,374	
Net pension liability	2,596,852,260	
		(3,447,316,491)
Deferred outflows from refunding debt are not considered current financial resources and not reported in the governmental funds		867,785
Deferred outflows related to pensions are applicable to future periods and, therefore, are not reported in the funds.		768,023,560
Deferred outflows related to OPEBs are applicable to future periods and, therefore, are not reported in the funds.		2,710,097
Deferred inflows related to pensions are applicable to future periods and, therefore, are not reported in the funds.		(126,140,828)
Deferred inflows related to OPEBs are applicable to future periods and, therefore, are not reported in the funds.		(992,098)
Accrued interest payable was recognized for governmental activities, but is not due and payable in the current period and therefore is not reported as a liability in the governmental funds.		(1,337,539)
Total Net Position - governmental activities		$ (1,689,133,682)

See accompanying notes to basic financial statements.

CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
For The Year Ended June 30, 2018

	General Fund	Debt Service - Bond Redemption Fund	Capital Projects - Building Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Taxes					
Property taxes	$ 236,366,783	$ 61,441,354	$ -	$ -	$ 297,808,137
Specific ownership taxes	23,957,474	-	-	-	23,957,474
Intergovernmental					
Federal - grants	1,468,707	-	-	25,802,697	27,271,404
State equalization aid	263,158,611	-	-	-	263,158,611
State transportation	4,418,001	-	-	-	4,418,001
State education of handicapped	11,592,726	-	-	-	11,592,726
State vocational education	1,802,713	-	-	-	1,802,713
Other state	3,393,868	-	-	2,874,146	6,268,014
Earnings on investments	727,388	477,591	1,792,084	186,561	3,183,624
Other					
Tuition	600,112	-	-	18,740,035	19,340,147
Fees and fines	1,200,407	-	-	-	1,200,407
Pupil activities	-	-	-	12,944,412	12,944,412
Donations	-	-	-	2,907,389	2,907,389
Food services sales	-	-	-	8,956,515	8,956,515
Miscellaneous	3,852,405	-	458,056	-	4,310,461
Total revenues	552,539,195	61,918,945	2,250,140	72,411,755	689,120,035
EXPENDITURES					
Current					
Instruction	361,029,307	-	-	32,990,676	394,019,983
Indirect instructional					
Pupil services	32,522,010	-	-	2,419,667	34,941,677
Instructional staff services	18,004,982	-	-	3,501,864	21,506,846
School administration	27,080,251	-	-	304,669	27,384,920
Support services					
General administration	5,102,034	-	-	-	5,102,034
Business services	4,007,098	-	-	281,510	4,288,608
Operations and maintenance	37,827,687	-	-	-	37,827,687
Pupil transportation	21,902,643	-	-	-	21,902,643
Central services	22,598,036	-	-	-	22,598,036
Community services	498,907	-	-	347,148	846,055
Pupil activities	-	-	-	12,436,368	12,436,368
Food service operations	-	-	-	17,777,932	17,777,932
Non-departmental	590,843	-	-	-	590,843
Capital outlay	401,049	-	113,644,199	36,583,275	150,628,523
Debt service					
Principal	-	28,065,000	-	2,722,471	30,787,471
Interest and fiscal charges	-	26,083,101	424,890	763,096	27,271,087
Total expenditures	531,564,847	54,148,101	114,069,089	110,128,676	809,910,713
Excess of revenues over (under) expenditures	20,974,348	7,770,844	(111,818,949)	(37,716,921)	(120,790,678)
OTHER FINANCING SOURCES (USES)					
Transfers in	1,435,955	-	-	14,698,863	16,134,818
Transfers out	(14,698,863)	-	-	(1,435,955)	(16,134,818)
Capital lease issuance	-	-	-	7,262,050	7,262,050
Certificates of participation	-	-	-	15,465,000	15,465,000
Sale of bonds	-	-	100,000,000	-	100,000,000
Premium on bonds	-	7,960,703	21,217,358	-	29,178,061
Discount on certificates of participation	-	-	-	(263,010)	(263,010)
Refunding bond issuance	-	75,510,000	-		75,510,000
Bond refunding escrow agent	-	(83,182,725)	-	-	(83,182,725)
Sale of assets	-	-	-	42,028	42,028
Total other financing sources (uses)	(13,262,908)	287,978	121,217,358	35,768,976	144,011,404
Net change in fund balances	7,711,440	8,058,822	9,398,409	(1,947,945)	23,220,726
Fund balances, Beginning	80,252,475	47,010,809	144,513,898	43,366,866	315,144,048
Fund balances, Ending	$ 87,963,915	$ 55,069,631	$ 153,912,307	$ 41,418,921	$ 338,364,774

See accompanying notes to basic financial statements.

CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

For The Year Ended June 30, 2018

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

Total net change in fund balances - governmental funds		$ 23,220,726
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities. This is the amount by which depreciation exceeds capital outlay in the period.		
Capital outlay	$ 129,600,908	
Depreciation expense	(31,711,966)	
		97,888,942
Because some property taxes will not be collected for several months after the District's fiscal year ends, they are not considered as "available" revenues in the governmental funds. They are, however, recorded as revenues in the statement of activities.		3,306,336
Unearned property taxes of the prior year received in the current year are recognized in the prior year statement of activities and in the current year fund statements.		(3,871,567)
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 - changes in long-term compensated absences payable.		(1,603,443)
Repayment of bond and capital lease principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net position and does not affect the statement of activities.		30,787,471
Governmental funds report the issuance of debt, including premiums and discounts, as an other financing source. In the governmental activities, however, the issuance of debt is reflected as a liability instead. This amount is shown net of payments made to the bond refunding escrow agent.		(148,675,111)
Premiums, discounts and deferred outflows on refunding are amortized in the governmental activities, but are recognized as expenditures in the governmental funds.		6,680,393
Accrued interest payable is recognized for governmental activities, but is not due and payable in the current period and therefore, not reported as a liability in the governmental funds. The change in the liability is recognized in the statement of activities.		21,851
Other pension and OPEB related items are reported as expenditures in the governmental funds. However, in the statement of activities the contributions made during the fiscal year either reduced the net pension liability or are shown as contributions after the measurement date of December 31, 2017 and not reflected as expenses on the statement of activities. These consist of:		
PERA		(481,212,313)
OPEB		(877,361)
Total change in net position - governmental activities		$ (474,334,076)

See accompanying notes to basic financial statements.

CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For The Year Ended June 30, 2018

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Taxes				
Property taxes	$ 231,445,782	$ 235,398,782	$ 236,366,783	$ 968,001
Specific ownership taxes	20,029,700	20,029,700	23,957,474	3,927,774
Intergovernmental - State				
State equalization aid	260,156,899	262,757,252	263,158,611	401,359
Transportation	4,782,400	4,782,400	4,418,001	(364,399)
Education of handicapped	11,347,100	11,347,100	11,592,726	245,626
Vocational education	2,086,600	2,086,600	1,802,713	(283,887)
Other state	2,814,985	2,814,985	3,393,868	578,883
Intergovernmental - Federal	1,463,989	1,463,989	1,468,707	4,718
Earnings on investments	136,800	136,800	727,388	590,588
Other				
Tuition	483,800	483,800	600,112	116,312
Fees and fines	1,312,688	1,312,688	1,200,407	(112,281)
Miscellaneous	2,597,431	2,597,431	3,852,405	1,254,974
Total revenues	538,658,174	545,211,527	552,539,195	7,327,668
EXPENDITURES				
Current				
Instruction	364,883,126	361,725,254	361,029,307	695,947
Indirect instructional				
Pupil services	32,385,480	32,786,050	32,522,010	264,040
Instructional staff services	18,047,652	18,201,687	18,004,982	196,705
School administration	27,373,844	27,564,068	27,080,251	483,817
Support services				
General administration	4,513,228	5,105,835	5,102,034	3,801
Business services	4,025,860	4,180,855	4,007,098	173,757
Operations and maintenance	38,364,342	38,842,457	37,827,687	1,014,770
Pupil transportation	21,126,812	22,028,171	21,902,643	125,528
Central services	13,681,907	23,398,767	22,598,036	800,731
Community services	472,212	530,434	498,907	31,527
County treasury fees	585,250	595,250	590,843	4,407
Facilities construction services	459,487	460,372	401,049	59,323
Total expenditures	525,919,200	535,419,200	531,564,847	3,854,353
Excess of revenues over (under) expenditures	12,738,974	9,792,327	20,974,348	11,182,021
OTHER FINANCING SOURCES (USES)				
Transfers in	1,460,000	1,460,000	1,435,955	(24,045)
Transfers out	(11,572,700)	(11,572,700)	(14,698,863)	(3,126,163)
Total other financing sources (uses)	(10,112,700)	(10,112,700)	(13,262,908)	(3,150,208)
Net change in fund balance	2,626,274	(320,373)	7,711,440	8,031,813
Fund balance, Beginning	75,282,242	80,252,475	80,252,475	-
Fund balance, Ending	$ 77,908,516	$ 79,932,102	$ 87,963,915	$ 8,031,813

See accompanying notes to basic financial statements.

Notes to

Basic

Financial

Statements

Cherry Creek Schools

Dedicated to Excellence

Cherry Creek Schools

Dedicated to Excellence

Notes to Basic Financial Statements

Cherry Creek School District No. 5
Arapahoe County, Colorado
June 30, 2018

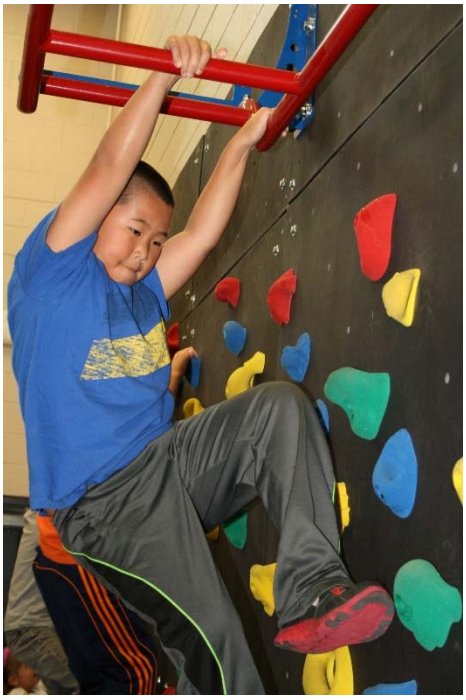
1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Cherry Creek School District No. 5 (the District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applicable to governmental units. In addition, the District conforms to the (Colorado) Financial Policies and Procedures Handbook in all material aspects as required by Colorado statutes. The following is a summary of the more significant accounting policies:

A) Financial Reporting Entity

Cherry Creek School District No. 5 is a political subdivision and body corporate of the State of Colorado duly organized and existing in accordance with the provisions of the School District Reorganization Act of 1949. The District began as a corporate body on August 26, 1950. The District operates under a five-member publicly elected board of education. The District includes 108 square miles and operates forty-two elementary schools, ten middle schools, seven high schools, three K-8 schools, four alternative school programs (Options Program, Foote Youth Services Center, Intensive Treatment Program, and The I-Team Program), Institute of Science and Technology, two stadiums, three central administrative facilities, and seven support facilities providing educational services to approximately 55,100 students.

Cherry Creek School District No. 5 meets the financial accountability criteria established by the Governmental Accounting Standards Board (GASB) to be considered a governmental entity for financial reporting purposes. As required by generally accepted accounting principles, these financial statements present Cherry Creek School District No. 5 (the Primary Government) and its component units. Component units are legally separate organizations that are financially accountable to the primary government. The component units discussed in Note 1(B) have been included in the District's financial reporting entity because of the significance of their operational or financial relationship with the District.



1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B) Discretely Presented Component Units- Charter Schools

The Legislature of the State of Colorado enacted the “Charter School Act - Colorado Revised Statutes (CRS) Section 22-30.5-10" in 1993. This Act permits the District to contract with individuals and organizations for the operation of schools within the District. The statutes define these contracted schools as “Charter Schools.” Charter Schools are financed from a portion of the District’s School Finance Act revenues and from revenues generated by the charter schools, within the limits established by the Charter School Act. Charter Schools have separate governing boards; however, the Cherry Creek School District’s Board of Education must approve all Charter School applications and budgets. The District currently has two Charter Schools in operation, Cherry Creek Academy and Heritage Heights Academy. The Charter Schools are discretely presented component units because of the significance of their financial relationship with the District. The Cherry Creek Academy Charter School has an affiliated finance corporation that was formed to support and assist the Charter School in the leasing of its facilities separately from the District.

The Charter Schools have issued separate financial statements for the fiscal year ended June 30, 2018. Complete financial statements may be obtained at the school’s administrative offices:

Cherry Creek Academy, 6260 S. Dayton St., Greenwood Village, CO 80111, Heritage Heights Academy, 20050 E Smoky Hill Rd., Centennial, CO 80015

C) Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the District and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on charges for support. The District does not currently have any business-type activities.

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

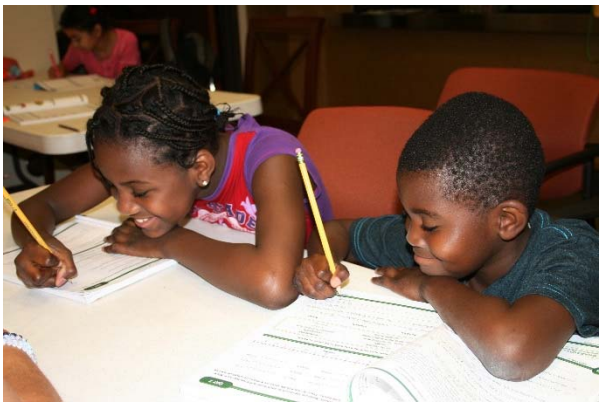
Separate financial statements are provided for governmental funds. Major individual governmental funds (General Fund, Debt Service - Bond Redemption Fund, and Capital Projects - Building Fund) are reported as separate columns in the fund financial statements.

D) Measurement Focus, Basis of Accounting, and Financial Statement Presentations

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, operating statements present increases and decreases in net current assets and fund balance as a measure of available spendable resources. This means that only current liabilities are generally included on their balance sheets.



Governmental fund revenues are recognized as soon as they are both measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period, or soon enough thereafter, to pay liabilities of the current period. Property tax revenues are considered to be available if collected within 60 days after year end. Other revenues are recognized in the period earned if receipt of the money is expected within a year.

Property and specific ownership taxes are reported as receivables and deferred inflows of resources when levied and as revenues when due for collection in the following year and determined to be available.

Grants and entitlement revenues are recognized when compliance with matching requirements is met. A receivable is established when the related expenditures exceed revenue receipts. Grant revenues are considered to be available at the point the expenditure is incurred.

Expenditures are recorded when the related fund liability is incurred with the exception of general obligation and capital lease debt service, which is recognized when due and certain sick and retirement pay which is accounted for as expenditures when the employee meets the criteria to be eligible to receive payment.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E) Fund Accounting

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

The District reports the following major governmental funds:

The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the District, except those required legally or by sound financial management to be accounted for in another fund.

The *Debt Service - Bond Redemption Fund* accounts for the resources accumulated and payments made for principal, interest, and related costs on long-term general obligation debt of governmental funds.

The *Capital Projects - Building Fund* accounts for resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

F) Cash and Investments

In order to facilitate the recording of cash transactions and to maximize earnings, the District has combined the cash resources of certain of its funds and maintains accountability for such funds' equity in pooled cash. The District is allowed to invest in the following types of investments: short-term certificates of deposit, repurchase agreements, money market deposit accounts, government pools, U.S. Agencies, and U.S. Treasury Obligations. The District records nonparticipating interest-earning investment contracts at cost. All other securities are recorded at amortized cost or fair value. It is the intention of the investment pool to maximize interest income, and securities are selected according to their risk, marketability, and diversification. Income earned or losses arising from the investment of pooled cash balances are allocated to individual funds based on their proportional equity in investments purchased. The District considers all highly liquid investments with a maturity date of three months or less when purchased to be cash equivalents.

G) Receivables

Property taxes levied in 2017 but not yet collected in 2018 are identified as property taxes receivable and deferred inflows of resources in the governmental funds balance sheet at June 30, 2018, and are presented in the amount of $3,306,336. Intergovernmental receivable of $5,317,670 in the Designated Purpose Grants Fund includes amounts due from grantors for specific program grants. Intergovernmental receivable of $731,752 in the Food Service Fund includes amounts due from the State of Colorado related to federal food reimbursement programs. Program grants are recorded as receivable and revenues at the time reimbursable project costs are incurred.

H) Inventories

Inventories are stated at average cost, except for commodities by the United States Department of Agriculture (USDA), which are stated at the specific item's donated value (the USDA's cost). Reported inventories of supplies and materials consist of supplies recorded as an asset when the individual inventory items are purchased, and as an expenditure or expense when consumed. Fund equity is classified as nonspendable for the inventory balances in the governmental funds in the amount of $2,080,322.

I) Prepayments and Deposits

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The District records prepaid items using the consumption method. Fund equity is classified as nonspendable for the prepayments and deposits in the amount of $181,837 in the General Fund, $1,118,512 in the Capital Reserve Fund, $4,280 in the Food Services Fund, $222,216 in the Building Fund and $36,537 in the Extended Child Services Fund.

J) Capital Assets

Capital assets, which include property, vehicles, and equipment, are utilized for general District operations and are capitalized at actual or estimated cost. Donations of such assets are recorded at acquisition value at the time of donation. Capital assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

Maintenance, repairs, and minor renovations are recorded as expenditures when incurred. Major additions and improvements are capitalized. When assets used in the operation of the governmental fund types are sold, the proceeds of the sale are recorded as revenues in the appropriate fund. The District does not capitalize interest on construction of capital assets.

The monetary threshold for capitalization of assets is $1,000 for technology equipment and $5,000 for all other capital assets. The District's capital assets are depreciated using the straight-line method over the estimated useful lives of the capital assets. Depreciation of all capital assets used in governmental activities and by proprietary funds is charged as an expense against their operations.

Depreciation is recorded starting in the month the asset is placed in service.

Estimated useful lives are:

Motor vehicles	8 to 10 years
Equipment, built-in	7 to 30 years
Equipment, movable	3 to 20 years
Site improvements	5 to 20 years
Buildings	30 to 50 years
Portable classrooms	25 years

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K) Deferred Outflows of Resources

For current refundings and advance refundings, resulting in defeasance of debt reported by governmental activities and component units, the difference between the reacquisition and the net carrying amount of the old debt is reported as a deferred outflow of resources or a deferred inflow of resources. The District refundings have resulted in deferred outflows of resources of $867,785 for governmental activities and $76,156 for component units.

The District also has 5 other items classified as deferred outflows of resources related to GASB No. 68, No. 71 and No. 75:

1. Change in experience;
2. Change in assumptions;
3. Change in investment earnings;
4. Change in proportionate share of the net pension and OPEB liability; and
5. Contributions subsequent to measurement date

See Note 13 and 14 for additional information.

L) Property Taxes

Under Colorado law, all property taxes become due and payable in the calendar year following that in which they are levied. The District's property tax calendar for 2018 is as follows:

Tax Year

Property taxes are recorded initially at the budgeted collection rate as deferred inflows in the year they are levied and measurable. The deferred inflow property tax revenues are recorded as revenue in the year they are available or collected. The District has deferred inflows from property tax collection at June 30, 2018, in the amount of $3,306,336. Property taxes are remitted to the District by the Arapahoe County Treasurer by the tenth of the month following collections by the county, except for the months of March, May, and June in which the District receives an additional remittance from the Arapahoe County Treasurer for collections through the twentieth of such months.

Beginning of fiscal year for taxes
- January 1

Assessed valuation initially certified by County Assessor
- August 25

Property tax levy by Board of Education for ensuing calendar year
- December 10

Tax levy certified to County Commissioners
- December 15

County Commissioners certify levy to County Treasurer
- January 10

Collection Year

Mailing of tax bills (lien date)
- January 1

First installment due
- February 28

Taxes due in full (unless installments elected by taxpayer)
- April 30

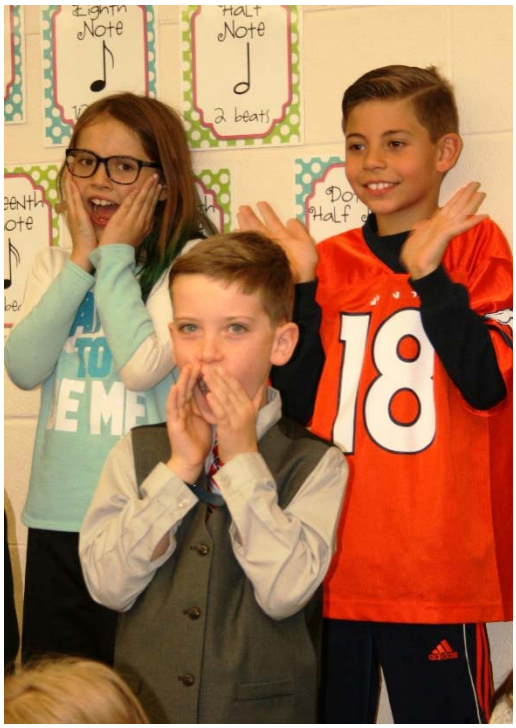
Second installment due
- June 15

A fee of .25% on General Fund collections is retained by the County as compensation for collecting the taxes and is reflected as an expenditure in the General Fund.

M) State Equalization Aid

State equalization aid is revenue received from the State of Colorado computed in accordance with a funding formula as defined by State statute. The funding formula considers such factors as pupil enrollment and other revenue sources.

Under previous State statutes, the District was required to allocate a portion of State equalization aid to the Capital Reserve Fund. The State requirement to fund a capital reserve fund was discontinued starting with the fiscal year ending June 30, 2010. The District has continued to use this fund to account for the purposes allowed by State statute, including the acquisition of land or land improvements, construction of new facilities or additions, alterations and improvements to existing structures**,** acquisition of vehicles, equipment, software licensing agreements, computer equipment, and installment purchase or lease agreements. The Capital Reserve Fund is shown as a Capital Projects Fund.



N) Long-term Liabilities

In the government-wide financial statements long-term debt, and other long-term obligations are reported as liabilities in the applicable government activities. Bond premium and discounts are reported as deferred charges and amortized over the term of the related debt using the straight-line method of amortization, which approximates the effective interest method. Currently the District has no zero coupon bonds.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. The District does not have any arbitrage liability as of June 30, 2018.

The District's general obligation bonds are serviced from property taxes and other revenues of the Debt Service - Bond Redemption Fund. The long-term compensated absences payable are serviced from property taxes and other revenues of the General Fund from future appropriations.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O) Compensated Absences

Sick Leave

District policy allows unlimited accumulation of sick leave for all employee groups, as allowed according to their employment policies. Payment for unused sick leave is made upon the employee's retirement after ten to twelve years (depending on the employee group) of continuous employment with the District. Such payment is normally compensated for all accumulated sick leave at one-half of the current per diem rate for such employee. Additional options are granted to teachers and administrator groups that provide for a reduced rate for certain days or a different rate for days in excess of 30 days.

Early Retirement

Teachers have the option of receiving an early retirement payment based on years of service with the District. After having been employed by the District for no less than 19 years, remuneration will be based on a set payment schedule amount less amounts received based on a longevity schedule, subject to a maximum annual payout amount by the District. The liability at June 30, 2018, was $11,913,486 with a current portion due within one year of $1,167,875. These amounts are included in the compensated absences liability amount disclosed in Note 9.

Experience and Longevity

Administrators with no less than 20 years with the District have the option of participating in the experience and longevity plan for a period of up to four years. An administrator will be compensated up to a specific dollar amount per year.

The longevity plan provides for a set current year payment to teachers with no less than 19 years of service with the District. This annual amount per teacher ranges from $1,000 to $3,000 based on such years of service.

Vacation Leave

Bus drivers are granted vacation leave. Accrued vacation time must be used or it will be compensated for within the next fiscal year, including an additional liability for salary-related payments associated with such compensation.

P) Deferred Inflows of Resources

The District's governmental activities report a separate section for deferred inflows of resources. This separate financial statement element reflects a decrease in net position that applies to a future period. The District has four items which are classified as deferred inflows of resources related to GASB No. 68, No. 71 and No. 75:

1. Change in experience;
2. Change in assumptions; and
3. Change in proportionate share of the net pension and OPEB liability.
4. Change in investment earnings

See Note 13 and 14 for additional information.

Q) Fund Equity

As of June 30, 2018, fund balances of the governmental funds are classified as follows:

Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulation of other governments.

Committed – amounts that can be used only for specific purposes determined by a formal action of the Board of Education. The Board of Education is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through resolutions approved by the Board of Education.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Board of Education's adopted policy, only the Board of Education, Superintendent, and Chief Financial Officer may assign amounts for specific purposes.

Unassigned – all other spendable amounts. Positive unassigned fund balance can only be reported for the General Fund.

The details of the fund balances are included in the Governmental Funds Balance Sheet.

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

R) Pensions

The District participates in the School Division Trust Fund (SCHDTF), a cost-sharing multiple-employer defined benefit pension fund administered by the Public Employees' Retirement Association of Colorado (PERA). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SCHDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

S) Postemployment Benefits Other Than Pensions (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 Health Care Trust Fund (HCTF) administered by the Public Employees' Retirement Association of Colorado (PERA) and additions to/deductions from the HCTF's fiduciary net position have been determined on the same basis as they are reported by the HCTF. For this purpose, the HCTF recognizes benefit payments when due and payable in accordance with benefit terms. Investments are reported at fair value.

2) RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The governmental funds sheet includes reconciliation between fund balances - total governmental funds and net position - governmental activities as reported in the government-wide statement of net position. Additionally, the governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net change in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities.

2) RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

These reconciliations detail items that require adjustment to convert from the current resources measurement and modified accrual basis for government fund statements to the economic resources measurement and full accrual basis used for government-wide statements. However, certain items having no effect on measurement and basis of accounting were eliminated from the governmental fund statements during the consolidation of governmental activities.

3) BUDGETARY INFORMATION

The District follows these procedures in establishing the budgetary data reflected in these financial statements:

1. On or before June 1, the Superintendent will submit to the Board of Education a proposed budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.

2. Public hearings are conducted by the Board of Education to obtain the comments of the District residents.

3. Prior to June 30, the budget will be adopted by the Board of Education.

Budgetary amounts, in total, reported in the accompanying financial statements for the other funds are as originally adopted. The Superintendent and/or the Board of Education throughout the fiscal year may amend budgetary amounts within each fund. Individual amendments in the General and other Funds were not material in relation to the original appropriations.

The legal level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the individual fund level for all funds.

The encumbrance system of accounting is used wherein encumbrances outstanding at year-end are not reported as expenditures in the financial statements for generally accepted accounting principles purposes, but are reported as an assignment of fund balance for subsequent years' expenditures based on the encumbered appropriation authority carried over. District policy requires recording of an encumbrance as a charge against appropriation in the accounting period in which a purchase order is issued, rather than in the accounting period when goods or services are received as required by generally accepted accounting principles.

Formal budgetary integration is employed as a management control device during the fiscal year for the General Fund, Special Revenue Funds, Debt Service Fund, and the Capital Projects Fund.

4) BUDGETARY BASIS OF ACCOUNTING - LEGAL COMPLIANCE

Colorado Budget Law requires that all funds have legally adopted budgets and appropriations. Total expenditures for each fund may not exceed the amount appropriated. Appropriations for a fund may be increased provided they are offset by unanticipated revenues. All appropriations lapse at the end of each fiscal year to the extent that they have not been expended or encumbered. Authorization to transfer budgeted amounts between programs and/or departments within any fund and the reallocation of budget line items within any program and/or department rests with the District's Superintendent. Revised and/or supplemental appropriations that alter the total budget of any fund must be approved by the Board of Education.

5) CASH AND INVESTMENTS

A reconciliation of the District's cash and investments as shown on the Statement of Net Position follows:

Cash	$ 7,804,628
Equity in pooled cash	13,588,450
Cash held by county treasurer	6,169,575
Investments held by the District	325,118,964
Investments held by an escrow agent	52,978,673
Investments held in trust	3,866,291
Total Cash and Investments	$ 409,526,581

DEPOSITS

The District's cash and deposit policies are approved by the Board of Education and governed by Colorado Statute. The Colorado Public Deposit Protection Act and the Savings and Loan Public Deposit Protection Act of Colorado (PDPA) require that all units of local government deposit cash in eligible public depositories; eligibility is determined by State regulators. At June 30, 2018, State regulatory commissioners have indicated that all financial institutions holding deposits for the District are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA.

PDPA allows the institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the deposits.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the District will not be able to recover its deposits or will not be able to recover collateral securities that are in possession of an outside party. The District policy is to only place deposits in an eligible public depository as defined by State regulators with collateral defined by the PDPA.

As of June 30, 2018, the District had bank deposits of $23,765,908 and a carrying balance of $21,393,078, the difference is checks issued but not yet cashed. The District had cash of $6,169,575 held by the county treasurer.

Component Units:

As of June 30, 2018, the charter schools had bank deposits of $2,443,785 at Cherry Creek Academy and $165,115 at Heritage Heights Academy and a carrying balance of $2,504,143 at Cherry Creek Academy and $188,980 at Heritage Heights Academy. At June 30, 2018, State regulatory commissioners have indicated that all financial institutions holding deposits for the charter school are eligible public depositories.

5) CASH AND INVESTMENTS (Continued)

INVESTMENTS

The District's investment policy, which complies with Colorado statutes, permits investment in obligations of the United States and certain agency securities, general obligation and revenue bonds of any state or political subdivision of a state, banker's acceptances, commercial paper, certain local government investment pools, repurchase agreements collateralized by authorized securities, certain money market funds, and time deposit accounts and certificates with federally insured banks.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the actual rating at year-end for each investment type.

The money market funds are not rated. They are invested in U.S. Government and government backed securities. Money market funds and the repurchase agreement are measured at amortized cost.

			Rating as of Year End							
Investment Type	Total	% of Total	A1	Aaa	Aa1	Aa2	Aa3	AAA+	AAAM	Not Rated
Certificate of Deposit	$ 18,487,205	4.84%	$12,985,610	$ -	$ -	$ 5,501,595	$ -	$ -	$ -	$ -
Commercial Paper	$ 20,636,380	5.40%	$20,636,380	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Corporate Note	$ 17,887,900	4.68%	$ -	$ 3,984,880	$1,963,220	$ 6,012,020	$5,927,780	$ -	$ -	$ -
CSIP Fixed Term	$115,519,087	30.24%	$ -	$ -	$ -	$ -	$ -	$115,519,087	$ -	$ -
CSIP LGIP	$144,874,911	37.93%	$ -	$ -	$ -	$ -	$ -	$ -	$144,874,911	$ -
Federal Agency	$ 12,680,297	3.32%	$ -	$12,680,297	$ -	$ -	$ -	$ -	$ -	$ -
US Treasury	$ 11,920,744	3.12%	$ -	$11,920,744	$ -	$ -	$ -	$ -	$ -	$ -
Money Market	$ 4,142,934	1.08%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 4,142,934
Repurchase Agreement	$ 35,814,471	9.38%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$35,814,471
Total	**$ 381,963,928**	**100.00%**	**$ 33,621,990**	**$ 28,585,921**	**$ 1,963,220**	**$ 11,513,615**	**$ 5,927,780**	**$ 115,519,087**	**$ 144,874,911**	**$ 39,957,404**

Concentration of Credit Risk

In accordance with District policy, investments in any one issuer (other than U.S. Government securities and government agency securities) should represent 2% or less of total investments at the time of purchase. At the time of purchase no investment other than U.S. Government securities and government agency securities was greater than 2%.

The District's types of investments (other than U.S. government securities and government agency securities) should represent 20% or less of total investments. The money market fund only invests in U.S. Treasury obligations.

Interest Rate Risk

Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District generally invests in short term investments which limits this type of risk and no investment may exceed two years without the written authorization from the District's Chief Financial Officer.

Information about the sensitivity of the fair values of the District's investments (including investments held by escrow agent) to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity:

		Remaining Maturity (in Months)	
Investment Type		12 Months Or Less	13 to 24 Months
Certificate of Deposit	$ 18,487,205	$ 18,487,205	$ -
Commercial paper	20,636,380	20,636,380	-
Corporate note	17,887,900	-	17,887,900
CSIP Fixed Term	115,519,087	115,519,087	-
CSIP LGIP	144,874,911	144,874,911	-
Federal Agency	12,680,297	1,408,239	11,272,058
US Treasury	11,920,744	-	11,920,744
Money market	4,142,934	4,142,934	-
Repurchase agreement	35,814,471	35,814,471	-
Total	$ 381,963,929	$ 340,883,227	$ 41,080,702

Fair Value of Investments

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices (unadjusted) in active markets for an identical asset or liability that a government can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1, that are observable for an asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3: Unobservable inputs for an asset or liability.

5) CASH AND INVESTMENTS (Continued)

The following table presents the fair value of measurements of assets recognized in the accompanying statement of net position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30, 2018:

Investments by fair value levels	Balance June 30, 2018	Amortized Cost	Fair Value Measurement Using Level 2
Certificate of Deposit	$ 18,487,205	$ 18,487,205	$ -
Commercial Paper	20,636,380	20,636,380	-
Corporate Note	17,887,900	-	17,887,900
CSIP Fixed Term Holdings	115,519,087	115,519,087	-
CSIP LGIP	144,874,911	144,874,911	-
Federal Agency	12,680,297	-	12,680,297
US Treasury	11,920,744	-	11,920,744
Money Market Funds	4,142,934	4,142,934	-
Repurchase Agreement	35,814,470	35,814,470	-
Total	$ 381,963,928	$ 339,474,987	$ 42,488,941

At June 30, 2018, the District had invested $260,393,998 in Colorado Statewide Investment Program (CSIP). CSIP invests in highly rated securities including U.S. Treasury and U.S. government agency securities, CDs and CP. CSIP is rated AAAm by Standard and Poor's. The District's investment in CSIP as of June 30, 2018 is measured using amortized cost and is therefore not categorized in a level.

Component Units:

At June 30, 2018, Cherry Creek Academy had invested $1,970,910 in Colorado Government Liquid Asset Trust Plus (COLOTRUST). Investments consist of U.S. Treasury and U.S. Agency securities and repurchase agreements collateralized by U.S. Treasury and U.S. Agency securities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the entities. Colotrust is rated AAAm by Standard and Poor's. The charter school's investment in Colotrust as of June 30, 2018 is measured using net asset value and is therefore not categorized in a level.

6) CAPITAL ASSETS

A summary of changes in capital assets is as follows:

Governmental activities	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
Non-depreciable assets:				
Land	$ 19,850,598	$ 9,809,239	$ -	$ 29,659,837
Projects in progress	27,567,614	96,061,313	13,921,263	109,707,664
Total non-depreciable assets	47,418,212	105,870,552	13,921,263	139,367,501
Depreciable assets:				
Land improvements	25,147,956	4,671,580	-	29,819,536
Buildings	980,056,764	22,412,612	-	1,002,469,376
Equipment & vehicles	78,032,576	10,567,427	1,501,750	87,098,253
Total depreciable assets	1,083,237,296	37,651,619	1,501,750	1,119,387,165
Less accumulated depreciation for:				
Land improvements	21,662,849	597,062	-	22,259,911
Buildings	370,884,787	26,887,651	-	397,772,438
Equipment & vehicles	62,616,092	4,227,253	1,501,750	65,341,595
Total accumulated depreciation	455,163,728	31,711,966	1,501,750	485,373,944
Total capital assets being depreciated, net	628,073,568	5,939,653	-	634,013,221
Net capital assets	$ 675,491,780	$ 111,810,205	$ 13,921,263	$ 773,380,722

6) CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions/programs of the District as follows:

Governmental activities:	
Instruction	$ 28,931,110
Indirect instruction	996,727
General administration	13,545
School administration	21,919
Business services	103,902
Operations and maintenance	467,684
Pupil transportation	561,826
Central services	296,107
Community services	1,340
Food service operations	303,083
Other support services	14,723
Total depreciation expense - governmental activities	$ 31,711,966

Component unit activities

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
Governmental activities:				
Land	$ 744,711	$ -	$ -	$ 744,711
Land improvements	283,886	-	-	283,886
Projects in progress	764,413	4,821,479	-	5,585,892
Buildings	5,310,869	-	-	5,310,869
Building improvements	599,221	30,871	-	630,092
Furniture and equipment	389,997	308,030	-	698,027
Accumulated depreciation	(1,589,665)	(182,187)	-	(1,771,852)
Total Capital Assets, net	$ 6,503,432	$ 4,978,193	$ -	$ 11,481,625

Construction commitments: The District has active construction projects as of June 30, 2018. The projects include renovation, new construction, and site improvements.

A list of significant commitments as of June 30, 2018, is as follows:

	Commitment Total	Completed to Date	Remaining Commitment
Altitude Elementary	$ 21,992,913	$ 18,118,095	$ 3,874,818
Infinity Middle School	46,491,150	41,944,541	4,546,609
Cherry Creek Innovation Campus	47,533,631	7,463,304	40,070,327
Freemont Building	10,763,622	5,841,154	4,922,468
Elementary/Middle School Innovations	6,800,310	2,667,697	4,132,613
Cherry Creek Academy	5,343,154	5,048,675	294,479
Mechanical renovations	17,398,784	11,927,428	5,471,356
Maintenance renovations	400,100	227,820	172,280
School Café renovations	3,787,506	1,553,898	2,233,608
Sports, Track, tennis, turf renovations	1,787,295	1,352,650	434,645
Roofing renovations	947,511	635,242	312,269
Lift station renovations	779,310	355,500	423,810
			$ 66,889,282

7) INTERFUND TRANSACTIONS

Transfers are used to 1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them or 2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Transfers during the 2017 – 2018 fiscal year were as follows:

	Transfers In		
		Nonmajor Funds	
Transfers Out	General Fund	Extended Child Services Fund	Capital Reserve Fund
General Fund	$ -	$ 126,163	$ 14,572,700
Nonmajor Funds:			
Extended Child Services Fund	1,435,955	-	-
Total	$ 1,435,955	$ 126,163	$ 14,572,700

Due To/Due From – Amounts owed to one fund or business-type activity by another which are due within one year are reported as due to other funds or business-type activities. These balances arise during the normal course of business and the District's use of pooled cash.

Due to/due from funds at year-end were as follows:

Receivable Fund	Payable Fund	
General Fund	Nonmajor Fund: Pupil Activities Fund	$ 211,239
Total		$ 211,239

8) ACCRUED SALARIES AND BENEFITS

The major component of accrued salaries and benefits relates to salaries and benefits of certain contractually employed personnel paid over a twelve-month period from September to August but are earned during a school year of approximately nine to ten months. The salaries and benefits earned but unpaid at June 30, 2018, are estimated to be $30,140,352 for the General Fund. Additional accrued salaries and benefits earned by non-contracted employees, including other hourly employees, are $2,381,287 at June 30, 2018.

9) COMPENSATED ABSENCES PAYABLE

As of June 30, 2018, compensated absences payable are as follows:

	Current	Long-term	Total
Governmental activities	$ 6,590,723	$ 36,072,311	$ 42,663,034
Total	$ 6,590,723	$ 36,072,311	$ 42,663,034

The current portion for Governmental Funds of accrued compensated absences have been recorded in the respective funds and as current liabilities in the governmental financial statements in the amount of $4,040,723. District policy imposes an annual spending cap of $2,550,000 for teachers and mental health employees related to compensated absences payable. This amount is also included as a current liability in the government-wide financial statements while the remaining balance is reflected as a long term liability in the government-wide financial statements. The current portion of compensated absences payable are expected to be liquidated by the respective Governmental Funds within the next year. The majority of the Governmental Fund payments are made by the General Fund. Only compensated absences that have matured, i.e.: unused reimbursable leave still outstanding following an employee's resignation or retirement, are reported in governmental funds.

A summary of changes in compensated absences payable is as follows:

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
Governmental funds	$ 40,195,080	$ 8,194,166	$ 5,726,212	$ 42,663,034

The deletions shown above reflect the combination of an annual cap on the accrued compensated absences liability, the experience and longevity plan, and an increase in new retirees.

10) LONG-TERM DEBT

General Obligation Bonds Payable

General obligation bonds payable at June 30, 2018, are as follows:

Description, Interest Rates, and Maturity Dates	Principal Balance
School building bonds in the original amount of $100,000,000 (Series 2004) due in varying installments through December 15, 2023, interest at 2.0% - 5.0%	$ 13,525,000
School building bonds in the original amount of $101,775,000 (Series 2009) due in varying installments through December 15, 2028, interest at 3.0% - 5.0%	3,465,000
School building bonds in the original amount of $15,045,000 (Series 2010A) due in varying installments through December 15, 2019, interest at 2.0% - 5.0%	8,140,000
School building bonds in the original amount of $86,730,000 (Series 2010B) due in varying installments through December 15, 2029, interest at 4.6% - 5.6%	86,730,000
Refunding bonds in the original amount of $48,855,000 (Series 2012) due in varying installments through December 15, 2023, interest at 2.0% - 3.5%	23,760,000
School building bonds in the original amount of $125,000,000 (Series 2012B) due in varying installments through December 15, 2032, interest at 2.0% - 3.0%	110,735,000
Refunding building bonds in the original amount of $31,215,000 (Series 2013) due in varying installments through December 15, 2022, interest at 2.0% - 5.0%	17,995,000
Refunding building bonds in the original amount of $37,585,000 (Series 2014) due in varying installments through December 15, 2024, interest at 3.0% - 5.0%	28,175,000
Refunding building bonds in the original amount of $46,855,000 (Series 2015) due in varying installments through December 15, 2019, interest at 5.0%	23,855,000
School building bonds in the original amount of $150,000,000 (Series 2017) due in varying installments through December 15, 2036, interest at 4.0-5.0%	150,000,000
Refunding building bonds in the original amount of $75,510,000 (Series 2017B) due in varying installments through December 15, 2028, interest at 2.0-5.0%	75,510,000
School building bonds in the original amount of $100,000,000 (Series 2017C) due in varying installments through December 15, 2037, interest at 4.0-8.0%	100,000,000
Total general obligation bonds payable	$ 641,890,000

10) LONG-TERM DEBT (Continued)

Long-term debt maturities for all general obligation bonds outstanding at June 30, 2018, including interest, are as follows:

Fiscal year ended June 30,	Principal	Interest	Total
2019	$ 31,345,000	$ 27,040,146	$ 58,385,146
2020	33,665,000	25,499,171	59,164,171
2021	35,330,000	23,822,245	59,152,245
2022	30,270,000	22,349,048	52,619,048
2023	31,525,000	21,102,749	52,627,749
2024-2028	172,165,000	84,487,112	256,652,112
2029-2033	169,585,000	46,877,778	216,462,778
2034-2037	138,005,000	15,025,450	153,030,450
Total	$ 641,890,000	$ 266,203,699	$ 908,093,699

Certificates of Participation

On December 13, 2017, the District issued $15,465,000 in certificates of participation for the purchase and renovation of a building known as the Freemont property to be used for the Options program and other District programs.

The certificates of participation have interest rates between 1.75% and 3.25%, due in varying installments through December 15, 2038.

Future payments are as follows:

Fiscal year ended June 30,	Principal	Interest	Total
2019	$ -	$ 423,091	$ 423,091
2020	-	423,091	423,091
2021	-	423,091	423,091
2022	690,000	417,054	1,107,054
2023	705,000	404,848	1,109,848
2024-2028	3,750,000	1,791,775	5,541,775
2029-2033	4,270,000	1,275,531	5,545,531
2034-2038	4,960,000	579,822	5,539,822
2039	1,090,000	17,713	1,107,713
Total	$ 15,465,000	$ 5,756,016	$ 21,221,016

Capital Lease Obligations

Capital lease obligations at June 30, 2018, are as follows:

Description, Interest Rates, and Maturity Dates	Balance
Technology lease in the original amount of $1,694,812 (2014) due in varying installments through September 30,2018, interest at 1.410%	$ 217,097
Bus lease in the original amount of $4,178,500 (2015) due in varying installments through March 24, 2025, interest at 2.090%	3,014,839
Bus lease in the original amount of $3,368,178 (2016) due in varying installments through January 25, 2026, interest at 1.990%	2,746,816
Bus lease in the original amount of $3,552,683 (2017) due in varying installments through March 3, 2027, interest at 2.296%	3,232,788
Technology lease in the original amount of $12,000,000 (2017) due in varying installments through July 15, 2021, interest at 1.781%	12,000,000
Bus lease in the original amount of $7,262,050 (2018) due in varying installments through January 31, 2028, interest at 2.910%	7,262,050
Total capital lease obligations payable	$ 28,473,590

The total amount of assets acquired with the technology and bus leases noted above amount to $24,607,299; less $15,763,504 accumulated depreciation, and is included in the category of equipment and vehicles. For financial reporting purposes, the District follows the requirements of GAAP; for capital leases, the present value of future minimum lease payments is shown as a liability and related assets are capitalized in the basic financial statements.

The following is a schedule of the future minimum lease payments under capital leases and the present value of the net minimum lease payments:

Fiscal year ended June 30,	Principal	Interest	Total
2019	$ 5,257,115	$ 593,467	$ 5,850,582
2020	5,141,078	490,876	5,631,954
2021	5,244,238	387,715	5,631,953
2022	3,573,654	282,410	3,856,064
2023	1,857,679	222,495	2,080,174
2024-2028	7,399,826	459,567	7,859,393
Total	$ 28,473,590	$ 2,436,530	$ 30,910,120

10) LONG-TERM DEBT (Continued)

Other

Payment of principal and interest for general obligation bonds is made from the Bond Redemption Debt Service Fund. The legal debt limit and debt margin as of June 30, 2018, are $1,221,916,964 and $635,096,595, respectively. As of June 30, 2018, the management of the District is of the opinion that it is in compliance with all significant limitations and restrictions in the bond indentures.

Bond Refunding

On October 4, 2017 the District refunded $78.7 million of the 2009 Series general obligation bonds with the proceeds from the issuance of 2017B Series refunding general obligation bonds. Total debt service on the 2017B refunding bonds will be $94,843,619 through December 15, 2028. This refunding decreases total debt service and will result in a savings to taxpayers of $13.6 million over the life of the new debt and an economic gain on a net present value basis of $12.6 million.

Build America Bonds

The 2010B Bonds were issued as Direct Pay Build America Bonds. Build America Bonds were created as part of the American Recovery and Reinvestment Act of 2009. Build America Bonds are taxable bonds to the bond holder. The District receives a direct federal subsidy in an amount equal to approximately 33 percent of the interest payment on the Build America Bonds. The District received $1,468,707 from the United States Treasury for the fiscal year ended June 30, 2018, related to the interest payable on these bonds. This subsidy is recorded in the General Fund.

Changes in Long-term Debt

During the fiscal year ended June 30, 2018, the following changes occurred in long-term debt:

	Balance July 1, 2017	Additions	Deletions	Outstanding June 30, 2018
Governmental Activities:				
General obligation bonds payable	$ 573,185,000	$ 175,510,000	$ 106,805,000	$ 641,890,000
Unamortized premiums	43,627,944	29,178,061	5,837,300	66,968,705
Total bonds payable	616,812,944	204,688,061	112,642,300	708,858,705
Capital lease	23,934,011	7,262,050	2,722,471	28,473,590
Certificates of participation	-	15,465,000	-	15,465,000
Unamortized discounts	-	(263,010)	6,262	(256,748)
Compensated absences	40,195,080	8,194,166	5,726,212	42,663,034
Total	$ 680,942,035	$ 235,346,267	$ 121,097,245	$ 795,203,581

Due within one year:	
Governmental activities:	
General obligation bonds payable	$ 31,345,000
Capital lease	5,257,115
Compensated absences	6,590,723
Total	$ 43,192,838

General obligation bonds payable and capital lease obligations are discussed above. Compensated absences are discussed in more detail in Note 9.

Component Unit Debt

Building lease – Cherry Creek Academy

In March 2012, the Colorado Educational and Cultural Facilities Authority (CECFA) issued the $3,460,000 Charter School Revenue Refunding Bonds, Series 2012 to refund the Charter School Revenue Bonds, Series 2001, fund the debt service reserve and pay certain issuance costs. CECFA amended the loan to the Facility Corporation to include the refunded bonds. In addition, the Facility Corporation amended the lease with the charter school to reflect the refunded amount. The charter school is obligated to make monthly lease payments to the Facility Corporation for use of the building. The Facility Corporation is required to make equal loan payments to the Trustee, for payment of the bonds. Interest accrues at rates of 2.0% to 4.75%. The lease matures in April 2030.

Future debt service requirements on the building lease are as follows:

Fiscal year ended June 30,	Principal	Interest	Total
2019	$ 155,000	$ 120,487	$ 275,487
2020	160,000	114,288	274,288
2021	165,000	107,888	272,888
2022	175,000	101,288	276,288
2023	180,000	94,287	274,287
2024-2028	1,035,000	334,824	1,369,824
2029-2030	770,000	61,750	831,750
Totals	$ 2,640,000	$ 934,812	$ 3,574,812

During the year ended June 30, 2018, the following changes occurred in the charter school's long-term debt:

10) LONG-TERM DEBT (Continued)

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
Building Lease, Series 2012	$ 2,790,000	$ -	$ 150,000	$ 2,640,000
Lease Discount	(15,415)	-	(1,209)	(14,206)
Total	$ 2,774,585	$ -	$ 148,791	$ 2,625,794
Due within one year:				
Building Lease				$ 155,000

11) SHORT-TERM DEBT

During the year ended June 30, 2018, the District borrowed $24,644,953 from the State Treasurer's interest-free loan program. The borrowing was necessary to finance seasonal cash flow requirements of the District during the fiscal year ended June 30, 2018. The amount borrowed was paid in full by the maturity date June 25, 2018.

12) OPERATING LEASE

The District has entered into an operating lease for GPS equipment installed in District transportation vehicles. Payments made during fiscal year 2018 totaled $122,400.

Future payments on the operating lease are as follows:

Fiscal year ended June 30,	Annual lease payments
2019	$ 122,400
2020	81,600
Totals	$ 204,000

13) DEFINED BENEFIT PENSION PLAN

The District participates in the School Division Trust Fund (SCHDTF), a cost-sharing multiple-employer defined benefit pension fund administered by the Public Employees' Retirement Association of Colorado (PERA). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SCHDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

During the 2018 legislative session, the Colorado General Assembly passed significant pension reform through Senate Bill (SB) 18-200: Concerning Modifications To the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years. Governmental accounting standards require the net pension liability and related amounts of the SCHDTF for financial reporting purposes be measured using the plan provisions in effect as of the SCHDTF's measurement date of December 31, 2017. As such, the following disclosures do not include the changes to plan provisions required by SB 18-200 with the exception of the section titled Changes between the measurement date of the net pension liability and June 30, 2018.

General Information about the Pension Plan

Eligible employees of the District are provided pensions through the SCHDTF. 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. PERA issues a publicly available annual financial report that includes financial statements and required supplementary information for the SDTF. That report may be obtained online at www.copera.org/investments/pera-financial-reports.

Benefits Provided

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

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

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

13) DEFINED BENEFIT PENSION PLAN (Continued)

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

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

As of December 31, 2017, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 receive an annual increase of 2%, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 2% or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 receive an annual increase of the lesser of 2% or the average CPI-W for the prior calendar year, not to exceed 10% of PERA's Annual Increase Reserve (AIR) for the SCHDTF.

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

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

Contributions

Eligible employees and the District are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, et seq. Eligible employees are required to contribute 8 percent of their PERA-includable salary.

The employer contribution requirements are summarized in the table below:

	For the Year Ended December 31, 2017	For the Year Ended December 31, 2018
Employer Contribution Rate[1]	10.15 %	10.15 %
Amount of Employer Contribution Apportioned to the health Care Trust Fund as Specified in C.R.S. § 24-51-208(1)(f)[1]	(1.02)%	(1.02)%
Amount Apportioned to the SCHDTF[1]	9.13 %	9.13 %
Amortization Equalization Disbursement (AED) as Specified in C.R.S. § 24-51-411[1]	4.50 %	4.50 %
Supplemental Amortization Equalization Disbursement (SAED) as Specified in C.R.S. § 24-51-411[1]	5.00 %	5.50 %
Total Employer Contribution Rate to the SCHDTF[1]	18.63 %	19.13 %

[1] Rates are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF for the District for the year ended June 30, 2018 were $71,666,521.

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

At June 30, 2018, the District reported a liability of $2,596,852,260 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016. Standard update procedures were used to roll forward the total pension liability to December 31, 2017.

The District's proportion of the net pension liability was based on the District's contributions to the SCHDTF for the calendar year 2017 relative to the total contributions of participating employers to the SCHDTF.

At December 31, 2017, the District's proportion was 8.0307287320%, which was an increase of 0.0801183854% from its proportion measured as of December 31, 2016.

13) DEFINED BENEFIT PENSION PLAN (Continued)

For the year ended June 30, 2018, the District recognized pension expense of $483,238,626. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	$ 47,745,172	$ -
Changes of Assumptions or other Inputs	663,072,858	4,207,700
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	101,980,859
Changes in Proportion and Differences between Contributions Recognized and Proportionate Share Share of Contributions	20,722,472	19,952,269
Contributions Subsequent to the Measurement Date	36,483,058	-
Total	$ 768,023,560	$ 126,140,828

$36,438,058 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 June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Amount
2019	$ 409,682,583
2020	230,132,985
2021	3,949,707
2022	(38,365,601)
2023	-
Thereafter	-

Actuarial Assumptions: The December 31, 2016 actuarial valuation used the following actuarial cost method, actuarial assumptions, and other inputs:

Actuarial Cost Method	Entry Age
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50 – 9.70 percent
Long-term investment Rate of Return, net of pension plan investment expenses, including price inflation	7.25 percent
Discount rate	5.26 percent
Future post-retirement benefit increases:	
PERA Benefit Structure hired prior to 1/1/07; and DPS Benefit Structure (automatic)	2.00 percent
PERA Benefit Structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

[1] The discount rate reflected in the roll-forward calculation of the collective total pension liability to the measurement date was 4.78% as described below.

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

Healthy mortality assumptions for active members reflect the RP-2014 White Collar Healthy Annuitant Mortality Table, adjusted as follows:

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

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

The actuarial assumptions used in the December 31, 2016 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.

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 SCHDTF, 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 asset allocation percentage and then adding expected inflation.

13) DEFINED BENEFIT PENSION PLAN (Continued)

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 summarized in the following table:

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 Equity	8.50%	6.60%
Cash	1.00%	0.20%
Total	100.00%	

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

Discount rate

The discount rate used to measure the total pension liability was 4.78 percent. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection 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 rate as of the measurement date. 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, including 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.

- 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. As the ad hoc post-retirement benefit increases financed by the AIR are defined to have a present value at the long-term expected rate of return on plan investments equal to the amount transferred for their future payment, AIR transfers to the fiduciary net position and the subsequent AIR benefit payments have no impact on the Single Equivalent Interest Rate (SEIR) determination process when the timing of AIR cash flows is not a factor (i.e., the plan's fiduciary net position is not projected to be depleted). When AIR cash flow timing is a factor in the SEIR determination process (i.e., the plan's fiduciary net position is projected to be depleted), 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 GASB Statement No. 67 projection test indicates the SCHDTF's fiduciary net position was projected to be depleted in 2041 and, as a result, the municipal bond index rate was used in the determination of the discount rate. The long-term expected rate of return of 7.25 percent on pension plan investments was applied to periods through 2041 and the municipal bond index rate, the average of the Bond Buyer General Obligation 20-year Municipal Bond Index Rates during the month of December published at the end of each week by The Bond Buyer, was applied to periods on and after 2041 to develop the discount rate. For the measurement date, the municipal bond index rate was 3.43 percent, resulting in a discount rate of 4.78 percent.

As of the prior measurement date, the long-term expected rate of return on plan investments of 7.25 percent and the municipal bond index rate of 3.86 percent were used in the discount rate determination resulting in a discount rate of 5.26 percent.

13) DEFINED BENEFIT PENSION PLAN (Continued)

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the proportionate share of the net pension liability calculated using the discount rate of 4.78 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.78 percent) or 1-percentage-point higher (5.78 percent) than the current rate:

	1% Decrease (3.78%)	Current Discount Rate (4.78%)	1% Increase (5.78%)
Proportionate share of the net pension liability (in thousands)	$ 3,280,266,070	$ 2,596,852,260	$ 2,039,948,045

Pension Plan Fiduciary Net Position

Detailed information about the SCHDTF'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.

Changes between the measurement date of the net pension liability and June 30, 2018

During the 2018 legislative session, the Colorado General Assembly passed significant pension reform through SB 18-200: *Concerning Modifications To the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years*. The bill was signed into law by Governor Hickenlooper on June 4, 2018. SB 18-200 makes changes to the plans administered by PERA with the goal of eliminating the unfunded actuarial accrued liability the Division Trust Funds and thereby reach a 100 percent funded ratio for each division within the next 30 years.

A brief description of some of the major changes to plan provisions required by SB 18-200 are listed below. A full copy of the bill can be found online at www.leg.colorado.gov.

- Increases employer contribution rates by 0.25 percent on July 1, 2019.
- Increases employee contribution rates by a total of 2 percent (to be phased in over a period of 3 years starting on July 1, 2019).
- Directs the state to allocate $225 million each year to PERA starting on July 1, 2018. A portion of the direct distribution will be allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the other divisions eligible for the direct distribution.
- Modifies the retirement benefits, including temporarily suspending and reducing the annual increase for all current and future retirees, modifying the highest average salary for employees with less than five years of service credit on December 31, 2019 and raises the retirement age for new employees.
- Member contributions, employer contributions, the direct distribution from the state, and the annual increases will be adjusted based on certain statutory parameters beginning July 1, 2020, and then each year thereafter, to help keep PERA on path to full funding in 30 years.

At June 30, 2018, the District reported a liability of $2,596,852,260 for its proportionate share of the net pension liability which was measured using the plan provisions in effect as of the pension plan's year-end based on a discount rate of 4.78%. For comparative purposes, the following schedule presents an estimate of what the District's proportionate share of the net pension liability and associated discount rate would have been had the provisions of SB 18-200, applicable to the SCHDTF, become law on December 31, 2017. This pro forma information was prepared using the fiduciary net position of the SCHDTF as of December 31, 2017. Future net pension liabilities reported could be materially different based on changes in investment markets, actuarial assumptions, plan experience and other factors.

Estimated Discount Rate Calculated Using Plan Provisions Required by SB 18-200 (pro forma)	Proportionate Share of the Estimated Net Pension Liability Calculated Using Plan Provisions Required by SB 18-200 (pro forma)
7.25%	1,173,235,341

Recognizing that the changes in contribution and benefit provisions also affect the determination of the discount rate used to calculate the collective net pension liability, approximately $1,212,226,858 of the estimated reduction is attributable to the use of a 7.25 percent discount rate.

Component Units:

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the charter schools is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the charter schools were $683,065 for the year ended June 30, 2018.

At June 30, 2018, the charter schools reported a liability of $22,655,969 for their proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016. Standard update procedures were used to roll forward the total pension liability to December 31, 2017. The charter school's proportion of the net pension liability was based on charter school's contributions to the SCHDTF for the calendar year 2017 relative to the total contributions of participating employers to the SCHDTF.

At December 31, 2017, the charter schools' proportion was .0700615560%, which was an increase of .0040158584% from their proportion measured as of December 31, 2016.

For the year ended June 30, 2018, the charter schools recognized pension expense of $5,707,945. At June 30, 2018, the charter school reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

13) DEFINED BENEFIT PENSION PLAN (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 416,541	$ -
Changes of assumptions or other inputs	6,146,767	36,708
Net difference between projected and actual earnings on pension plan investments	-	889,738
Changes in proportion and differences between contributions recognized and proportionate share of contributions	1,929,370	-
Contributions subsequent to the measurement date	382,197	-
Total	$ 8,874,875	$ 926,446

$382,197 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 June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal year ended June 30,	Total
2019	$ 4,500,583
2020	2,835,839
2021	560,735
2022	(330,925)
Totals	$ 7,566,232

Sensitivity of the charter school's proportionate share of the net pension liability to changes in the discount rate:

	1% Decrease (3.78%)	Current Discount Rate (4.78%)	1% Increase (5.78%)
Proportionate share of the net pension liability	$ 28,618,338	$ 22,655,969	$ 17,797,314

14) POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS

General Information about the OPEB Plan

Plan Description
Eligible employees of the District are provided with OPEB through the Health Care Trust Fund (HCTF) - a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan administered by the Public Employees' Retirement Association of Colorado (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. PERA issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits Provided
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 Division, School Division, Local Government Division and Judicial Division Trust Funds), 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. Upon the death of a DPS benefit structure retiree, no further subsidy is paid.

Eligibility to enroll in PERACare is voluntary and includes, among others, benefit recipients and their eligible dependents, as well as certain surviving spouses, divorced spouses and guardians. 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.

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

For benefit recipients who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, C.R.S. § 24-51-1206(4) provides an additional subsidy. According to the statute,

14) POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

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.

Contributions

Pursuant to Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended, certain contributions are apportioned to the HCTF. PERA-affiliated employers of the State, School, Local Government, and Judicial Divisions are required to contribute at a rate of 1.02 percent of PERA-includable salary into the HCTF.

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from District were $3,871,309 for the year ended June 30, 2018.

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

At June 30, 2018, the District reported a liability of $59,301,374 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2017, 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, 2017. The District's proportion of the net OPEB liability was based on the District's contributions to the HCTF for the calendar year 2017 relative to the total contributions of participating employers to the HCTF. At December 31, 2017, the District's proportion was 4.5630481490%, which was an increase of 0.0438264448% from its proportion measured as of December 31, 2016.

For the year ended June 30, 2018, the District recognized OPEB expense of $944,861. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	$ 280,445	$ -
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	-	992,098
Changes in Proportion and Differences between Contributions Recognized and Proportionate Share Share of Contributions	474,920	-
Contributions Subsequent to the Measurement Date	1,954,732	-
Total	$ 2,710,097	$ 992,098

$1,954,732 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction in the net OPEB liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	Amount
2019	$ (99,621)
2020	(99,621)
2021	(99,621)
2022	(99,529)
2023	148,427
Thereafter	13,232

Actuarial assumptions

The total OPEB liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial Cost Method	Entry Age
Price Inflation	2.40%
Real Wage Growth	1.10%
Wage Inflation	3.50%
Salary Increases, Including Wage Inflation	3.50 % in the aggregate
Long-Term Investment Rate of Return, Net of OPEB Plan Investment Expenses, Including Price Inflation	7.25%
Discount rate	7.25%
Health Care Cost Trend Rates	
Service-based Premium Subsidy	0.00%
PERACare Medicare Plans	5.00%
Medicare Part A Premiums	3.00% for 2017, gradually rising to 4.25% in 2023

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.

14) POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

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

Year	PERACare Medicare Plans	Medicare Part A Premiums
2017	5.00%	3.00%
2018	5.00%	3.25%
2019	5.00%	3.50%
2020	5.00%	3.75%
2021	5.00%	4.00%
2022	5.00%	4.00%
2023	5.00%	4.25%
2024+	5.00%	4.25%

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 percent factor applied to male rates and a 55 percent 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 2018 using the MP-2015 projection scale, a 73 percent factor applied to rates for ages less than 80, a 108 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78 percent factor applied to rates for ages less than 80, a 109 percent 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 2018 using the MP-2015 projection scale, a 93 percent factor applied to rates for ages less than 80, a 113 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 68 percent factor applied to rates for ages less than 80, a 106 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

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

The 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 2017 plan year.
- The percentages 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, 2016, 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 of 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 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 asset allocation percentage and then adding expected inflation.

14) POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

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 summarized in the following table:

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 Equity	8.50	6.60
Cash	1.00	0.20
Total	100.00	

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

Sensitivity of the District's proportionate share of the net OPEB liability to changes in the healthcare cost trend rates

The following presents the District's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
PERACare Medicare Trend Rate	4.00%	5.00%	6.00%
Initial Medicare Part A Trend Rate	2.00%	3.00%	4.00%
Ultimate Medicare Part A Trend Rate	3.25%	4.25%	5.25%
Proportionate Share of the Net OPEB Liability	$ 57,669,765	$ 59,301,374	$ 61,266,542

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2017, 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 percent.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date. 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 HCTF'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 of 7.25 percent on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate determination does not use the municipal bond index rate. There was no change in the discount rate from the prior measurement date.

Sensitivity of the District's proportionate share of the net OPEB liability to changes in the discount rate

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate Share of the Net OPEB Liability	$ 66,673,389	$ 59,301,374	$ 53,009,158

14) POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

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

Component Units:

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the charter schools were $34,999 for the year ended June 30, 2018.

At June 30, 2018, the charter schools reported a liability of $517,717 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2017, 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, 2017. The charter school's proportion of the net OPEB liability was based on the charter school's contributions to the HCTF for the calendar year 2017 relative to the total contributions of participating employers to the HCTF. At December 31, 2017, the charter school's proportion was 0.0398319794%, which was an increase of 0.0022986483% from its proportion measured as of December 31, 2016.

For the year ended June 30, 2018, the charter schools recognized OPEB expense of $45,309. At June 30, 2018, the charter schools reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 2,448	$ -
Net difference between projected and actual earnings on pension plan investments	-	8,662
Changes in proportion and differences between contributions recognized and proportionate share of contributions	24,864	-
Contributions subsequent to the measurement date	20,141	-
Total	$ 47,453	$ 8,662

$20,141 reported as deferred outflows of resources related to OPEB resulting from charter schools contributions subsequent to the measurement date will be recognized as a reduction in the net OPEB liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal year ended June 30,	Total
2019	$ 3,200
2020	3,200
2021	3,200
2022	3,200
2023	5,365
2024	485
Total	$ 18,650

The following presents the charter school's proportionate share of the net OPEB liability, as well as what the charter school's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current discount rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	$ 582,076	$ 517,717	$ 462,785

The following presents the charter school's proportionate share of the net OPEB liability, as well as what the charter school's proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
PERACare Medicate Trend Rate	4.00%	5.00%	6.00%
Initial Medicare Part A Trend Rate	2.00%	3.00%	4.00%
Ultimate Medicare Part A Trend Rate	3.25%	4.25%	5.25%
Proportionate Share of the Net OPEB Liability	$ 582,076	$ 517,717	$ 462,785

15) RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The agreement for formation of the Joint Pool and the Colorado Pool provides that the Pools will be self-sustaining through member premiums and will reinsure through commercial reinsurance companies for catastrophic losses. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

Joint School Districts Workers Compensation Self-Insurance Pool

In 1986, the District joined with other school districts in the State to form the Joint School Districts Workers' Compensation Self-Insurance Pool (Joint Pool), a public entity risk pool currently operating as a common risk management and insurance program with four participating members. The District pays an annual contribution to the Joint Pool for its workers' compensation insurance coverage.

Each member of the Joint Pool is responsible for the first $100,000 of each loss. Losses between $100,000 and $400,000 are pooled between the member districts, and losses in excess of $400,000 are reinsured to statutory limits.

Colorado School Districts Self-Insurance Pool

In 1981, the District joined with other school districts in the State to form the Colorado School Districts Self-Insurance Pool (Colorado Pool), which was established by the Colorado Association of School Boards (CASB). The Colorado Pool is a public entity risk pool currently operating as a common risk management and insurance program with 178 member school districts, Boards of Cooperative Educational Services, and charter schools. The District pays an annual premium to the Colorado Pool for its property, casualty, and liability insurance coverage. The Colorado Pool retains liability losses up to $750,000 per occurrence and purchases reinsurance coverage of $10,000,000 per occurrence in excess of the Pool retention. The Colorado Pool property insurance policy provides limits up to $1,000,000,000 per occurrence subject to the Pool retention of $6,000,000 annual aggregate. Flood and earthquake coverage provided by the Colorado Pool has limits of $100,000,000 per occurrence/aggregate for the entire pool. Each Pool member can select individual deductible levels. The District has determined it will retain the first $50,000 per occurrence for school entity liability losses, $10,000 for automobile liability, and $100,000 per occurrence for property losses.

At June 30, 2018, the amount of workers compensation liability was $0. Changes in the reported liability for the years ended June 30, 2018, and 2017, were as follows:

	2018	2017
Beginning of fiscal year liability	$ -	$ -
Current-year claims and changes in estimate	2,682,192	2,313,784
Claim payments	(2,682,192)	(2,313,784)
Balance at fiscal year-end liability	$ -	$ -

Other

The District continues to carry commercial insurance coverage for employee medical, disability, and term life insurance. The District also provides a cafeteria plan which includes those benefits along with dental and vision insurance which is self-funded. Accordingly, no liability is reported for those claims. The amount of insurance coverage was consistent with the previous year. In addition, settlements have not exceeded insurance coverage for each of the past three fiscal years.

16) COMMITMENTS

CONSTRUCTION COMMITMENTS

The District had commitments of $66,889,282 for capital projects at June 30, 2018, of which $66,889,282 have been encumbered through the purchase order process. Future expenditures related to these commitments are expected to be financed through available resources.

17) CONTINGENCIES

FEDERAL GRANT PROGRAMS

The District participates in a number of federal grant programs, the most significant of which are the Elementary and Secondary Education Act, Title I, Title II-A, Title II-D, Title III, special education funding under IDEA, and National School Lunch and Breakfast Programs. These programs are subject to program compliance audits by the grantors or their representatives. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined, although the District expects such amount, if any, to be immaterial.

LITIGATION

The District is a defendant in a number of threatened and actual legal claims. Note 20) SUBSEQUENT EVENTS on page 105 describes a settlement approved after fiscal year end. Other than the settlement described in Note 20) SUBSEQUENT EVENTS the ultimate liability that might result from final resolution of any other matters is not presently determinable. However, the District believes that the final settlement of these other matters will not have a materially adverse effect on the financial position of the District.

EMERGENCY RESERVE

At the general election held November 3, 1992, the voters of the State approved an amendment to the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR). TABOR limits the ability of the State and local governments such as the District to increase revenues, debt, and spending and restricting property, income, and other taxes. In 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 obligations without adequate present cash reserves pledged irrevocably and held for payments in all future fiscal years.

TABOR also requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, and salary or fringe benefit increases. These reserves are required to be 3 percent or more after 1994. The District has restricted a portion of its fund balance for emergencies as required under TABOR.

17) CONTINGENCIES (Continued)

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 that it violates the protections afforded by the federal constitution against impairment of contracts. There have been few court interpretations, and there is still a divergence of opinions about the interpretation of some provisions of the amendment.

At this time the amendment's further impact on the District is unknown. However, based on the best information and opinions available, the District's management believes it is in compliance with the provisions of the amendment.

As of June 30, 2018, the District has restricted 3 percent of its fiscal year 2017-2018 spending as follows:

Governmental Activities:		
General Fund	$	16,388,000
Capital Projects Fund: Capital Reserve Fund		1,205,000
Special Revenue Funds:		
Extended Child Services Fund		558,000
Food Services Fund		285,000
Pupil Activities Fund		373,000
Total	$	18,809,000

18) RELATED PARTY TRANSACTIONS

The District provides administrative and other services to its charter schools, shown as component units. The amount of charges for services, in accordance with governing State statutes, for the fiscal year ended June 30, 2018, was $442,570.

19) RESTATEMENT

For the year ended June 30, 2018, the District adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB No. 75), which is effective for financial statements beginning after June 15, 2017. GASB No. 75 revises and establishes new financial reporting requirements for most governments that provide postemployment benefits other than pensions (OPEB). GASB No. 75 requires cost-sharing employers participating in the Health Care Trust Fund (HCTF) administered by the Public Employees' Retirement Association of Colorado (PERA) to record their proportionate share, as defined in GASB No. 75, of the HCTF's net OPEB liability.

For the District, the effect of implementing this standard was to change how it accounts and reports the net OPEB liability. Implementation of the standard resulted in a restatement of the prior period net position as shown below.

Net Position, June 30, 2017, as Previously Reported	$	(1,158,093,592)
Cumulative Effect of Application of GASB No. 75, Net OPEB Liability		(56,706,014)
Net Position, June 30, 2017, as Restated	$	(1,214,799,606)

Component units:

The beginning net position for the charter schools' was decreased by $468,830 due to the implementation of GASB No. 75

20) SUBSEQUENT EVENTS

During the 2018 legislative session, the Colorado General Assembly passed significant pension reform through SB 18-200: *Concerning Modifications To the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years*. The bill was signed into law by Governor Hickenlooper on June 4, 2018. SB 18-200 makes changes to the plans administered by PERA with the goal of eliminating the unfunded actuarial accrued liability the Division Trust Funds and thereby reach a 100 percent funded ratio for each division within the next 30 years. A brief description of some of the major changes to plan provisions required by SB 18-200 including an estimate of the impact on the District's share of the net pension liability if SB 18-200 had been enacted on December 31, 2017 are included in Note 13) DEFINED BENEFIT PENSION PLAN under the heading Changes between the measurement date of the net pension liability and June 30, 2018 found on page 90.

On September 24, 2018, the Board approved a settlement as a result of a confidential mediation with five former students in the amount of $11,500,000 of which the District's insurance carrier contributed $2,000,000 to the settlement and the District contributed the balance of $9,500,000. This amount of $9,500,000 is reflected in expenditures in the General Fund for the year ended June 30, 2018.

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Required

Supplementary

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Defined Benefit

Pension Plan Schedules

and

Other Post Employment Benefit
Plan Schedules

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CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PERA PENSION PLAN
Last Ten Years*
(In Thousands of Dollars)

	2014	2015	2016	2017	2018
Proportion of the Net Pension Liability (Asset)	7.829%	7.856%	8.287%	7.951%	8.031%
Proportionate share of the Net Pension Liability (Asset)	$ 998,604	$ 1,064,745	$ 1,267,410	$ 2,367,204	$ 2,596,852
Covered payroll	$ 315,627	$ 328,886	$ 347,291	$ 357,027	$ 372,922
Proportionate share of Net Pension Liability as a percentage of its covered payroll	316.387%	323.743%	364.942%	663.032%	696.353%
Plan Fiduciary Net Position as a percentage of Total Pension Liability	64.07%	62.84%	59.16%	43.13%	43.96%
Total Pension Liability	$ 35,494,976	$ 36,473,966	$ 37,447,062	$ 52,354,913	$ 57,699,176
Plan Fiduciary Net Position	22,740,003	22,920,607	22,152,768	22,581,046	25,362,730
Net Pension Liability	$ 12,754,973	$ 13,553,359	$ 15,294,294	$ 29,773,867	$ 32,336,446

* The amounts presented for each fiscal year were determined as of 12/31
* Information for the prior five years was not available to report

CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO

SCHEDULE OF CONTRIBUTIONS
PERA PENSION PLAN
Last Ten Fiscal Years

	Fiscal Year			
	2009	2010	2011	2012
Contractually required contribution	$ 34,503,283	$ 38,489,687	$ 41,241,902	$ 43,955,795
Contributions in relation to the contractually required contribution	34,503,283	38,489,687	41,241,902	43,955,795
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Covered payroll	$ 299,482,725	$ 310,122,745	$ 310,340,201	$ 309,832,213
Contributions as a percentage of covered payroll	11.52%	12.41%	13.29%	14.19%

Fiscal Year					
2013	2014	2015	2016	2017	2018
$ 46,977,093	$ 51,349,225	$ 57,048,749	$ 65,062,685	$ 66,439,413	$ 71,666,521
46,977,093	51,349,225	57,048,749	65,062,685	66,439,413	71,666,521
$ -	$ -	$ -	$ -	$ -	$ -
$ 311,487,289	$ 321,256,642	$ 337,867,964	$ 367,224,349	$ 361,430,140	$ 379,540,091
15.08%	15.98%	16.88%	17.72%	18.38%	18.88%

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CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO HEALTH CARE TRUST FUND
Last Ten Years*
(In Thousands of Dollars)

	2017	2018
Proportion of the Net OPEB Liability (Asset)	4.519%	4.563%
Proportionate share of the Net OPEB Liability (Asset)(in thousands)	$ 58,593	$ 59,301
Covered payroll	$ 357,027	$ 372,922
Proportionate share of Net OPEB Liability as a percentage of its covered payroll	16.411%	15.902%
Plan Fiduciary Net Position as a percentage of Total OPEB Liability	16.72%	17.53%
Total OPEB Liability	$ 1,556,762	$ 1,575,822
Plan Fiduciary Net Position	260,228	276,222
Net OPEB Liability	$ 1,296,534	$ 1,299,600

* The amounts presented for each fiscal year were determined as of 12/31
* Information for the prior eight years was not available to report

CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO

SCHEDULE OF CONTRIBUTIONS
PERA COLORADO HEALTH CARE TRUST FUND

Last Ten Fiscal Years

	Fiscal Year			
	2009	2010	2011	2012
Contractually required contribution	$ 3,054,724	$ 3,163,252	$ 3,165,470	$ 3,160,289
Contributions in relation to the contractually required contribution	3,054,724	3,163,252	3,165,470	3,160,289
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Covered payroll	$ 299,482,725	$ 310,122,745	$ 310,340,201	$ 309,832,213
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%

Fiscal Year					
2013	2014	2015	2016	2017	2018
$ 3,177,170	$ 3,276,818	$ 3,446,253	$ 3,745,688	$ 3,686,587	$ 3,871,309
3,177,170	3,276,818	3,446,253	3,745,688	3,686,587	3,871,309
$ -	$ -	$ -	$ -	$ -	$ -
$ 311,487,289	$ 321,256,642	$ 337,867,964	$ 367,224,349	$ 361,430,140	$ 379,540,091
1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

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Supplementary

Information

The Combining Financial Statements represent the second level of financial reporting for the District. These financial statements present more detailed information for the individual funds in a format that segregates information by fund type.

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Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources including those requiring separate accounting because of legal or regulatory provisions that legally restrict expenditures to specified purposes

Designated Purpose Grant Fund - This fund is used to account for the many restricted or categorically funded grants and contracts that are obtained primarily to provide for specific instructional programs.

Extended Child Services Fund - This fund is used to account for the financial activities of Pre-School, Kindergarten Enrichment, Before and After School and Intersession/Year Round Enrichment programs along with academic and non-academic Summer School and instrumental music programs.

Pupil Activities Fund - This fund is provided to account for financial transactions related to school-sponsored pupil intrascholastic and interscholastic athletic and activity related events.

Food Services Fund - This fund is used to account for food service operations for the various schools within the District. This program serves breakfast and lunch to the students and school staff, and is partially funded by the National School Lunch and School Breakfast programs through the federal government.

Capital Project Fund

Capital Reserve Fund - This fund is used to account for the allocation of resources and other revenues for ongoing capital outlay needs of the District, such as equipment purchases.

Major Governmental Funds

Debt Service - Bond Redemption Fund

Bond Redemption Fund - This fund is used to account for resources received and used to pay general long-term debt principal, interest, and related costs.

Capital Projects - Building Fund

Building Fund - This fund is used to account for financial resources to be used for major capital outlay relating to the acquisition, construction and remodeling of capital facilities

CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2018

	Capital Reserve Fund	Designated Purpose Grants Fund	Extended Child Services Fund	Food Services Fund	Pupil Activities Fund	Total Nonmajor Governmental Funds
ASSETS						
Cash and investments	$ 25,743,039	$ 6,091,137	$ 8,705,806	$ 5,971,391	$ 6,567,758	$ 53,079,131
Receivables, net						
Other governments	-	5,317,670	-	731,752	-	6,049,422
Other	345,804	-	16,108	22,755	-	384,667
Prepayments and deposits	1,118,512	-	36,537	4,280	-	1,159,329
Inventories	-	-	-	503,510	-	503,510
Total Assets	$ 27,207,355	$ 11,408,807	$ 8,758,451	$ 7,233,688	$ 6,567,758	$ 61,176,059
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	$ 5,052,132	$ 301,432	$ 76,532	$ 85,500	$ 28,306	$ 5,543,902
Accrued salaries and benefits	-	982,549	1,250,249	147,273	1,216	2,381,287
Interfund payables	-	-	-	-	211,239	211,239
Unearned revenues	-	10,124,826	612,186	519,732	-	11,256,744
Compensated absences	-	-	177,273	186,693	-	363,966
Total Liabilities	5,052,132	11,408,807	2,116,240	939,198	240,761	19,757,138
Fund balances						
Nonspendable for:						
Prepayments and deposits	1,118,512	-	36,537	4,280	-	1,159,329
Inventories	-	-	-	503,510	-	503,510
Restricted for:						
Investments in trust	3,866,291	-	-	-	-	3,866,291
Emergency reserve	1,205,000	-	558,000	285,000	373,000	2,421,000
Food service operations	-	-	-	5,501,700	-	5,501,700
Committed for:						
Extended Child Services Fund activities	-	-	3,989,513	-	-	3,989,513
Pupil Activities Fund activities	-	-	-	-	5,953,997	5,953,997
Assigned for:						
Future year transfers	-	-	2,058,161	-	-	2,058,161
Capital Reserve Fund activities	15,965,420	-	-	-	-	15,965,420
Total Fund balances	22,155,223	-	6,642,211	6,294,490	6,326,997	41,418,921
Total Liabilities and Fund balances	$ 27,207,355	$ 11,408,807	$ 8,758,451	$ 7,233,688	$ 6,567,758	$ 61,176,059

CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For The Year Ended June 30, 2018

	Capital Reserve Fund	Designated Purpose Grants Fund	Extended Child Services Fund	Food Services Fund	Pupil Activities Fund	Total Nonmajor Governmental Funds
REVENUES						
Intergovernmental						
Federal - grants	$ -	$ 17,341,295	$ -	$ 8,461,402	$ -	$ 25,802,697
State - grants	-	2,616,011	-	258,135	-	2,874,146
Tuition	-	-	18,740,035	-	-	18,740,035
Earnings on investments	81,398	-	42,428	55,378	7,357	186,561
Pupil activities	-	-	-	-	12,944,412	12,944,412
Food services sales	-	-	-	8,956,515	-	8,956,515
Cash in lieu of land	176,375	-	-	-	-	176,375
Donations	-	2,731,014	-	-	-	2,731,014
Forward delivery agreement fee	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total revenues	257,773	22,688,320	18,782,463	17,731,430	12,951,769	72,411,755
EXPENDITURES						
Current						
Instruction	-	17,127,605	15,863,071	-	-	32,990,676
Pupil services	-	2,419,667	-	-	-	2,419,667
Instructional staff services	-	2,836,379	665,485	-	-	3,501,864
School administration	-	304,669	-	-	-	304,669
Business services	-	-	281,510	-	-	281,510
Community services	-	-	347,148	-	-	347,148
Pupil activities	-	-	-	-	12,436,368	12,436,368
Food service operations	-	-	-	17,777,932	-	17,777,932
Capital outlay	36,409,030	-	-	174,245	-	36,583,275
Debt service						
Principal	2,722,471	-	-	-	-	2,722,471
Interest and fiscal charges	763,096	-	-	-	-	763,096
Total expenditures	39,894,597	22,688,320	17,157,214	17,952,177	12,436,368	110,128,676
Excess of revenues over (under) expenditures	(39,636,824)	-	1,625,249	(220,747)	515,401	(37,716,921)
OTHER FINANCING SOURCES (USES)						
Transfers in	14,572,700	-	126,163	-	-	14,698,863
Transfers out	-	-	(1,435,955)	-	-	(1,435,955)
Capital lease proceeds	7,262,050	-	-	-	-	7,262,050
Certificates of participation	15,465,000	-	-	-	-	15,465,000
Discount on Certificates of participation	(263,010)	-	-	-	-	(263,010)
Sale of assets	42,028	-	-	-	-	42,028
Total other financing sources (uses)	37,078,768	-	(1,309,792)	-	-	35,768,976
Excess of revenues and other sources over (under) expenditures and other uses	(2,558,056)	-	315,457	(220,747)	515,401	(1,947,945)
Fund balances, Beginning	24,713,279	-	6,326,754	6,515,237	5,811,596	43,366,866
Fund balances, Ending	$ 22,155,223	$ -	$ 6,642,211	$ 6,294,490	$ 6,326,997	$ 41,418,921

CHERRY CREEK SCHOOL DISTRICT NO.5
ARAPAHOE COUNTY, COLORADO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE - BOND REDEMPTION FUND
For The Year Ended June 30, 2018

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Taxes				
Property	$ 54,782,397	$ 61,953,408	$ 61,441,354	$ (512,054)
Earnings on investments	35,000	35,000	477,591	442,591
Total revenues	54,817,397	61,988,408	61,918,945	(69,463)
EXPENDITURES				
Debt service				
Principal	28,065,000	28,065,000	28,065,000	-
Interest	23,943,463	27,363,970	25,788,608	1,575,362
Fiscal charges	15,000	294,493	294,493	-
Total expenditures	52,023,463	55,723,463	54,148,101	1,575,362
Excess of revenues (under) expenditures	2,793,934	6,264,945	7,770,844	1,505,899
OTHER FINANCING SOURCES (USES)				
Premium on bonds	-	7,960,703	7,960,703	-
Refunding bond proceeds	-	75,510,000	75,510,000	-
Transfer to escrow agent	-	(83,500,000)	(83,182,725)	317,275
Total other financing sources (uses)	-	(29,297)	287,978	317,275
Net change in fund balance	2,793,934	6,235,648	8,058,822	1,823,174
Fund balance, Beginning	47,142,699	47,010,809	47,010,809	-
Fund balance, Ending	$ 49,936,633	$ 53,246,457	$ 55,069,631	$ 1,823,174

CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL PROJECTS - BUILDING FUND
For The Year Ended June 30, 2018

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Earnings on investments	$ 1,349,705	$ 1,349,705	$ 1,792,084	$ 442,379
Other	-	-	458,056	458,056
Total revenues	1,349,705	1,349,705	2,250,140	900,435
EXPENDITURES				
Capital outlay				
Building and improvements	124,081,904	222,657,014	110,626,627	112,030,387
Furniture and equipment	11,690,496	11,690,496	2,103,827	9,586,669
Bond issuance costs	-	424,890	424,890	-
Other	-	1,000,000	913,745	86,255
Total expenditures	135,772,400	235,772,400	114,069,089	121,703,311
Excess of revenues over (under) expenditures	(134,422,695)	(234,422,695)	(111,818,949)	122,603,746
OTHER FINANCING SOURCES (USES)				
Bond proceeds	-	100,000,000	100,000,000	-
Premium on bonds	-	21,217,358	21,217,358	-
Total other financing sources (uses)	-	121,217,358	121,217,358	-
Net change in fund balance	(134,422,695)	(113,205,337)	9,398,409	122,603,746
Fund balance, Beginning	155,885,759	144,513,898	144,513,898	-
Fund balance, Ending	$ 21,463,064	$ 31,308,561	$ 153,912,307	$ 122,603,746

CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL PROJECTS - CAPITAL RESERVE FUND
For The Year Ended June 30, 2018

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
REVENUES				
Earnings on investments	$ 500	$ 500	$ 81,398	$ 80,898
Cash in lieu of land	38,000	38,000	176,375	138,375
Total revenues	38,500	38,500	257,773	219,273
EXPENDITURES				
Capital outlay				
Building and improvements	5,798,750	27,845,170	19,595,569	8,249,601
Furniture and equipment	16,098,728	20,621,353	16,813,461	3,807,892
Debt service				
Principal	4,818,880	2,722,471	2,722,471	-
Interest and fiscal charges	222,542	763,096	763,096	-
Total expenditures	26,938,900	51,952,090	39,894,597	12,057,493
Excess of revenues over (under) expenditures	(26,900,400)	(51,913,590)	(39,636,824)	12,276,766
OTHER FINANCING SOURCES				
Transfers in	11,572,700	11,572,700	14,572,700	3,000,000
Capital lease proceeds	15,416,128	7,278,420	7,262,050	(16,370)
Certificates of participation	-	15,465,000	15,465,000	-
Discount on Certificates of participation	-	(263,010)	(263,010)	-
Sale of assets	-	-	42,028	42,028
Total other financing sources	26,988,828	34,053,110	37,078,768	3,025,658
Net change in fund balance	88,428	(17,860,480)	(2,558,056)	15,302,424
Fund balance, Beginning	9,856,022	24,713,279	24,713,279	-
Fund balance, Ending	$ 9,944,450	$ 6,852,799	$ 22,155,223	$ 15,302,424

CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL REVENUE - DESIGNATED PURPOSE GRANTS FUND
For The Year Ended June 30, 2018

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
REVENUES				
Intergovernmental				
Federal - Grants	$ 20,616,777	$ 20,616,777	$ 17,341,295	$ (3,275,482)
State - Grants	2,420,928	2,420,928	2,616,011	195,083
Donations	4,136,995	4,136,995	2,731,014	(1,405,981)
Total revenues	27,174,700	27,174,700	22,688,320	(4,486,380)
EXPENDITURES				
Current				
Instruction	21,707,224	21,257,224	17,127,605	4,129,619
Pupil services	2,638,802	2,638,802	2,419,667	219,135
Instructional staff services	2,529,459	2,929,459	2,836,379	93,080
School administration	299,215	349,215	304,669	44,546
Total expenditures	27,174,700	27,174,700	22,688,320	4,486,380
Net change in fund balance	-	-	-	-
Fund balance, Beginning	-	-	-	-
Fund balance, Ending	$ -	$ -	$ -	$ -

CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL REVENUE - EXTENDED CHILD SERVICES FUND
For The Year Ended June 30, 2018

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
REVENUES				
Tuition	$ 17,994,703	$ 18,882,603	$ 18,740,035	$ (142,568)
Earnings on investments	-	-	42,428	42,428
Other	32,800	32,800	-	(32,800)
Total revenues	18,027,503	18,915,403	18,782,463	(132,940)
EXPENDITURES				
Current				
Instruction	14,507,894	15,982,894	15,863,071	119,823
Instructional staff services	269,421	669,421	665,485	3,936
Business services	1,340,400	328,300	281,510	46,790
Community services	326,885	351,885	347,148	4,737
Total expenditures	16,444,600	17,332,500	17,157,214	175,286
Excess of revenues over expenditures	1,582,903	1,582,903	1,625,249	42,346
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	126,163	126,163
Transfers out	(1,460,000)	(1,460,000)	(1,435,955)	(24,045)
Total other financing sources (uses)	(1,460,000)	(1,460,000)	(1,309,792)	102,118
Net change in fund balance	122,903	122,903	315,457	144,464
Fund balance, Beginning	6,878,641	6,326,754	6,326,754	-
Fund balance, Ending	$ 7,001,544	$ 6,449,657	$ 6,642,211	$ 144,464

CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL REVENUE - FOOD SERVICES FUND
For The Year Ended June 30, 2018

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
REVENUES				
Intergovernmental				
Federal - Grants	$ 8,308,130	$ 8,308,130	$ 8,461,402	$ 153,272
State - Grants	334,684	334,684	258,135	(76,549)
Food sales	9,028,301	9,527,167	8,681,165	(846,002)
Earnings on Investments	17,000	17,000	55,378	38,378
Other	36,750	286,184	275,350	(10,834)
Total revenues	17,724,865	18,473,165	17,731,430	(741,735)
EXPENDITURES				
Current				
Food service operations	17,328,200	18,074,500	17,777,932	296,568
Capital outlay	395,000	397,000	174,245	222,755
Total expenditures	17,723,200	18,471,500	17,952,177	519,323
Net change in fund balance	1,665	1,665	(220,747)	(222,412)
Fund balance, Beginning	5,742,623	6,515,237	6,515,237	-
Fund balance, Ending	$ 5,744,288	$ 6,516,902	$ 6,294,490	$ (222,412)

CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL REVENUE - PUPIL ACTIVITIES FUND
For The Year Ended June 30, 2018

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Earnings on investments	$ -	$ -	$ 7,357	$ 7,357
Pupil activities	15,682,100	15,682,100	12,944,412	(2,737,688)
Total revenues	15,682,100	15,682,100	12,951,769	(2,730,331)
EXPENDITURES				
Current				
Pupil activities	15,682,100	15,682,100	12,436,368	3,245,732
Total expenditures	15,682,100	15,682,100	12,436,368	3,245,732
Net change in fund balance	-	-	515,401	515,401
Fund balance, Beginning	5,636,441	5,811,596	5,811,596	-
Fund balance, Ending	$ 5,636,441	$ 5,811,596	$ 6,326,997	$ 515,401

Component

Units -

Charter Schools

The component units consist of two charter schools:

Cherry Creek Academy and Heritage Heights Academy.

The schools have separate governing boards but are dependent

upon the District for the majority of their funding.

Cherry Creek Schools

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CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO
COMBINING STATEMENTS OF NET POSITION
COMPONENT UNITS
June 30, 2018

	Cherry Creek Academy	Heritage Heights Academy	Total Component Units
ASSETS			
Cash and investments	$ 2,504,143	$ 165,115	$ 2,669,258
Receivables, net			
Other	300	109,083	109,383
Prepayments and deposits	4,225	49,313	53,538
Capital Assets			
Land	744,711	-	744,711
Improvements	283,886	-	283,886
Buildings	5,910,090	30,871	5,940,961
Equipment and vehicles	698,027	-	698,027
Construction in progress	5,585,892	-	5,585,892
Less accumulated depreciation	(1,771,852)	-	(1,771,852)
Total Capital assets	11,450,754	30,871	11,481,625
Total Assets	13,959,422	354,382	14,313,804
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pensions	5,870,929	3,003,946	8,874,875
Deferred outflows of resources related to OPEBs	30,940	16,513	47,453
Deferred outflows on refunding	76,156	-	76,156
Total Deferred outflows of resources	5,978,025	3,020,459	8,998,484
LIABILITIES			
Liabilities			
Accounts payable	243,576	23,290	266,866
Accrued salaries and benefits	261,360	-	261,360
Unearned revenues	54,370	3,125	57,495
General obligations payable	155,000	-	155,000
Accrued interest payable	30,107	-	30,107
Total Current liabilities	744,413	26,415	770,828
Noncurrent liabilities			
General obligations payable	2,470,794	-	2,470,794
Net OPEB liability	407,450	110,267	517,717
Net pension liability	17,827,586	4,828,383	22,655,969
Total Noncurrent liabilities	20,705,830	4,938,650	25,644,480
Total Liabilities	21,450,243	4,965,065	26,415,308
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pensions	728,993	197,453	926,446
Deferred inflows of resources related to OPEBs	6,817	1,845	8,662
	735,810	199,298	935,108
NET POSITION			
Net investment in capital assets	8,901,116	-	8,901,116
Restricted for:			
Debt service	340,966	-	340,966
Emergency reserve	162,730	64,000	226,730
Repair and replacement	50,053	-	50,053
Unrestricted	(11,703,471)	(1,853,522)	(13,556,993)
Total Net position	$ (2,248,606)	$ (1,789,522)	$ (4,038,128)

CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO

COMBINING STATEMENTS OF ACTIVITIES
COMPONENT UNITS
For The Year Ended June 30, 2018

	Cherry Creek Academy	Heritage Heights Academy	Total Component Units
REVENUES			
Intergovernmental			
State equalization aid	$ 3,945,792	$ 1,645,814	$ 5,591,606
Mill levy funding	567,775	233,290	801,065
State capital construction	138,521	-	138,521
Grants and contributions not restricted	37,339	-	37,339
Earnings on investments	30,511	-	30,511
Other	-	110,515	110,515
Program revenues			
Charges for services	249,672	93,700	343,372
Operating grants and contributions	85,546	321,627	407,173
Capital grants and contributions	4,684,971	56,916	4,741,887
Total revenues	9,740,127	2,461,862	12,201,989
EXPENSES			
Current			
Instruction	5,657,191	2,328,295	7,985,486
Supporting services	2,731,471	1,056,029	3,787,500
Debt			
Interest and fiscal charges	133,412	-	133,412
Total expenses	8,522,074	3,384,324	11,906,398
Change in net position	1,218,053	(922,462)	295,591
Net position, Beginning, (restated)	(3,466,659)	(867,060)	(4,333,719)
Net position, Ending	$ (2,248,606)	$ (1,789,522)	$ (4,038,128)

State Required Schedule

Other Information:

Fiscal Year Spending Under Section 20 of Article X of the State Constitution (TABOR) Worksheet - The TABOR worksheet is a fiscal year report to calculate compliance with the state constitution. Article 29 of the Colorado Revised Statutes requires that the audit report of each district contain this information.

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CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO

FISCAL YEAR SPENDING UNDER SECTION 20 OF
ARTICLE X OF THE STATE CONSTITUTION
(TABOR) WORKSHEET (Cash Basis)
For The Year Ended June 30, 2018

Fiscal year spending		
General Fund	$ 550,678,487	
Designated-Purpose Grants Fund	23,853,033	
Capital Reserve Fund	597,666	
Extended Child Services Fund	18,700,675	
Pupil Activities Fund	12,951,769	
Other Special Revenue Funds	N/A	
Building Fund	N/A	
Bond Redemption Fund	61,482,531	
Food Service Fund	17,881,977	
Total fiscal year spending		$ 686,146,138
Deduct the following expenditures included in totals above:		
Expenditures from Gifts/Foundations	2,731,014	
Expenditures from Federal Grants	28,436,117	
Amendment No. 23, November 2000	142,874,809	
Repayment of Voter-Approved Debt	61,482,531	
Post 1991 Voter-Approved Referendum	91,400,000	
Total Deductions		326,966,499
Total Spending Subject to TABOR for Current Year		359,179,639
Total Spending Subject to TABOR Prior Year		347,453,045
% Change in Denver/Boulder Consumer Price Index for Prior Year	2.80	
% Change in Student Enrollment	1.51	
Total % Change	4.31	
Change in Spending Permitted		14,975,226
Maximum Spending Subject to TABOR Allowed for Current Year		362,428,271
Spending Over (Under) Allowable Amount		$ (3,248,632)

Cherry Creek Schools

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STATISTICAL SECTION

CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO
STATISTICAL SECTION TABLE OF CONTENTS

The objectives of statistical section information are to provide financial statement users with additional historical perspective, context, and detail to assist in using the information in the financial statements, notes to financial statements, and required supplementary information to understand and assess a government's economic condition.

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Financial Trends:		
These schedules contain trend information to help the user understand how the District's financial position has changed over time.		
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These schedules offer demographic and economic indicators to help the user understand the socioeconomic environment within which the District's financial activities take place.		
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These schedules contain service and infrastructure data to provide the user with contextual information about the District's operations and resources to assist in using financial statement information to understand and assess the District's economic condition.		
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Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO

Net Position by Component,
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year			
	2009	2010	2011	2012
Governmental activities:				
Net investment in capital assets	$ 184,821,149	$ 187,845,000	$ 175,535,480	$ 172,640,583
Restricted	58,044,822	54,983,140	56,639,073	60,204,062
Unrestricted	2,478,303	16,035,640	22,929,078	24,837,243
Total governmental activities net position	$ 245,344,274	$ 258,863,780	$ 255,103,631	$ 257,681,888
Business-type activities:				
Net investment in capital assets	$ 1,131,800	$ 964,686	$ 1,113,297	$ 1,293,612
Restricted	259,000	236,000	243,000	274,000
Unrestricted	4,704,388	5,623,665	5,977,288	4,849,788
Total business-type activities net position	$ 6,095,188	$ 6,824,351	$ 7,333,585	$ 6,417,400
Primary government:				
Net investment in capital assets	$ 185,952,949	$ 188,809,686	$ 176,648,777	$ 173,934,195
Restricted	58,303,822	55,219,140	56,882,073	60,478,062
Unrestricted	7,182,691	21,659,305	28,906,366	29,687,031
Total primary government net position	$ 251,439,462	$ 265,688,131	$ 262,437,216	$ 264,099,288

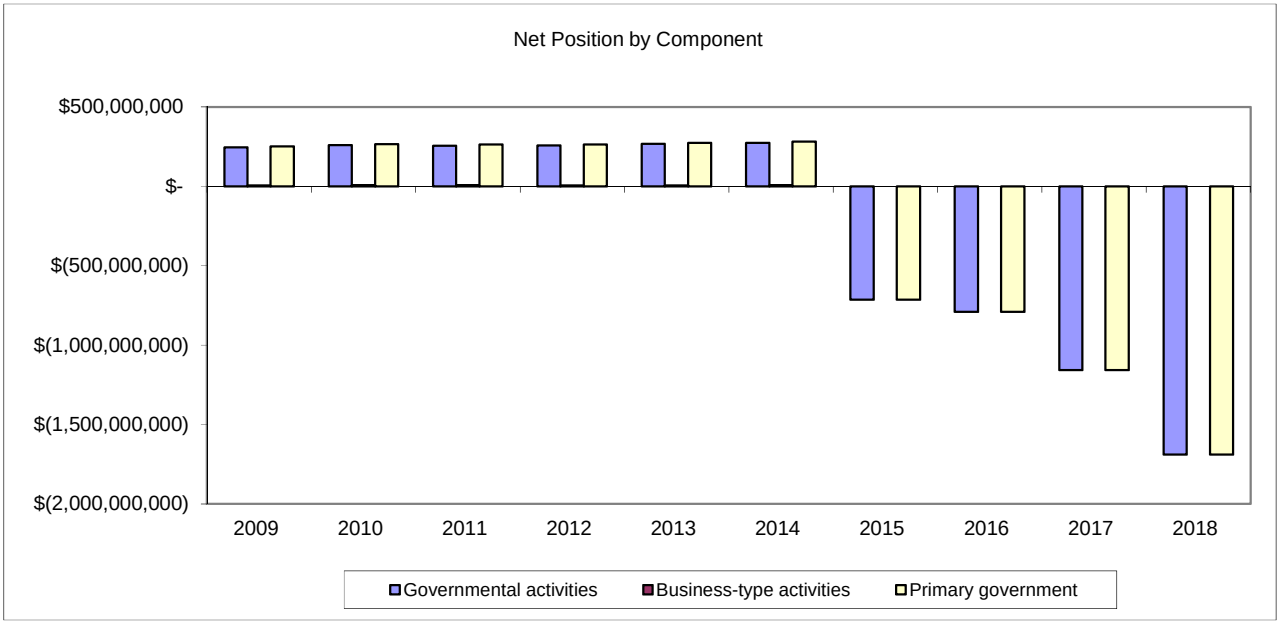
Notes:
(1) Includes all funds. (GAAP Basis)

(2) Beginning with fiscal year 2015, the Food Services Fund is reported within governmental activities.

(3) Beginning with fiscal year 2015 the District implemented GASB 68.

Schedule 1

Fiscal Year					
2013	2014	2015	2016	2017	2018
$ 178,096,324	$ 173,658,780	$ 170,518,596	$ 180,082,824	$ 179,540,163	$ 175,620,267
59,368,003	60,360,003	73,886,697	73,268,418	83,842,108	81,909,083
29,717,319	39,769,558	(959,050,922)	(1,043,493,821)	(1,421,475,863)	(1,946,663,034)
$ 267,181,646	$ 273,788,341	$ (714,645,629)	$ (790,142,579)	$ (1,158,093,592)	$ (1,689,133,684)
$ 1,905,120	$ 2,170,445	$ -	$ -	$ -	$ -
282,000	229,000	-	-	-	-
3,455,122	4,827,177	-	-	-	-
$ 5,642,242	$ 7,226,622	$ -	$ -	$ -	$ -
$ 180,001,444	$ 175,829,225	$ 170,518,596	$ 180,082,824	$ 179,540,163	$ 175,620,267
59,650,003	60,589,003	73,886,697	73,268,418	83,842,108	81,909,083
33,172,441	44,596,735	(959,050,922)	(1,043,493,821)	(1,421,475,863)	(1,946,663,034)
$ 272,823,888	$ 281,014,963	$ (714,645,629)	$ (790,142,579)	$ (1,158,093,592)	$ (1,689,133,684)



CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO

Changes in Net Position,
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year			
	2009	2010	2011	2012
Expenses:				
Governmental activities:				
Instruction	$ 320,917,408	$ 335,698,599	$ 344,545,552	$ 336,630,175
Indirect instruction				
Pupil services	25,445,100	29,282,610	28,659,690	28,729,476
Instructional staff services	14,713,440	14,917,608	13,703,092	13,149,405
School administration	22,569,955	22,568,207	22,348,882	21,859,294
Support services				
General administration	3,242,318	3,247,376	2,745,940	3,226,398
Business services	3,741,106	3,933,573	4,177,634	3,773,499
Operations and maintenance	36,145,126	35,331,594	35,131,333	34,177,502
Pupil transportation	19,158,870	19,858,334	19,458,476	19,693,624
Central services	12,123,792	10,086,142	10,191,118	11,533,499
Community services	877,783	968,945	1,195,266	1,202,570
Pupil activities	11,520,567	10,983,274	10,665,631	10,807,898
Food services operations	-	-	-	-
Non-departmental	628,921	-	-	-
Assets conveyed to other governments	-	-	2,781,306	-
Interest on long-term debt	17,770,954	19,969,292	23,104,156	24,622,384
Total governmental activities expenses	488,855,340	506,845,554	518,708,076	509,405,724
Business-type activities:				
Food services operations	14,387,086	14,563,755	15,252,619	16,270,439
Total business-type activities expenses	14,387,086	14,563,755	15,252,619	16,270,439
Total primary government expenses	$ 503,242,426	$ 521,409,309	$ 533,960,695	$ 525,676,163

Notes:
(1) Includes all funds. (GAAP Basis)

(2) Beginning with fiscal year 2015, the Food Services Fund is reported within governmental activities.

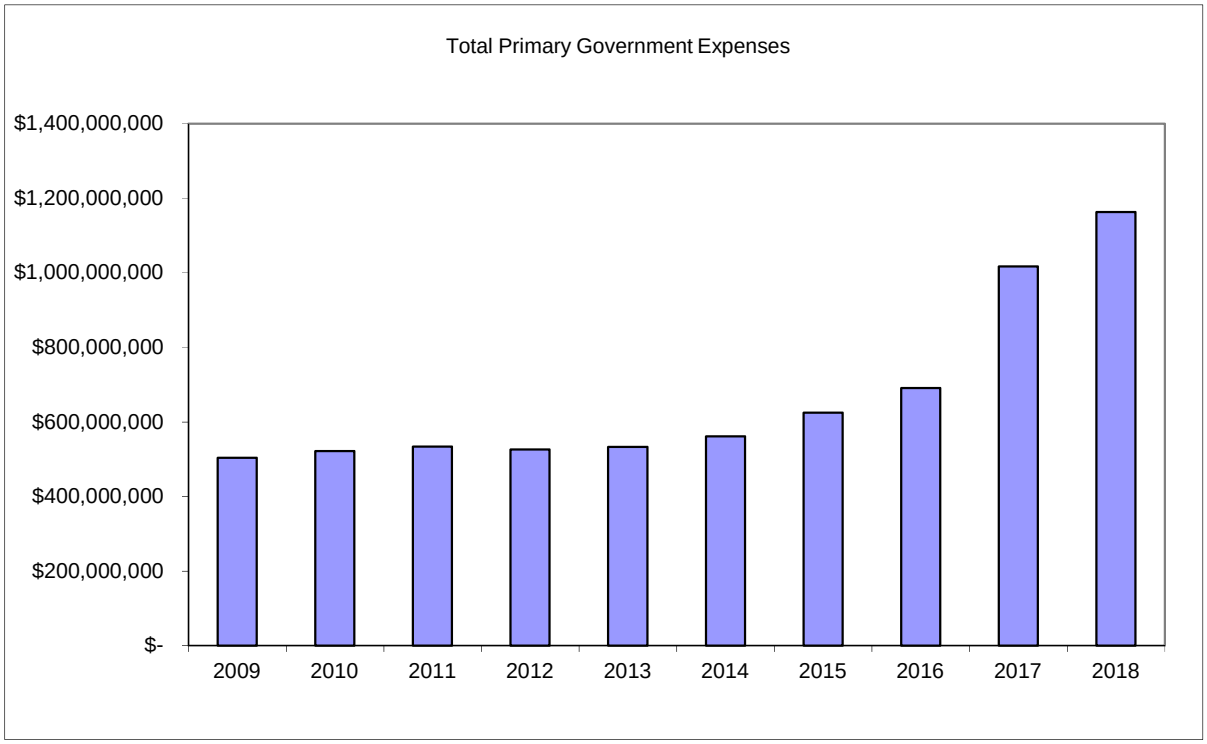
(3) Beginning with fiscal year 2010, Non-departmental expenses are allocated to other functional expenses.

(4) The District funded capital improvements at the Cherry Creek Academy Charter School (a discretely presented component unit) completed in fiscal years 2011 and 2017. The contributions from the District is reflected as assets conveyed to other governments.

(5) Beginning with fiscal year 2015 the District implemented GASB 68.

Schedule 2

Fiscal Year					
2013	2014	2015	2016	2017	2018
$ 346,453,219	$ 365,185,697	$ 414,304,861	$ 467,537,058	$ 703,392,749	$ 804,844,158
29,536,406	31,021,527	32,854,486	37,073,844	58,480,293	66,931,375
12,675,181	13,857,314	20,795,098	20,337,348	32,782,286	33,959,258
21,952,033	23,204,153	26,139,197	30,022,059	46,476,214	50,968,590
3,620,491	4,054,572	4,493,078	4,861,700	7,420,407	8,746,332
3,947,340	3,901,097	4,398,011	4,897,793	7,685,836	7,914,755
35,008,799	36,209,203	37,381,807	40,831,590	49,650,329	52,849,553
20,458,952	20,472,241	22,109,735	20,122,305	34,052,376	39,853,661
12,766,547	13,600,777	12,764,162	15,026,745	19,540,005	31,702,337
872,855	786,233	714,396	842,782	1,409,488	1,542,553
11,751,012	12,391,480	12,352,432	12,240,209	13,049,338	12,436,368
-	-	16,856,380	18,536,204	22,808,464	25,907,388
-	-	-	-	-	-
-	-	-	-	764,413	-
17,009,979	21,314,671	19,611,220	18,494,821	19,775,884	25,274,579
516,052,814	545,998,965	624,774,863	690,824,458	1,017,288,082	1,162,930,907
16,944,341	15,355,789	-	-	-	-
16,944,341	15,355,789	-	-	-	-
$ 532,997,155	$ 561,354,754	$ 624,774,863	$ 690,824,458	$1,017,288,082	$1,162,930,907



CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO

Changes in Net Position,
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year			
	2009	2010	2011	2012
Program Revenues				
Governmental activities:				
Charges for services:				
Instruction	$ 17,672,587	$ 18,117,416	$ 17,306,277	$ 17,887,323
Pupil activities	11,464,290	11,217,970	10,744,849	11,002,470
Food services operations	-	-	-	-
Other activities	1,385,941	1,576,975	1,466,473	1,334,298
Operating grants and contributions	29,333,487	35,984,390	50,919,702	35,338,499
Capital grants and contributions	280,737	575,230	866,172	1,212,331
Total governmental activities program revenues	60,137,042	67,471,981	81,303,473	66,774,921
Business-type activities:				
Charges for services:				
Food services operations	8,269,413	8,344,224	8,266,385	7,975,985
Operating grants and contributions	6,027,800	6,948,094	7,390,992	7,376,254
Total business-type activities program revenues	14,297,213	15,292,318	15,657,377	15,352,239
Total primary government program revenues	$ 74,434,255	$ 82,764,299	$ 96,960,850	$ 82,127,160
Net (Expense)/Revenue				
Governmental activities	$ (428,718,298)	$ (439,373,573)	$ (437,404,603)	$ (442,630,803)
Business-type activities	(89,873)	728,563	404,758	(918,200)
Total primary government net expense	$ (428,808,171)	$ (438,645,010)	$ (436,999,845)	$ (443,549,003)

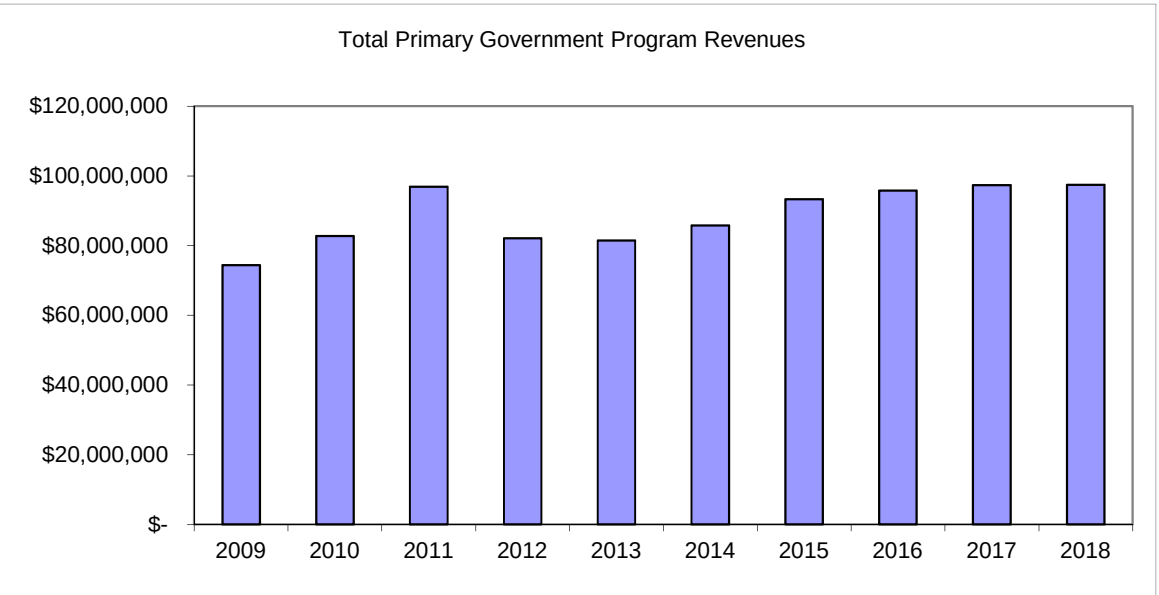
Notes:
(1) Includes all funds. (GAAP Basis)

(2) Beginning with fiscal year 2015, the Food Services Fund is reported within governmental activities.

(3) Beginning with fiscal year 2015 the District implemented GASB 68.

Schedule 2 (continued)

Fiscal Year					
2013	2014	2015	2016	2017	2018
$ 17,907,531	$ 18,256,500	$ 19,071,710	$ 20,493,121	$ 20,386,624	$ 20,906,239
11,554,515	12,528,299	12,529,479	12,541,753	13,216,520	12,944,412
-	-	8,833,988	9,446,817	9,578,059	8,956,515
1,058,037	550,790	1,598,637	1,710,744	1,314,197	1,844,121
34,657,536	37,404,200	50,530,484	51,030,628	52,016,053	52,023,527
460,861	1,055,175	789,202	648,635	848,692	768,013
65,638,480	69,794,964	93,353,500	95,871,698	97,360,145	97,442,827
8,105,311	8,033,410	-	-	-	-
7,781,614	7,967,900	-	-	-	-
15,886,925	16,001,310	-	-	-	-
$ 81,525,405	$ 85,796,274	$ 93,353,500	$ 95,871,698	$ 97,360,145	$ 97,442,827
$ (450,414,334)	$ (476,204,001)	$ (531,421,363)	$ (594,952,760)	$ (919,927,937)	$ (1,065,488,080)
(1,057,416)	645,521	-	-	-	-
$ (451,471,750)	$ (475,558,480)	$ (531,421,363)	$ (594,952,760)	$ (919,927,937)	$ (1,065,488,080)



CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO

Changes in Net Position,
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year			
	2009	2010	2011	2012
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes:				
Property taxes	$ 222,411,349	$ 223,752,825	$ 229,323,293	$ 229,771,527
Specific ownership taxes	15,903,660	15,360,501	14,449,208	14,509,101
Investment earnings	1,745,780	1,687,500	751,113	440,924
Other revenues	3,596,646	2,908,257	2,960,316	3,179,402
State equalization aid	200,186,015	209,183,996	186,263,975	197,308,106
Sale of assets	-	-	-	-
Transfers	(117,836)	-	(103,451)	-
Total governmental activities	443,725,614	452,893,079	433,644,454	445,209,060
Business-type activities:				
Investment earnings	31,031	600	1,025	2,015
Transfers	117,836	-	103,451	-
Total business-type activities	148,867	600	104,476	2,015
Total primary government	$ 443,874,481	$ 452,893,679	$ 433,748,930	$ 445,211,075
Change in Net Position				
Governmental activities	$ 15,007,316	$ 13,519,506	$ (3,760,149)	$ 2,578,257
Business-type activities	58,994	729,163	509,234	(916,185)
Total primary government	$ 15,066,310	$ 14,248,669	$ (3,250,915)	$ 1,662,072

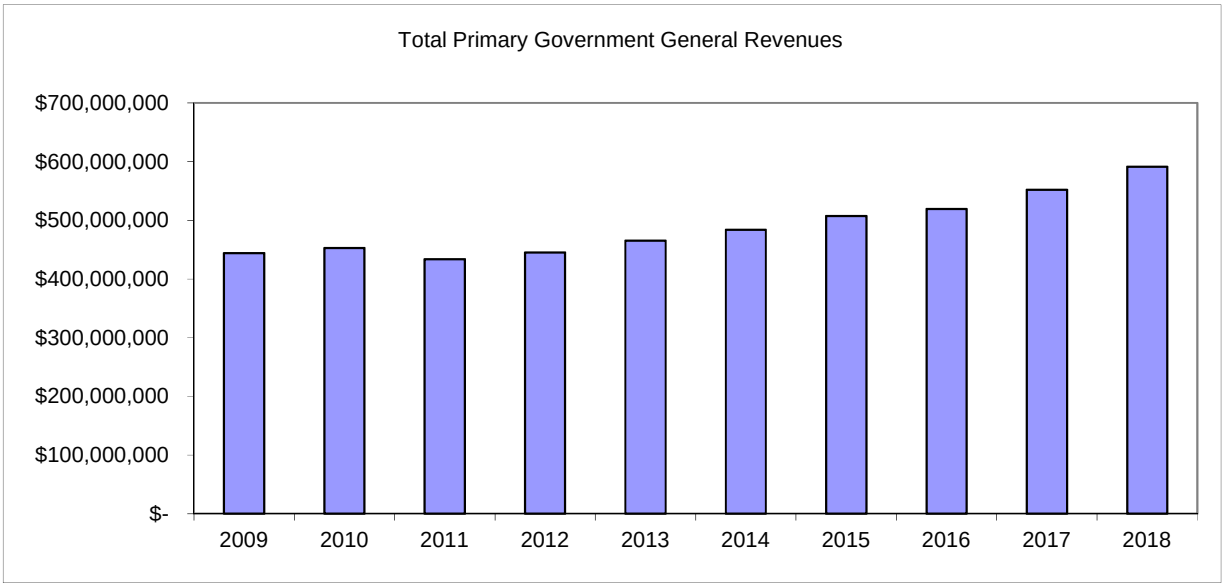
Notes:
(1) Includes all funds. (GAAP Basis)

(2) Beginning with fiscal year 2015, the Food Services Fund is reported within governmental activities.

(3) Beginning with fiscal year 2015 the District implemented GASB 68.

Schedule 2 (continued)

Fiscal Year					
2013	2014	2015	2016	2017	2018
$ 244,443,241	$ 250,991,310	$ 252,956,067	$ 251,422,063	$ 275,982,491	$ 297,242,905
16,057,777	17,605,225	19,097,032	19,635,073	21,153,791	23,957,474
633,081	825,024	330,635	346,212	1,236,883	3,183,624
2,695,837	2,690,670	2,167,466	2,838,653	3,285,983	3,569,362
201,778,792	211,633,340	232,119,104	245,160,665	250,235,290	263,158,611
-	-	642,594	53,144	82,486	42,028
(275,560)	(934,873)	-	-	-	-
465,333,168	482,810,696	507,312,898	519,455,810	551,976,924	591,154,004
6,698	3,986	-	-	-	-
275,560	934,873	-	-	-	-
282,258	938,859	-	-	-	-
$ 465,615,426	$ 483,749,555	$ 507,312,898	$ 519,455,810	$ 551,976,924	$ 591,154,004
$ 14,918,834	$ 6,606,695	$ (24,108,465)	$ (75,496,950)	$ (367,951,013)	$ (474,334,076)
(775,158)	1,584,380	-	-	-	-
$ 14,143,676	$ 8,191,075	$ (24,108,465)	$ (75,496,950)	$ (367,951,013)	$ (474,334,076)



CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO

Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

Schedule 3

	General Fund					
Fiscal Year	Nonspendable	Restricted	Committed	Assigned	Unassigned	Total
2009	$ 1,273,443	$ 11,878,000	$ 1,271,676	$ 1,566,593	$ 7,489,957	$ 23,479,669
2010	1,463,538	12,135,000	522,624	948,153	23,449,751	38,519,066
2011	1,642,672	12,017,000	11,190,705	984,656	19,793,634	45,628,667
2012	1,963,154	12,398,000	21,660,000	370,243	6,619,727	43,011,124
2013	2,007,472	12,823,000	936,548	1,888,666	36,792,731	54,448,417
2014	2,234,432	13,383,000	3,533,440	3,978,069	41,520,546	64,649,487
2015	1,796,577	14,148,000	11,919,211	594,664	41,231,173	69,689,625
2016	1,877,770	15,092,000	15,525,626	542,797	30,374,491	63,412,684
2017	2,659,365	15,302,000	-	6,375,259	55,915,851	80,252,475
2018	1,758,649	16,388,000	3,500,576	22,636,473	43,680,217	87,963,915

	All Other Governmental Funds					
Fiscal Year	Nonspendable	Restricted	Committed	Assigned	Unassigned	Total
2009	$ 3,972	$ 161,876,850	$ 5,870,358	$ 3,017,460	$ -	$ 170,768,640
2010	10,899	171,651,742	6,506,221	2,760,146	-	180,929,008
2011	14,735	93,793,997	6,158,259	2,566,414	-	102,533,405
2012	33,525	71,766,314	7,262,750	2,071,649	-	81,134,238
2013	40,864	178,024,953	6,554,958	1,588,645	-	186,209,420
2014	279,553	121,063,049	8,068,867	1,961,243	-	131,372,712
2015	1,430,008	86,451,768	8,967,068	2,729,028	-	99,577,872
2016	1,482,770	66,492,373	9,204,715	11,139,881	-	88,319,739
2017	1,205,360	214,413,000	9,400,594	9,872,619	-	234,891,573
2018	1,885,055	220,548,713	9,943,510	18,023,581	-	250,400,859

Notes:
(1) Other governmental funds from fiscal year 2009 through fiscal year 2014 include: Debt Service - Bond Redemption Fund, Capital Projects - Building Fund, Capital Reserve Fund, Designated Purpose Grants Fund, Pupil Activities Fund, and Capital Finance Corporation Fund, Extended Child Services Fund. Beginning with fiscal year 2015, the Food Services Fund is also reported within governmental funds.

(2) The District implemented GASB No. 54, Fund Balance Reporting and Governmental Fund Type definitions as of June 30, 2011. The fund balances of the governmental funds are now classified as follows: nonspendable, restricted, committed, assigned, or unassigned. The District has retroactively applied this statement for the purposes of this schedule.

Cherry Creek Schools

Dedicated to Excellence

CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO

Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year			
	2009	2010	2011	2012
Revenues				
Local sources				
Property taxes	$ 220,133,193	$ 223,900,561	$ 230,897,870	$ 228,223,103
Specific ownership taxes	15,903,660	15,360,501	14,449,208	14,509,101
Tuition	15,912,029	16,288,980	15,591,988	16,142,958
Earnings on investments	1,745,780	1,687,500	751,113	440,924
Pupil activities	11,464,290	11,217,970	10,744,849	11,002,470
Food service operations	-	-	-	-
Other	9,402,234	8,083,985	6,540,245	6,683,263
State sources				
Equalization aid	200,186,015	209,183,996	186,263,975	197,308,106
Vocational education	1,078,451	1,892,460	1,927,762	1,999,301
Education of handicapped	7,778,024	8,196,245	8,260,881	8,756,893
Transportation	3,576,970	3,921,767	3,986,143	3,893,457
Other	753,524	1,398,444	1,414,238	1,254,837
Federal sources	13,795,224	19,380,387	35,797,683	20,221,144
Total revenues	501,729,394	520,512,796	516,625,955	510,435,557
Expenditures				
Instruction	291,739,767	304,555,053	311,451,823	310,493,043
Pupil services	25,393,727	28,875,655	28,261,343	28,749,259
Instructional staff services	14,452,430	14,327,494	13,056,852	13,171,119
School administration	22,483,945	22,514,168	22,241,396	21,789,567
General administration	3,160,948	3,043,541	2,704,992	3,175,239
Business services	3,555,377	3,622,878	3,843,164	3,633,546
Operations & maintenance	34,861,871	33,606,542	33,299,583	32,933,622
Pupil transportation	17,415,623	17,352,382	16,586,304	18,380,112
Central supporting services	11,973,210	10,043,521	10,178,782	11,355,195
Non-departmental	1,236,573	1,348,519	1,582,783	1,566,324
Pupil activities	11,520,567	10,983,274	10,665,631	10,807,898
Food service operations	-	-	-	-
Capital outlay	18,955,829	98,698,111	80,911,468	25,393,161
Debt service				
Interest	18,681,896	21,797,565	23,974,385	31,340,000
Principal	25,830,000	27,600,000	29,050,000	21,821,250
Total expenditures	501,261,763	598,368,703	587,808,506	534,609,335
Excess of revenues over (under) expenditures	467,631	(77,855,907)	(71,182,551)	(24,173,778)
Other Financing Sources (Uses):				
Transfers in	1,928,953	8,648,452	14,540,447	5,163,573
Transfers out	(2,046,789)	(8,648,452)	(14,643,898)	(5,163,573)
General obligation bonds issued	101,775,000	101,775,000	-	48,855,000
Certificates of participation	-	-	-	-
Bond premium	5,269,031	1,280,672	-	4,870,000
Discount on certificates of participation	-	-	-	-
Refunding bonds issued	-	-	-	-
Bond refunding escrow agent	-	-	-	(53,567,932)
Capital lease proceeds	-	-	-	-
Sale of assets	-	-	-	-
Total other financing sources (uses)	106,926,195	103,055,672	(103,451)	157,068
Net change in fund balances	$ 107,393,826	$ 25,199,765	$ (71,286,002)	$ (24,016,710)
Debt service as a percentage of noncapital expenditures	9.0%	9.7%	10.1%	10.3%

Schedule 4

Fiscal Year					
2013	2014	2015	2016	2017	2018
$ 244,241,017	$ 253,798,699	$ 248,177,323	$ 256,605,009	$ 277,344,251	$ 297,808,137
16,057,777	17,605,225	19,097,032	19,635,073	21,153,791	23,957,474
16,401,196	16,929,390	17,816,277	18,521,156	18,624,812	19,340,147
633,081	825,024	330,635	346,212	1,236,883	3,183,624
11,554,515	12,528,299	12,529,479	12,541,753	13,216,520	12,944,412
-	-	8,833,988	9,446,817	9,578,059	8,956,515
6,101,978	5,500,336	8,064,853	7,599,774	7,834,210	8,418,257
201,778,792	211,633,340	232,119,104	245,160,665	250,235,290	263,158,611
1,770,487	1,242,237	1,944,188	2,043,704	2,431,091	1,802,713
8,876,181	10,733,620	10,674,340	11,071,983	11,151,827	11,592,726
3,976,050	4,402,117	4,444,837	4,684,076	4,492,509	4,418,001
1,179,010	1,870,763	4,735,947	4,999,123	5,360,279	6,268,014
18,474,903	19,278,707	26,476,985	27,801,765	27,956,821	27,271,404
531,044,987	556,347,757	595,244,988	620,457,110	650,616,343	689,120,035
317,066,517	330,808,321	349,682,286	366,199,694	374,748,063	394,019,983
29,402,945	30,796,440	30,254,589	31,767,642	33,562,591	34,941,677
12,535,219	14,114,213	19,204,994	19,642,608	22,446,007	21,506,846
22,010,548	23,052,768	24,455,161	25,900,069	26,422,832	27,384,920
3,586,078	3,813,769	4,184,892	4,340,758	4,475,734	5,102,034
3,697,875	3,748,118	3,920,947	4,143,531	4,323,638	4,288,608
33,742,097	34,781,310	35,301,454	37,484,456	37,361,730	37,827,687
19,179,400	19,611,022	20,228,156	20,356,802	19,914,808	21,902,643
12,180,195	13,123,683	12,381,765	13,321,003	12,348,282	22,598,036
1,275,301	1,238,377	1,116,255	1,207,504	1,384,536	1,436,898
11,751,012	12,391,480	12,352,432	12,240,209	13,049,338	12,436,368
-	-	16,051,226	17,107,553	17,077,316	17,777,932
26,531,263	70,697,204	51,721,532	31,868,670	44,522,303	150,628,523
21,770,399	22,357,261	20,394,811	19,106,212	38,710,794	27,271,087
28,940,000	29,627,902	32,551,624	35,938,282	21,346,551	30,787,471
543,668,849	610,161,868	633,802,124	640,624,993	671,694,523	809,910,713
(12,623,862)	(53,814,111)	(38,557,136)	(20,167,883)	(21,078,180)	(120,790,678)
9,270,877	7,717,284	12,660,230	19,178,703	12,063,214	16,134,818
(9,546,437)	(8,652,157)	(12,660,230)	(19,178,703)	(12,063,214)	(16,134,818)
125,000,000	31,215,000	-	-	150,000,000	100,000,000
-	-	-	-	-	15,465,000
4,411,897	4,319,741	7,077,043	4,809,202	18,854,635	29,178,061
-	-	-	-	-	(263,010)
-	-	37,585,000	46,855,000	-	75,510,000
-	(35,345,000)	(44,431,763)	(52,452,915)	-	(83,182,725)
-	9,923,605	5,873,383	3,368,378	15,552,683	7,262,050
-	-	642,594	53,144	82,486	42,028
129,136,337	9,178,473	6,746,257	2,632,809	184,489,804	144,011,404
$ 116,512,475	$ (44,635,638)	$ (31,810,879)	$ (17,535,074)	$ 163,411,624	$ 23,220,726
9.7%	9.5%	9.0%	8.9%	9.5%	8.5%

Changes in Fund Balances, Governmental Funds, Last Ten Fiscal Years

(modified accrual basis of accounting)

Schedule 4 (continued)

Notes:
(1) Includes all funds. (GAAP Basis)

(2) For comparative analysis, transfers have not been included.

(3) Beginning with fiscal year 2015, the Food Services Fund is reported within governmental activities.

(4) Debt service as a percentage of noncapital expenditures is calculated by dividing total debt service by total expenditures exclusive of all capital outlays as noted on the reconciliation of the governmental funds statement of revenues, expenditures, and changes in fund balances to the government-wide statement of activities.

CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO

Assessed Value and Estimated Actual Value of Taxable Property, Last Ten Tax Years — **Schedule 5**

(in thousands of dollars)

Fiscal Year Ended June 30,	Residential Property	Commercial Property	Other Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2009	$2,364,816	$1,819,533	$ 853,281	$ 506,148	$ 4,531,482	49.5690	$37,177,878	12.19%
2010	2,270,778	2,118,670	910,743	564,415	4,735,776	48.8250	37,037,726	12.79%
2011	2,292,978	2,094,183	896,936	563,344	4,720,753	50.4970	37,214,632	12.69%
2012	2,148,809	1,798,283	933,758	589,426	4,291,424	54.3670	34,422,583	12.47%
2013	2,163,219	1,792,924	934,811	602,564	4,288,390	58.0370	34,542,748	12.41%
2014	2,166,149	1,922,138	896,606	563,359	4,421,534	57.4920	35,057,805	12.61%
2015	2,191,344	1,931,911	919,042	596,160	4,446,137	56.7020	35,304,075	12.59%
2016	2,729,595	2,187,423	1,051,734	726,702	5,242,050	49.7030	42,954,365	12.20%
2017	2,767,089	2,233,480	1,036,653	732,410	5,304,812	53.2320	42,337,369	12.53%
2018	3,094,044	2,689,938	1,084,409	758,806	6,109,585	49.6870	53,370,942	11.45%

Source: Arapahoe County Assessor's Office.

Notes:

(1) Assessed value as per official notice from Arapahoe County Assessor.

(2) Other property includes vacant land, industrial, agricultural, state assessed, oil and gas, and other natural resources property.

(3) The assessment rate, expressed as a percent of estimated actual value for all taxable property in the State of Colorado, is as follows:

Year	Residential	Commercial	Base Year
2009	7.96	29.0	2007
2010	7.96	29.0	2008
2011	7.96	29.0	2009
2012	7.96	29.0	2010
2013	7.96	29.0	2011
2014	7.96	29.0	2012
2015	7.96	29.0	2013
2016	7.96	29.0	2014
2017	7.96	29.0	2015
2018	7.20	29.0	2016

CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO

Direct and Overlapping Property Tax Rates, **Schedule 6**

Last Ten Tax Years

(rate per $1,000 of assessed value)

	Cherry Creek School District Number 5						
Collection Year	General Fund	Debt Service Fund	Total District	Total Cities and Towns	Total County	Total Special Districts (1)	Total (2)
2009	39.637	9.932	49.569	72.193	15.609	1,236.142	1,373.513
2010	38.924	9.901	48.825	72.410	15.672	1,262.792	1,399.699
2011	39.778	10.719	50.497	72.541	15.949	1,303.970	1,442.957
2012	41.667	12.700	54.367	73.908	17.316	1,371.749	1,517.340
2013	46.777	11.260	58.037	70.725	17.150	1,403.120	1,549.032
2014	46.041	11.451	57.492	70.739	17.130	1,397.365	1,542.726
2015	45.254	11.448	56.702	69.263	16.950	1,392.653	1,535.568
2016	39.264	10.439	49.703	69.158	14.856	1,292.463	1,426.180
2017	43.563	9.669	53.232	69.192	15.039	1,449.486	1,586.949
2018	39.476	10.211	49.687	53.754	13.817	1,181.355	1,298.613

Source: Arapahoe County Assessor's Office

Notes:
(1) This represents the gross millage of all special taxing entities within the District boundaries which range from 0.80 to 73.00 mills. The total is not representative of the mill levy assessed to an individual taxpayer.

(2) Overlapping rates are those of local and county governments that apply to property owners within the Cherry Creek School District. Not all overlapping rates apply to all District property owners; for example, although the county property taxes apply to all District property owners, only the city in which the property owner resides would apply.

CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO

Principal Property Tax Payers, Current Year and Nine Years Ago — **Schedule 7**

	2018			2009		
Taxpayer	Taxable Assessed Value	Rank	Percent of District's Total Taxable Value	Taxable Assessed Value	Rank	Percent of District's Total Taxable Value
Public Service Company of CO	$ 138,064,930	1	2.26%	$ 81,068,480	2	1.79%
Qwest	97,982,300	2	1.60%	94,477,300	1	2.08%
Verizon Wireless	59,417,700	3	0.97%	57,883,000	3	1.28%
Columbia HealthOne LLC	42,920,000	4	0.70%	36,330,280	4	0.80%
Greenwood Property Corporation	32,332,970	5	0.53%	29,000,010	5	0.64%
Denver CB Center 2 LLC	28,502,940	6	0.47%			-
GPI Plaza Tower LP	25,265,090	7	0.41%			-
Galleria Acquisition Inc	19,055,710	8	0.31%			
United Launch Alliance	17,273,107	9	0.28%			-
KBSIII Village Center	17,006,760	10	0.28%			-
Village Center Station I LLC						-
Property Colorado OBJLW One	-		-	22,330,010	6	0.49%
Crescent Peakview Tower	-		-	13,050,000	7	0.29%
FSP Greenwood Plaza Corporation	-		-	12,760,000	8	0.28%
National Digital Television	-		-	12,266,120	9	0.27%
Weingarten/Miller/Aurora II	-		-	12,180,000	10	0.27%
	$ 241,774,277		3.96%	$ 371,345,200		7.93%

Source: Arapahoe County Assessor's Office

Notes:
(1) The total net assessed valuation upon which the 2017 tax levy is based for collection in 2018 is $6,109,584,818. The total assessed valuation upon which the 2008 tax levy is based for collection in 2009 is $4,531,481,790.

CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO

Property Tax Levies and Collections, Last Ten Fiscal Years — **Schedule 8**

Fiscal Year Ended June 30,	Taxes Levied For The Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2009	$ 224,621,021	$ 218,325,366	97.20%	$ 4,099,006	$ 222,424,372	99.02%
2010	231,224,256	223,701,797	96.75%	7,522,459	231,224,256	100.00%
2011	238,383,887	229,597,846	96.31%	8,786,041	238,383,887	100.00%
2012	233,311,851	227,541,817	97.53%	5,682,372	233,224,189	99.96%
2013	248,885,279	240,722,903	96.72%	8,142,384	248,865,287	99.99%
2014	254,202,850	252,258,135	99.23%	1,910,790	254,168,925	99.99%
2015	250,707,346	247,276,192	98.63%	3,340,560	250,616,752	99.96%
2016	258,565,499	254,777,590	98.54%	1,738,124	256,515,714	99.21%
2017	277,667,139	275,530,435	99.23%	1,941,130	277,471,565	99.93%
2018	301,466,945	298,914,361	99.15%	-	298,914,361	99.15%

Source: School District financial records and Arapahoe County Treasurer's Office

Notes:
(1) Includes General and Debt Service Funds.

(2) The current tax collections and delinquent tax collected amounts for the 2018 collection year include actual collections through June 30, 2018, only.

(3) Delinquent property taxes are advertised and subject to distraint, seizure, and sale after delinquent dates. When real estate is sold for taxes, the tax, plus interest, advertising, and certificate fees, draw interest from the date of the sale. After the sale, real estate may be redeemed at any time within three years from the date of sale or at any time before a tax deed is issued. Tax deeds may be legally issued three years after the date of sale.

CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO

Ratios of Outstanding Debt by Type,
Last Ten Fiscal Years
(dollars in thousands, except per student)

Schedule 9

	Governmental Activities							
Fiscal Year	General Obligation Bonds	Certificates of Participation	Capital Leases	Total Primary Government	Percentage of Estimated Actual Value of Taxable Property	Percentage of Arapahoe County Personal Income	Per Capita	Per Student
2009	461,541	4,370	-	465,911	1.25%	1.70%	1,726	9,626
2010	537,017	3,550	-	540,567	1.46%	1.97%	1,973	11,037
2011	508,008	2,700	-	510,708	1.37%	1.78%	1,830	10,339
2012	480,762	1,815	-	482,577	1.40%	1.58%	1,699	9,693
2013	581,065	-	-	581,065	1.68%	1.83%	2,009	11,521
2014	550,913	-	8,705	559,618	1.60%	1.61%	1,900	10,931
2015	519,834	-	11,917	531,751	1.51%	1.60%	1,803	10,339
2016	485,191	-	12,007	497,198	1.16%	1.43%	1,654	9,639
2017	616,813	-	23,934	640,747	1.51%		2,117	12,348
2018	708,859	15,208	28,474	752,541	1.41%		2,462	14,273

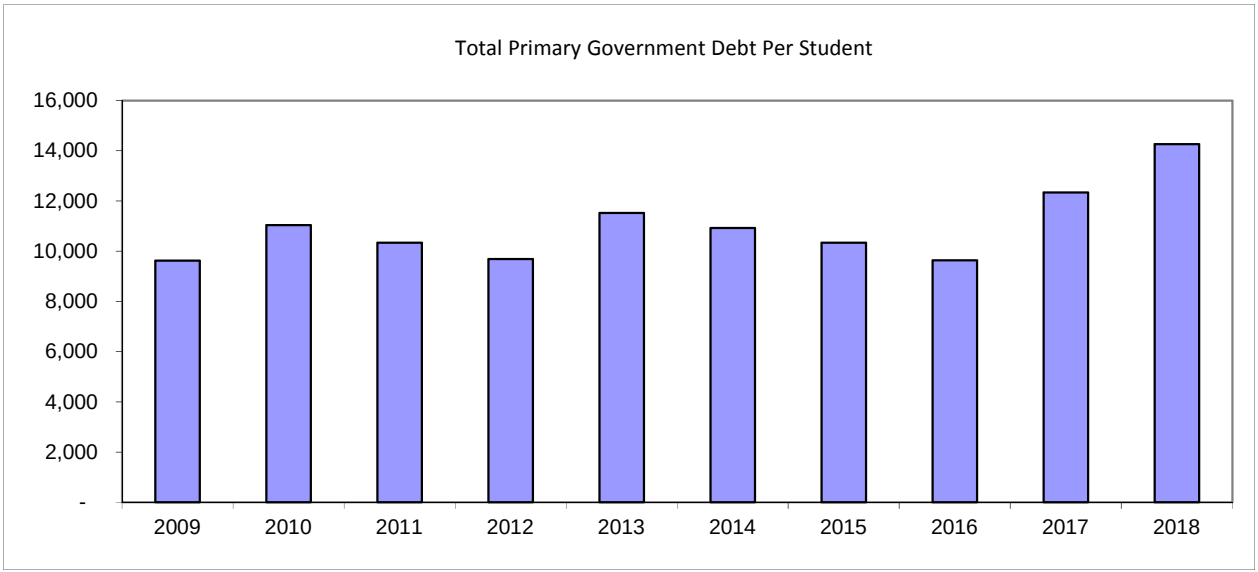
Notes:

(1) Details regarding the District's outstanding debt can be found in the notes to the financial statements.

(2) See Schedule 5 for property value data.

(3) Population, personal income, and student data can be found in Schedule 14.

(4) Personal income information not available for 2017 and 2018.



CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO

Ratios of General Bonded Debt Outstanding, **Schedule 10**

Last Ten Fiscal Years

(dollars in thousands, except per capita and per student)

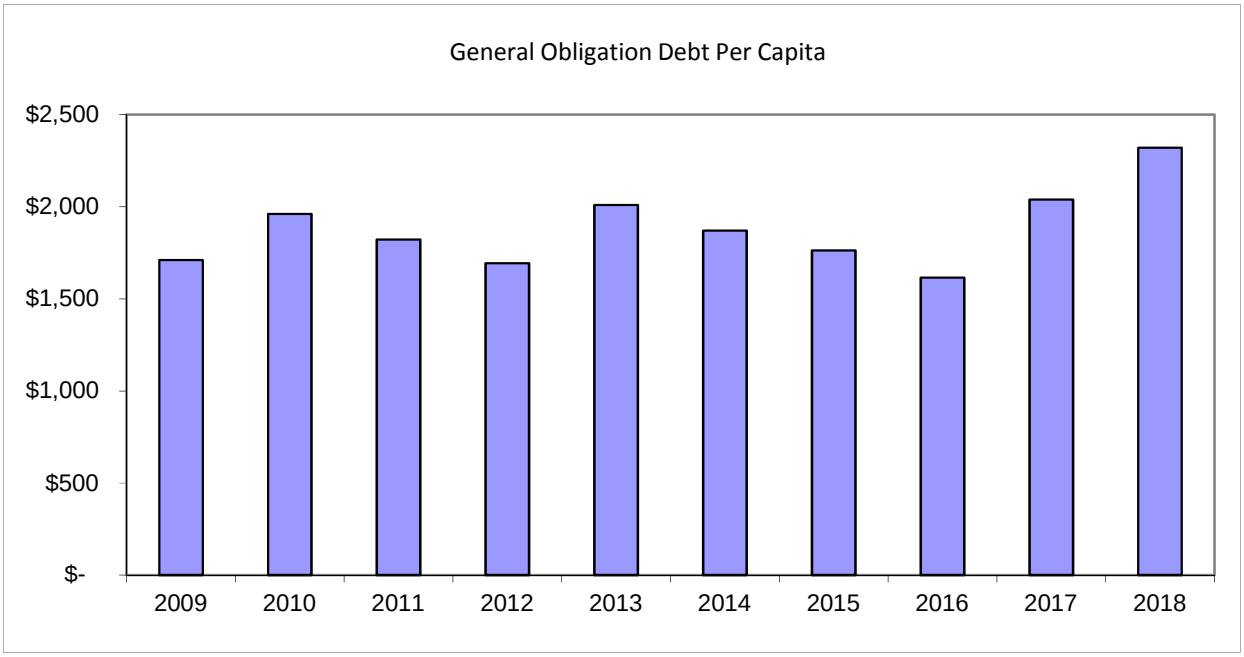
Fiscal Year	General Obligation Bonds	Percentage of Estimated Actual Value of Taxable Property	Per Capita	Per Student
2009	$ 461,541	1.24%	$ 1,709	$ 9,536
2010	537,017	1.45%	1,960	10,964
2011	508,008	1.37%	1,821	10,284
2012	480,762	1.40%	1,693	9,656
2013	581,065	1.68%	2,009	11,521
2014	550,913	1.57%	1,871	10,761
2015	519,834	1.47%	1,762	10,107
2016	485,191	1.13%	1,614	9,406
2017	616,813	1.46%	2,038	11,887
2018	708,859	1.33%	2,319	13,445

Notes:

(1) Details regarding the District's outstanding debt can be found in the notes to the financial statements. The fund balance in the Debt Service - Bond Redemption Fund at June 30 is available for debt service payments in December, which are entirely interest payments. Principal payments are made in June of each year.

(2) See Schedule 5 for property value data.

(3) Population and student data can be found in Schedule 14.



CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO

Direct and Overlapping Governmental Activities Debt **Schedule 11**

As of June 30, 2018

(dollars in thousands)

Overlapping debt:	Outstanding Debt	Percentage Applicable To District	Amount Applicable To District
Antelope Water System General Improvement District	$ 2,290	100.00 %	$ 2,290
Arapahoe Park & Recreation District	6,250	100.00	6,250
Arapahoe Water & Wastewater Public Improvement District	135,385	100.00	135,385
Beacon Point Metropolitan District	20,755	100.00	20,755
Cherry Creek Vista Metro Park & Rec District	2,770	100.00	2,770
City of Aurora	3,582	38.36	1,374
City of Englewood	36,935	3.63	1,341
Conservatory Metropolitan District	20,590	100.00	20,590
Country Homes Metropolitan District #A	157	100.00	157
Dove Valley Metropolitan District	46,740	100.00	46,740
Eagle Bend Metropolitan District #A	29,945	100.00	29,945
East Quincy Highlands Metro District #1	2,840	100.00	2,840
East Smoky Hill Metro District #1	3,315	100.00	3,315
East Smoky Hill Metro District #2	5,705	100.00	5,705
Fiddler's Green Business Improve. District	54,331	100.00	54,331
Galleria Metropolitan District	3,935	100.00	3,935
Goodman Metropolitan District	1,590	100.00	1,590
Heather Gardens Metropolitan District	8,025	40.16	3,223
High Plains Metropolitan District	23,675	100.00	23,675
Inverness Metropolitan Improvement District	3,015	71.10	2,144
Inverness Water & Sanitation District	7,775	69.32	5,390
Panorama Metropolitan District	4,030	100.00	4,030
Parker Jordan Metropolitan District	10,935	100.00	10,935
Piney Creek Metropolitan District	5,545	100.00	5,545
Saddle Rock Metro District	8,285	100.00	8,285
Saddle Rock South Metropolitan District #4	13,775	100.00	13,775
Serenity Ridge Metropolitan District No. 2	1,906	100.00	1,906
Sorrel Ranch Metropolitan District	10,785	100.00	10,785
South Suburban Metropolitan Park & Recreation District	6,715	36.17	2,429
Southeast Public Improvement Metro District	2,835	57.70	1,636
Southlands Metropolitan District No. 1	48,635	100.00	48,635
Southlands Metropolitan District No. 2	2,510	100.00	2,510
Sundance Hills Metropolitan District	220	100.00	220
Tallgrass Metropolitan District	16,935	100.00	16,935
Tallyn's Ranch Metropolitan District No. 2	3,848	100.00	3,848
Tallyn's Ranch Metropolitan District No. 3	47,750	100.00	47,750
Tollgate Crossing Metropolitan District No. 2	14,396	100.00	14,396
Willow Trace Metropolitan District	8,140	100.00	8,140
Total overlapping debt	626,850		575,505
Direct debt:			
Cherry Creek School District No. 5	708,859	100.00	708,859
Total	$ 1,335,709		$ 1,284,364

Source: Financial records of entities listed above and other sources.

Notes:

(1) Overlapping governments without general obligation debt are not shown.

(2) The percentage of each entity's outstanding debt chargeable to the District is calculated by comparing the assessed valuation of the portion overlapping the District to the total assessed valuation of the overlapping entity. To the extent the District's assessed valuation changes disproportionately with the assessed valuation of the overlapping entities, the percentage of debt for which property owners within the District are responsible will also change.

CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO

Legal Debt Margin Information, Last Ten Fiscal Years — **Schedule 12**

Legal Debt Margin Calculation For Fiscal Year 2018

	Assessed Value
Assessed Value	$ 6,109,584,818
Legal debt limit percentage	20%
Legal debt limit	$ 1,221,916,964
Amount of debt applicable to debt limit:	
Total bonded debt	$ 641,890,000
Less Debt Service Fund available	55,069,631
Total amount of debt applicable to debt limit	586,820,369
Legal debt margin	$ 635,096,595

Ten Year Summary

Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Debt Margin	Total Net Debt Applicable to the Limit as a % of Debt Limit
2009	$ 906,296,358	$ 404,397,229	$ 501,899,129	44.6%
2010	947,880,186	482,459,664	465,420,522	50.9%
2011	946,365,978	452,526,595	493,839,383	47.8%
2012	860,654,724	418,201,636	442,453,088	48.6%
2013	860,045,754	517,458,657	342,587,097	60.2%
2014	888,514,410	484,837,268	403,677,142	54.6%
2015	889,227,535	444,659,087	444,568,448	50.0%
2016	1,048,410,003	405,718,087	642,691,916	38.7%
2017	1,058,962,467	526,174,191	532,788,276	49.7%
2018	1,221,916,964	586,820,369	635,096,595	48.0%

Source: Arapahoe County Assessor's Office and School District records

Note:
(1) Under the Colorado Public School Finance Act of 1994, the limitation on bonded indebtedness is the greater of 20 percent of assessed value or 6 percent of actual value. Due to limitations of TABOR, the District is limited to the lower calculation of 20 percent of assessed value, which is presented on this schedule.

CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO

Demographic and Economic Statistics, Last Ten Fiscal Years — **Schedule 14**

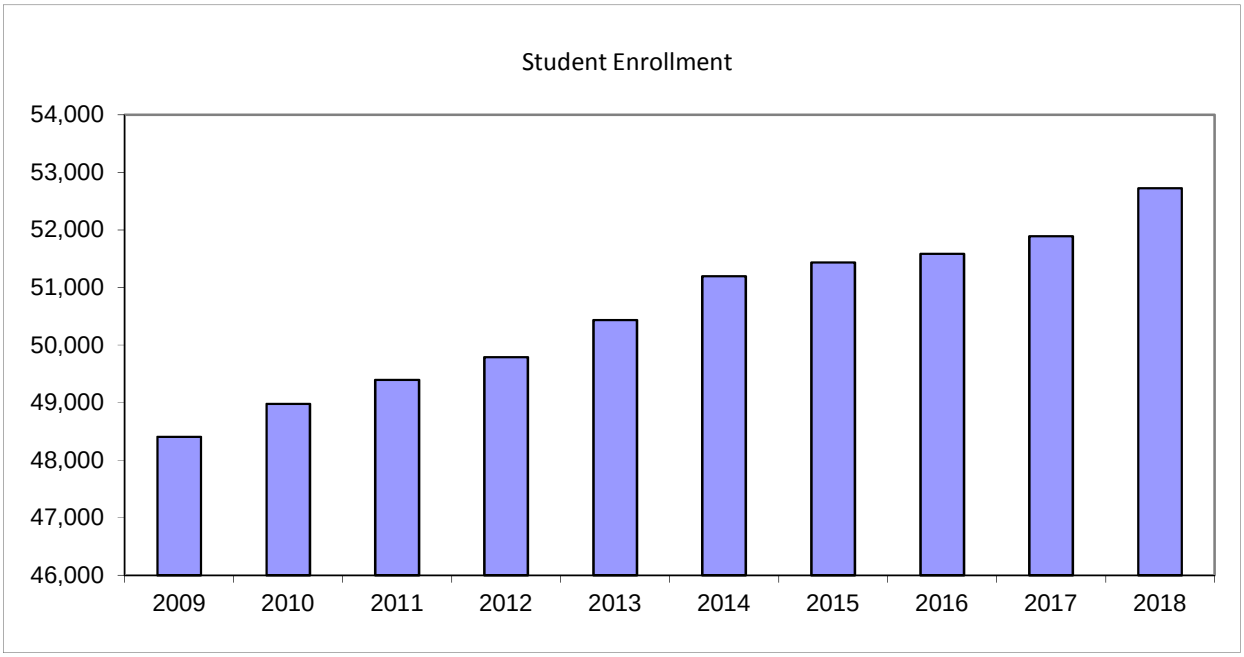
	Arapahoe County				Cherry Creek School District	
Fiscal Year	Population	Personal Income *(millions of dollars)*	Per Capita Personal Income	Unemployment Rate	Population	FTE Student Enrollment
2009	573,762	$ 27,408	$ 48,480	7.7%	270,000	48,402
2010	572,153	27,426	47,704	8.1%	274,000	48,979
2011	584,948	28,656	48,989	8.8%	279,000	49,396
2012	585,000	30,470	51,163	8.2%	284,000	49,788
2013	595,546	31,833	52,437	7.3%	289,200	50,435
2014	607,070	34,836	56,294	5.4%	294,500	51,198
2015	619,211	33,160	52,545	4.4%	295,000	51,433
2016	631,595	34,690	54,452	3.8%	300,600	51,582
2017	637,068	-	-	2.5%	302,623	51,889
2018	643,052	-	-	2.9%	305,649	52,724

Notes:

(1) Arapahoe County population, personal income, per capita income, and unemployment rate is from the Bureau of Labor Statistics, U.S. Department of Labor and Bureau of Economic Analysis, U.S. Department of Commerce. Certain information was not available for fiscal year 2017 and 2018.

(2) District population information is provided by the District's Department of Planning.

(3) Student enrollment is based on the full time equivalent (FTE), which is adjusted for preschool programs at one half time and kindergarten calculated at .58 FTE for fiscal years 2009 to 2018. Student enrollment is as of the October count date of each year, as audited by the Colorado Department of Education.



CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO

Denver Metropolitan Statistical Area (MSA) - Principal Employers, Current Year and Nine Years Ago **Schedule 15**

	2018			2009		
Employer	Employees	Rank	Percentage of Metro Denver Employment	Employees	Rank	Percentage of Metro Denver Employment
Comcast	8,500	1	2.56%	-		-
Cherry Creek School District	8,200	2	2.47%	7,800	1	2.72%
Aurora Public Schools	5,800	3	1.75%	4,600	2	1.60%
CenturyLink (Qwest Corp)	4,600	4	1.39%	1,800	9	0.63%
Raytheon Company	2,600	5	0.78%	2,200	7	0.77%
Littleton School District	2,100	6	0.63%	2,500	5	0.87%
Columbia HCA Medical Center of Aurora	2,000	7	0.60%	-		-
Arapahoe County	2,000	8	0.60%	1,900	8	0.66%
Columbia HCA Swedish	1,800	9	0.54%	1,600	10	0.56%
Arrow Electronics	1,700	10	0.51%	-		-
EchoSphere	-		-	4,500	3	1.57%
Great West Life & Annuity Insurance	-		-	2,400	6	0.84%
City of Aurora	-		-	3,700	4	1.29%
Total	39,300		11.83%	33,000		11.51%

Source:
Employer data was obtained from Arapahoe County's 2017 Comprehensive Annual Financial Report.

CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO

Full-time Equivalent Employees by Function/Program, Last Ten Fiscal Years — **Schedule 16**

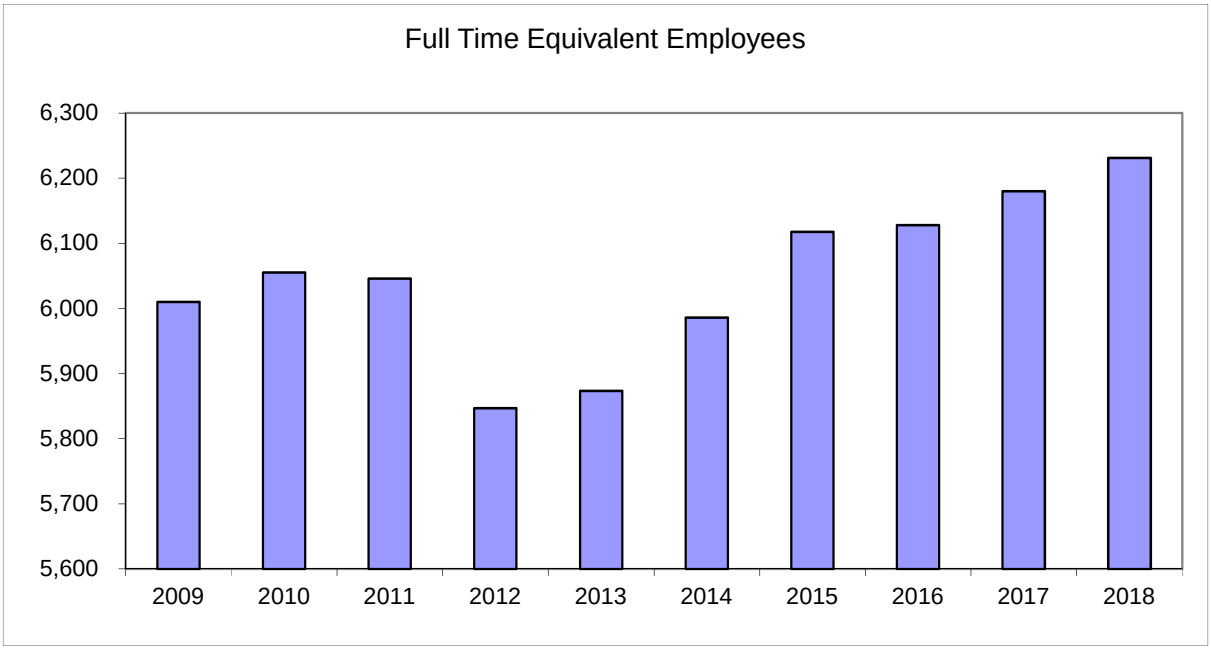
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
Administrators	140	139	141	143	146	148	159	162	164	165
Teachers	3,262	3,262	3,285	3,188	3,219	3,285	3,335	3,332	3,345	3,377
Teacher Assistants & Aides	179	189	192	187	185	184	207	207	208	203
Staff Support	391	389	333	336	365	368	390	398	405	424
Secretarial	385	379	380	349	327	333	343	344	344	344
Maintenance	71	70	70	66	66	69	71	71	76	76
Custodians	92	94	90	89	93	94	86	86	88	89
Bus Drivers	252	259	222	222	222	243	245	233	235	236
Mechanics	21	22	22	22	22	22	22	22	22	22
Mental Health	95	96	96	95	98	106	109	112	114	114
Nurses	60	60	59	58	61	62	61	62	62	62
Bus Aides	81	101	88	87	88	89	118	118	118	119
Designated purpose grants	202	212	175	181	156	162	152	154	159	160
Extended child services	532	532	532	565	566	560	560	565	567	567
Other governmental funds	11	18	15	16	7	7	7	7	7	7
Food services operations	236	233	346	243	253	254	252	255	266	266
Total	6,010	6,055	6,046	5,847	5,873	5,986	6,118	6,128	6,180	6,231

Source: School District records

Notes:
(1) Teacher assistants and aides are measured in equivalent teacher FTEs.

(2) Extended child services represents total number of employees in that fund rather than full time equivalent.

(3) Food service operations represents total number of employees in that fund rather than full time equivalent.



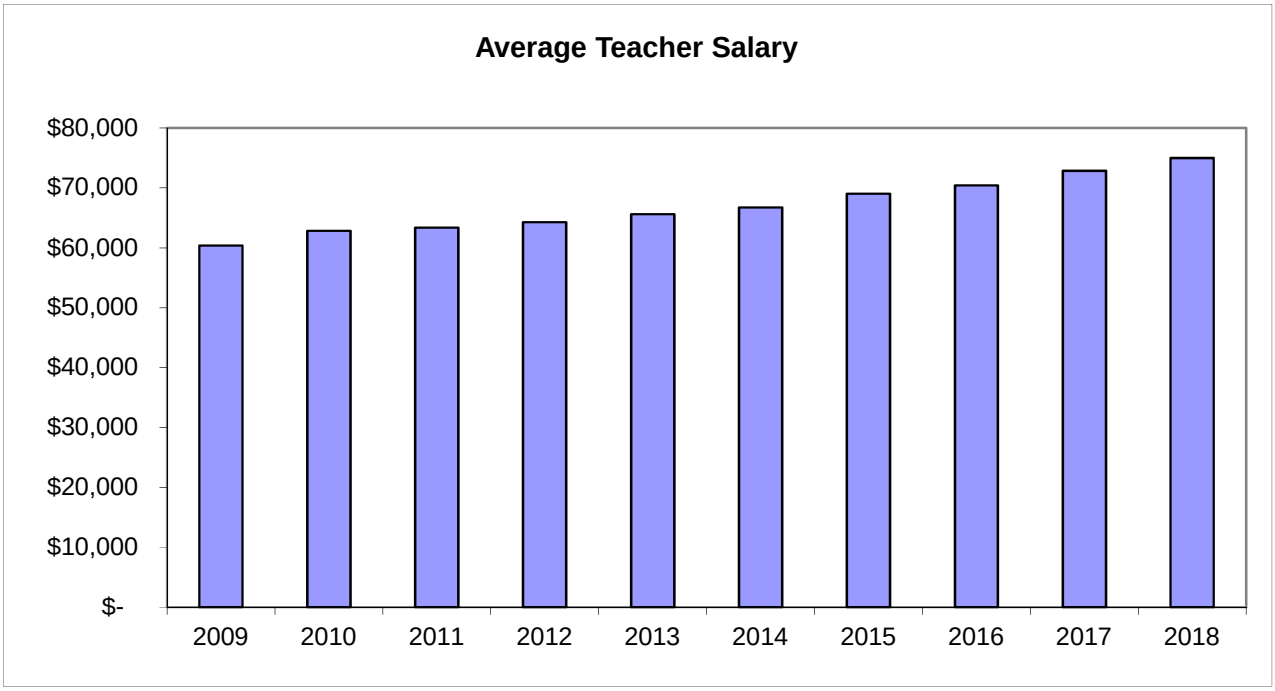
CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO

Teacher Salary,
Last Ten Fiscal Years

Schedule 17

Fiscal Year	Contract Length	Salary: Beginning Teacher	Salary: Maximum Teacher	Salary: Average Teacher
2009	185	$ 35,110	$ 79,719	$ 60,360
2010	185	35,634	80,909	62,811
2011	185	35,634	80,909	63,365
2012	185	35,812	81,314	64,233
2013	185	35,812	81,314	65,607
2014	185	36,815	83,590	66,684
2015	185	37,882	86,014	68,986
2016	185	38,337	88,787	70,373
2017	185	39,602	91,717	72,843
2018	185	40,948	94,836	74,962

Source: School District



Cherry Creek Schools

Dedicated to Excellence

CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO

Operating Statistics,
Last Ten Fiscal Years

Fiscal Year	Governmental Activities Expenses *(in thousands)*	FTE Enrollment	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil FTE / Teacher Ratio	Students Receiving Free or Reduced Meals	Percent of Students Receiving Free or Reduced Meals	Graduation Rate	Dropout Rate
2009	$ 488,855	48,402	$ 10,100	2.71%	3,262	14.8	11,219	23.2%	85.5%	2.7%
2010	506,846	48,979	10,348	2.46%	3,262	15.0	12,416	25.3%	84.7%	1.7%
2011	523,427	49,396	10,597	2.40%	3,285	15.0	13,241	26.8%	84.4%	1.7%
2012	509,406	49,788	10,232	-3.45%	3,188	15.6	13,429	27.0%	87.1%	2.0%
2013	516,053	50,435	10,232	0.00%	3,219	15.7	13,248	26.3%	87.4%	1.5%
2014	545,999	51,198	10,665	4.23%	3,285	15.6	13,783	26.9%	86.60	1.50
2015	624,775	51,433	12,147	13.90%	3,335	15.4	14,570	28.3%	87.20	1.40
2016	690,825	51,582	13,393	10.25%	3,332	15.5	15,646	30.3%	88.10	1.00
2017	1,017,288	51,889	19,605	46.38%	3,345	15.5	16,330	31.5%	90.00	1.40
2018	1,162,931	52,724	22,057	12.51%	3,377	15.6	16,611	31.5%	-	-

Notes:
(1) Includes all funds. (GAAP Basis)

(2) Beginning with fiscal year 2015 the District implemented GASB 68 which impacts Governmental Activities Expenses.

(3) Student enrollment is based on the full time equivalent (FTE), which is adjusted for preschool programs at one half time and kindergarten calculated at .58 FTE for fiscal years 2009 to 2018. Student enrollment is as of the October count date of each year, as audited by the Colorado Department of Education. Data is compiled by the District's Department of Planning.

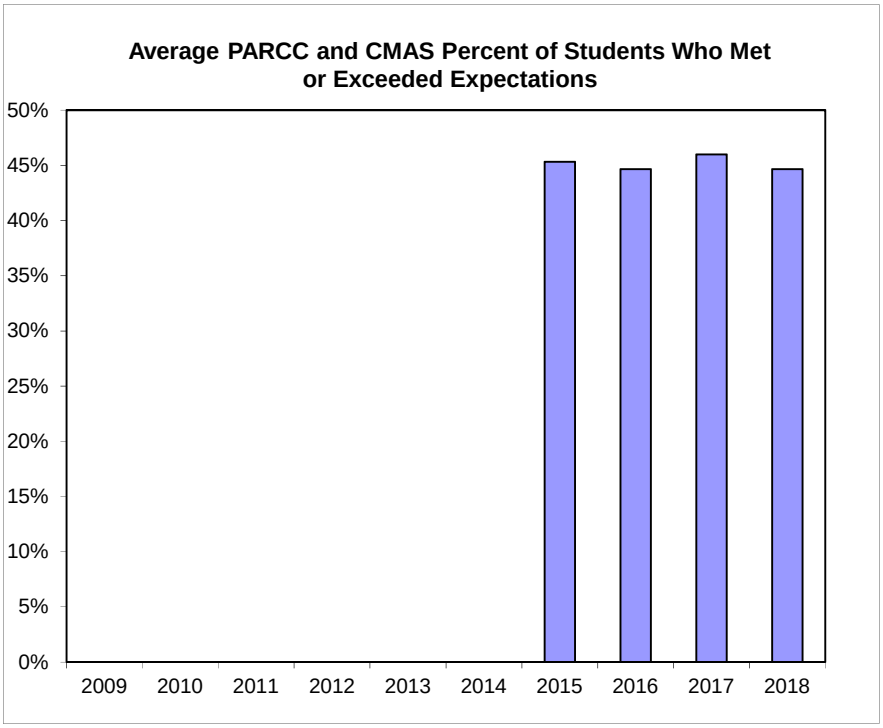
(4) Starting with fiscal year 2010, the Colorado Department of Education instituted the Colorado School Performance Framework (SPF). Results are released by the Colorado Department of Education annually for the prior fiscal year. The ratings are: Performance, Improvement, Priority Improvement, and Turnaround. The new rating model was enacted by Legislature in 2009, replacing the old system of School Accountability Reports (SARs), therefore information prior to 2010 is not available with the current rating system. Data is obtained from the Colorado Department of Education. The Colorado Department of Education did not assign new school or district ratings during the fall of 2015, meaning schools and districts retained the ratings they were assigned at the end of 2014. Ratings shown for 2018 are preliminary.

(5) The State of Colorado tests student performance annually in the spring. Prior to the 2011-2012 school year, these tests were known as Colorado Student Assessment Tests (CSAP). From the 2011-2012 school year through the 2014-2015 school year, the test was known as the Transitional Colorado Assessment Program (TCAP). Students in grades 3 through 10 were tested in reading, writing, and math. Students in grades 5, 8 and 10 were tested in science. Students were rated as Advanced, Proficient, Partially Proficient, and Unsatisfactory. For the 2014-2015 school year, Colorado adopted new assessments called Colorado Measures of Academic Success (CMAS). CMAS encompasses the Colorado developed science and social studies assessments as well as the Partnership for Assessment of Readiness for College and Careers (PARCC) developed, English language arts (ELA) and mathematics assessments. The science and social studies assessments were first administered in spring 2014 in grades 4, 5, 7, and 8. The ELA and math assessments were administered for the first time in spring 2015. Endeavor Academy is an Alternative Education Campus and not included in the rankings. Due to the change is assessments and measurement, this table only reflects CMAS data starting with the 2014-2015 school year. Data is obtained from the Colorado Department of Education.

(6) Graduating seniors taking the American College Testing Program (ACT). Data is obtained from the District's Department of Assessment and Evaluation.

(7) Data is obtained from the Colorado Department of Education. Graduation and dropout rates for fiscal year 2018 are not yet available.

Colorado School Performance Framework Number of Schools Rated				Student Assessment Program (PARRC and CMAS) Percent of Students Who Met or Exceeded Expectations			American College Testing (ACT) Composite Score
Performance	Improvement	Priority Improvement	Turnaround	ELA	Math	Science	
-	-	-	-	-	-	-	21.5
54	4	-	-	-	-	-	21.3
56	3	-	-	-	-	-	21.3
55	4	-	-	-	-	-	21.4
58	1	-	-	-	-	-	21.6
51	7	-	1	-	-	-	21.9
51	7	-	1	50%	40%	46%	21.8
56	3	1	0	51%	43%	40%	22.2
52	8	2	0	51%	45%	42%	21.5
43	15	3	0	51%	43%	40%	22.5



CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO

School Building Information,
Last Ten Fiscal Years

Schedule 19

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
High Schools										
Cherokee Trail (2004)										
Square feet	362,000	362,000	362,000	362,000	362,000	362,000	362,000	391,000	391,000	391,000
Capacity (students)	2,347	2,347	2,347	2,347	2,347	2,647	2,647	2,880	3,211	3,211
Enrollment	2,131	2,293	2,354	2,414	2,499	2,588	2,676	2,797	2,978	2,940
Cherry Creek (1956)										
Square feet	471,632	471,632	471,632	471,632	471,632	471,632	471,632	471,632	471,632	471,632
Capacity (students)	3,735	3,735	3,735	3,735	3,735	3,735	3,735	3,735	3,735	3,735
Enrollment	3,490	3,437	3,379	3,387	3,417	3,461	3,452	3,486	3,566	3,632
Eaglecrest (1989)										
Square feet	353,334	353,334	353,334	353,334	353,334	353,334	353,334	353,334	353,334	353,334
Capacity (students)	2,533	2,533	2,533	2,533	2,533	2,533	2,533	2,833	2,833	2,833
Enrollment	2,363	2,290	2,311	2,256	2,341	2,450	2,479	2,590	2,655	2,811
Grandview (1999)										
Square feet	353,024	353,024	353,024	353,024	353,024	353,024	353,024	368,500	368,500	368,500
Capacity (students)	2,316	2,316	2,316	2,316	2,316	2,616	2,616	2,730	2,730	2,830
Enrollment	2,580	2,539	2,528	2,541	2,537	2,534	2,512	2,610	2,623	2,769
Overland (1979)										
Square feet	331,530	331,530	331,530	331,530	331,530	331,530	331,530	331,530	331,530	331,530
Capacity (students)	2,173	2,173	2,173	2,173	2,173	2,423	2,423	2,423	2,423	2,423
Enrollment	1,995	2,088	2,139	2,193	2,139	2,235	2,279	2,222	2,301	2,367
Smoky Hill (1976)										
Square feet	373,536	373,536	373,536	373,536	373,536	373,536	373,536	373,536	373,536	373,536
Capacity (students)	2,399	2,399	2,399	2,399	2,399	2,399	2,399	2,399	2,399	2,399
Enrollment	2,329	2,307	2,261	2,124	2,027	2,093	2,036	2,031	2,074	2,057
Endeavor Academy (2001)										
Square feet	52,323	52,323	52,323	52,323	52,323	52,323	52,323	52,323	52,323	52,323
Capacity (students)	500	500	500	500	500	500	500	500	500	500
Enrollment	461	460	461	461	370	280	283	269	255	265
Middle Schools										
Campus (1972)										
Square feet	175,743	175,743	175,743	175,743	175,743	175,743	175,743	175,743	175,743	175,743
Capacity (students)	1,590	1,590	1,590	1,590	1,590	1,590	1,590	1,590	1,590	1,590
Enrollment	1,443	1,408	1,421	1,400	1,434	1,409	1,420	1,441	1,392	1,480
Falcon Creek (2000)										
Square feet	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000
Capacity (students)	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Enrollment	1,127	1,075	1,060	1,014	1,051	1,026	1,018	927	940	924
Fox Ridge (2009)										
Square feet	172,000	172,000	172,000	172,000	172,000	172,000	172,000	172,000	172,000	172,000
Capacity (students)	1,260	1,260	1,260	1,260	1,260	1,260	1,260	1,360	2,049	2,049
Enrollment	531	734	812	913	989	1,123	1,197	1,338	1,435	1,394
Horizon Community (1983)										
Square feet	168,500	168,500	168,500	168,500	168,500	168,500	168,500	168,500	168,500	168,500
Capacity (students)	1,740	1,740	1,740	1,740	1,740	1,740	1,740	1,740	1,740	1,740
Enrollment	1,038	1,000	947	950	984	997	970	993	945	953
Laredo (1975)										
Square feet	171,954	171,954	171,954	171,954	171,954	171,954	171,954	171,954	171,954	171,954
Capacity (students)	1,530	1,530	1,530	1,530	1,530	1,530	1,530	1,530	1,530	1,530
Enrollment	1,207	1,168	1,163	1,155	1,128	1,118	1,124	1,136	1,118	1,068
Liberty (2002)										
Square feet	145,500	145,500	145,500	145,500	145,500	145,500	145,500	145,500	145,500	145,500
Capacity (students)	1,140	1,140	1,140	1,140	1,140	1,140	1,140	1,140	1,332	1,332
Enrollment	964	951	1,046	1,055	1,082	1,073	1,088	1,119	1,144	1,135
Prairie (1978)										
Square feet	176,656	176,656	176,656	176,656	176,656	176,656	176,656	176,656	176,656	176,656
Capacity (students)	1,440	1,440	1,440	1,440	1,440	1,740	1,740	1,740	1,990	1,990
Enrollment	1,507	1,530	1,552	1,692	1,687	1,697	1,693	1,718	1,763	1,739
Sky Vista (2006)										
Square feet	156,245	156,245	156,245	156,245	156,245	156,245	156,245	156,245	156,245	156,245
Capacity (students)	1,225	1,225	1,225	1,225	1,225	1,225	1,225	1,225	1,225	1,225
Enrollment	785	784	820	830	867	886	876	851	824	817
Thunder Ridge (1993)										
Square feet	176,000	176,000	176,000	176,000	176,000	176,000	176,000	176,000	176,000	176,000
Capacity (students)	1,620	1,620	1,620	1,620	1,620	1,620	1,620	1,620	1,620	1,620
Enrollment	1,137	1,197	1,172	1,214	1,258	1,291	1,316	1,316	1,291	1,313
West (1967)										
Square feet	158,500	158,500	158,500	158,500	158,500	158,500	158,500	158,500	158,500	158,500
Capacity (students)	1,590	1,590	1,590	1,590	1,590	1,590	1,590	1,590	1,590	1,590
Enrollment	1,174	1,120	1,113	1,093	1,135	1,208	1,220	1,224	1,256	1,300

(continued)

CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO

School Building Information, Last Ten Fiscal Years — **Schedule 19 (continued)**

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Elementary Schools										
Antelope Ridge (2000)										
Square feet	56,243	56,243	56,243	56,243	56,243	56,243	56,243	56,243	56,243	56,243
Capacity (students)	804	804	804	804	804	804	804	804	804	804
Enrollment	698	699	700	647	585	579	610	581	592	603
Arrowhead (1978)										
Square feet	58,440	58,440	58,440	58,440	58,440	58,440	58,440	58,440	58,440	58,440
Capacity (students)	719	719	719	719	719	719	719	719	719	719
Enrollment	597	597	593	577	578	542	576	551	520	487
Aspen Crossing (2006)										
Square feet	64,600	64,600	64,600	64,600	64,600	64,600	64,600	64,600	64,600	64,600
Capacity (students)	648	648	648	648	648	648	648	648	648	648
Enrollment	447	454	481	478	504	534	498	489	507	505
Belleview (1955)										
Square feet	51,120	51,120	51,120	51,120	51,120	51,120	51,120	51,120	51,120	51,120
Capacity (students)	592	592	592	592	592	592	592	592	880	880
Enrollment	528	563	537	543	506	516	546	562	596	572
Black Forest Hills (2012)										
Square feet					68,866	68,866	68,866	68,866	68,866	68,866
Capacity (students)					648	648	648	648	648	648
Enrollment					308	455	479	501	529	588
Buffalo Trail (2008)										
Square feet	66,380	66,380	66,380	66,380	66,380	66,380	66,380	66,380	66,380	66,380
Capacity (students)	648	648	648	648	648	648	648	648	648	648
Enrollment	504	620	420	501	529	578	609	605	632	662
Canyon Creek (2003)										
Square feet	60,930	60,930	60,930	60,930	60,930	60,930	60,930	60,930	60,930	60,930
Capacity (students)	810	810	648	648	648	648	648	648	648	648
Enrollment	659	672	604	583	303	587	536	539	499	492
Cherry Hills Village (1984)										
Square feet	55,319	55,319	55,319	55,319	55,319	55,319	55,319	55,319	55,319	55,319
Capacity (students)	587	587	587	587	587	587	587	587	587	587
Enrollment	507	527	566	567	568	563	542	536	518	504
Cimarron (1980)										
Square feet	54,231	54,231	54,231	54,231	54,231	54,231	54,231	54,231	54,231	54,231
Capacity (students)	728	728	728	728	728	728	728	728	728	728
Enrollment	495	476	465	451	439	477	449	453	451	463
Cottonwood Creek (1977)										
Square feet	57,185	57,185	57,185	57,185	57,185	57,185	57,185	57,185	57,185	57,185
Capacity (students)	710	710	710	710	710	710	710	710	710	710
Enrollment	564	582	609	595	594	579	578	570	570	591
Coyote Hills (2007)										
Square feet	64,294	64,294	64,294	64,294	64,294	64,294	64,294	64,294	64,294	64,294
Capacity (students)	648	648	648	648	648	648	648	648	648	648
Enrollment	549	629	718	781	572	595	620	616	627	672
Creekside (1987)										
Square feet	54,600	54,600	54,600	54,600	54,600	54,600	54,600	54,600	54,600	54,600
Capacity (students)	671	671	671	671	671	701	701	701	701	701
Enrollment	610	648	652	656	677	673	650	600	605	600
Dakota Valley (2000)										
Square feet	56,243	56,243	56,243	56,243	56,243	56,243	56,243	56,243	56,243	56,243
Capacity (students)	804	804	804	804	804	804	804	804	804	804
Enrollment	747	754	741	748	751	742	612	566	526	519
Dry Creek (1973)										
Square feet	54,650	54,650	54,650	54,650	54,650	54,650	54,650	54,650	54,650	54,650
Capacity (students)	467	467	467	467	467	467	467	467	467	467
Enrollment	369	397	391	386	384	380	370	380	370	386
Eastridge (1964)										
Square feet	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,613
Capacity (students)	868	868	868	868	868	868	868	868	868	868
Enrollment	662	697	716	720	723	736	733	688	700	634
Fox Hollow (2002)										
Square feet	60,930	60,930	60,930	60,930	60,930	60,930	60,930	60,930	60,930	60,930
Capacity (students)	810	810	810	810	810	810	810	810	810	810
Enrollment	722	723	776	769	710	653	620	600	574	578
Greenwood (1959)										
Square feet	50,504	50,504	50,504	50,504	50,504	50,504	50,504	50,504	50,504	50,504
Capacity (students)	467	467	467	467	467	467	467	467	467	467
Enrollment	380	376	364	390	388	394	403	408	405	398

(continued)

CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO

School Building Information, Last Ten Fiscal Years — **Schedule 19 (continued)**

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Elementary Schools (cont.)										
Heritage (1977)										
Square feet	40,600	40,600	40,600	40,600	40,600	40,600	40,600	40,600	40,600	40,600
Capacity (students)	429	429	429	429	429	429	429	429	429	429
Enrollment	237	261	276	273	270	259	262	261	288	332
High Plains (1979)										
Square feet	55,119	55,119	55,119	55,119	55,119	55,119	55,119	55,119	55,119	55,119
Capacity (students)	687	687	687	687	687	687	687	687	687	687
Enrollment	444	499	481	482	476	489	496	518	551	551
Highline (1992)										
Square feet	53,600	53,600	53,600	53,600	53,600	53,600	53,600	53,600	53,600	53,600
Capacity (students)	804	804	804	804	804	804	804	804	804	804
Enrollment	564	566	550	564	567	593	555	525	494	491
Holly Hills (1959)										
Square feet	38,292	38,292	38,292	38,292	38,292	38,292	38,292	38,292	38,292	38,292
Capacity (students)	339	339	339	339	339	339	339	339	339	339
Enrollment	273	221	236	324	276	286	272	273	252	213
Holly Ridge (1963)										
Square feet	37,894	37,894	37,894	37,894	37,894	37,894	37,894	37,894	37,894	37,894
Capacity (students)	320	320	320	320	320	320	320	320	320	320
Enrollment	256	289	292	263	282	314	334	298	305	355
Homestead (1978)										
Square feet	51,358	51,358	51,358	51,358	51,358	51,358	51,358	51,358	51,358	51,358
Capacity (students)	582	582	582	582	582	582	582	582	582	582
Enrollment	480	479	481	495	513	502	499	499	465	482
Independence (1977)										
Square feet	54,635	54,635	54,635	54,635	54,635	54,635	54,635	54,635	54,635	54,635
Capacity (students)	699	699	699	699	699	699	699	699	699	699
Enrollment	475	471	440	429	447	440	461	473	469	458
Indian Ridge (1986)										
Square feet	57,373	57,373	57,373	57,373	57,373	57,373	57,373	57,373	57,373	57,373
Capacity (students)	763	763	763	763	763	763	763	763	763	763
Enrollment	534	540	531	516	490	476	457	463	467	475
Meadow Point (1983)										
Square feet	53,100	53,100	53,100	53,100	53,100	53,100	53,100	53,100	53,100	53,100
Capacity (students)	638	638	638	638	638	638	638	638	638	638
Enrollment	502	451	404	374	397	405	107	425	451	471
Mission Viejo (1974)										
Square feet	75,950	75,950	75,950	75,950	75,950	75,950	75,950	75,950	75,950	75,950
Capacity (students)	995	995	995	995	995	995	995	995	995	995
Enrollment	604	606	584	579	623	598	574	556	514	490
Mountain Vista (2014)										
Square feet							68,866	68,866	68,866	68,866
Capacity (students)							704	704	704	704
Enrollment							248	339	390	458
Peakview (1992)										
Square feet	53,600	53,600	53,600	53,600	53,600	53,600	53,600	53,600	53,600	53,600
Capacity (students)	804	804	804	804	804	804	804	804	804	804
Enrollment	581	557	535	518	549	525	526	509	514	515
Pine Ridge (2011)										
Square feet			68,866	68,866	68,866	68,866	68,866	68,866	68,866	68,866
Capacity (students)			648	648	648	758	758	758	758	758
Enrollment			451	575	726	744	708	751	722	798
Polton (1973)										
Square feet	70,715	70,715	70,715	70,715	70,715	70,715	70,715	70,715	70,715	70,715
Capacity (students)	495	495	495	495	495	495	495	495	495	495
Enrollment	379	366	390	427	408	405	416	434	436	433
Ponderosa (1978)										
Square feet	56,150	56,150	56,150	56,150	56,150	56,150	56,150	56,150	56,150	56,150
Capacity (students)	661	661	661	661	661	711	711	711	711	711
Enrollment	585	601	627	649	683	694	717	695	655	632
Red Hawk Ridge (2006)										
Square feet	73,800	73,800	73,800	73,800	73,800	73,800	73,800	73,800	73,800	73,800
Capacity (students)	648	648	648	648	648	648	648	648	648	648
Enrollment	504	542	609	629	640	624	633	578	563	514
Rolling Hills (1997)										
Square feet	55,884	55,884	55,884	55,884	55,884	55,884	55,884	55,884	55,884	55,884
Capacity (students)	804	804	804	804	804	804	804	804	804	804
Enrollment	683	657	625	619	615	603	607	590	564	553

(continued)

CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO

School Building Information,
Last Ten Fiscal Years

Schedule 19 (continued)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Elementary Schools (cont.)										
Sagebrush (1978)										
Square feet	57,100	57,100	57,100	57,100	57,100	57,100	57,100	57,100	57,100	57,100
Capacity (students)	738	738	738	738	738	738	738	738	738	738
Enrollment	576	558	524	524	500	519	490	490	426	404
Summit (1989)										
Square feet	52,800	52,800	52,800	52,800	52,800	52,800	52,800	52,800	52,800	52,800
Capacity (students)	699	699	699	699	699	699	699	699	699	699
Enrollment	479	445	428	421	370	352	312	312	319	321
Sunrise (1985)										
Square feet	72,507	72,507	72,507	72,507	72,507	72,507	72,507	72,507	72,507	72,507
Capacity (students)	954	954	954	954	954	954	954	954	954	954
Enrollment	618	595	583	597	581	570	574	574	538	500
Timberline (1987)										
Square feet	52,800	52,800	52,800	52,800	52,800	52,800	52,800	52,800	52,800	52,800
Capacity (students)	874	874	874	874	874	874	874	874	874	874
Enrollment	609	607	578	576	573	551	549	550	550	528
Trails West (1981)										
Square feet	55,119	55,119	55,119	55,119	55,119	55,119	55,119	55,119	55,119	55,119
Capacity (students)	675	675	675	675	675	675	675	675	675	675
Enrollment	490	492	500	542	500	466	450	415	369	378
Village East (1972)										
Square feet	69,650	69,650	69,650	69,650	69,650	69,650	69,650	69,650	69,650	69,650
Capacity (students)	810	810	810	810	810	810	810	810	810	810
Enrollment	653	739	755	733	714	763	722	671	676	710
Walnut Hills (1970)										
Square feet	54,940	54,940	54,940	54,940	54,940	54,940	54,940	54,940	54,940	54,940
Capacity (students)	467	467	467	467	467	467	467	467	467	467
Enrollment	370	338	350	338	319	321	326	289	266	273
Willow Creek (1978)										
Square feet	52,066	52,066	52,066	52,066	52,066	52,066	52,066	52,066	52,066	52,066
Capacity (students)	551	551	551	551	551	551	551	551	551	551
Enrollment	494	513	508	499	507	501	526	507	500	504
Alternative Schools										
Challenge (1996)										
Square feet	62,000	62,000	62,000	62,000	62,000	62,000	62,000	62,000	62,000	62,000
Capacity (students)	555	555	555	555	555	555	555	555	555	555
Enrollment	525	526	524	523	525	522	522	522	521	523
Cherry Creek Academy (1998)										
Square feet	44,500	44,500	44,500	57,130	57,130	57,130	57,130	57,130	57,130	57,130
Capacity (students)	450	450	450	588	588	588	588	588	588	588
Enrollment	437	449	451	461	466	476	529	543	547	525
I-Teams - 3 facilities										
Square feet	22,336	22,336	22,336	22,336	22,336	22,336	22,336	22,336	22,336	22,336
Joliet (2002)										
Square feet	14,297	14,297	14,297	14,297	14,297	14,297	14,297	14,297	14,297	14,297
Capacity (students)	90	90	90	90	90	90	90	90	90	90
Enrollment	41	33	23	26	51	45	57	35	49	59
Administrative and Support										
10 Current Facilities										
Square feet	220,089	220,089	280,089	280,089	280,089	280,089	280,089	280,089	280,089	280,089
Stadiums										
Legacy (2004)										
Square feet	13,725	13,725	13,725	13,725	13,725	13,725	13,725	13,725	13,725	13,725
Capacity (students)	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Stutler Bowl (1965)										
Square feet	9,800	9,800	9,800	9,800	9,800	9,800	9,800	9,800	9,800	9,800
Capacity (students)	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500

(continued)

Source: District facilities planning and construction and district planning & interagency relations offices.

Notes:

(1) Fiscal year of original construction is shown in parentheses. Changes in square footage are the result of renovations and additions and the addition or removal of mobile classrooms.

(2) Capacity data is operational capacity estimated at 79% of full capacity per Cherry Creek School District Facility Utilization & Capacity Study. Capacity data is building capacity without mobiles. In some cases enrollment has gone above building capacity and the students have been housed in mobiles. Elementary schools changing to or from traditional calendars to year round calendars reflect changes in capacity to reflect the building's usage.

(3) Cherry Creek Academy data provided by Cherry Creek Academy. Cherry Creek Academy is a charter school operating within the District.

(4) The District has three I-Team facilities associated with the high schools. Enrollment and capacity for these programs are included within the respective high school.

(5) Administrative and support buildings include: Auxiliary Service Center, Admissions West/Career & Tech Ed, Educational Services Center, Nutrition Center, Maintenance West, Student Achievement Resource Center, Instructional Support Facility, Transportation/Maintenance Central, Transportation East, and Warehouse/Purchasing.

(6) Heritage Heights Academy operated out of leased space in the Edge Church during fiscal year 2017.

Cherry Creek Schools

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CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO

Schedule of Insurance in Force
June 30, 2017

Insurer	Policy Number	Type of Policy	Policy Period
Colorado School Districts Self Insurance Pool	0305-17-00003	"All Risk" (A) Property Insurance Total Reported values 1) Buildings 2) Contents and Inland Marine - Cameras, Projection Equipment - Musical Instruments, etc. - Contractor's Equipment - Fine Arts - Radio Equipment - Electronic Data Processing - Equipment/Data/Media 3) Flood/Earth Movement 4) Builder's Risk (B) Commercial Crime Coverage (Combined Limit) 1) Employee Theft 2) Forgery or Alteration 3) Theft of money and other property coverage 4) Computer Fraud 5) Counterfeit currency & money orders 6) Public Officials Coverage (Secretary - Board of Education) (Treasurer - Board of Education) (Asst. Secretary/Asst. Treasurer - Board of Education) (C) School Entity Liability Includes: 1) General Liability 2) School Leaders Errors & Omissions 3) Employment Practices Liability 4) Defense Limits unlimited other than Sexual Molestation (D) Commercial Auto Liability - Owned, Non Owned, Hired, Borrowed, or Leased Autos - Physical Damage - Garage Operations Coverage - Terminal Coverage (Comprehensive) - Auto Medical Pay (Buses) (E) Equipment Breakdown Insurance Extra Exp./Business Interruption Hazardous Substance Spoilage Damage Expediting Expense (F) School Crisis Act Insurance Pool Shared Annual Aggregate Limit (G) Terrorism Coverage Insurance Pool Shared Annual Aggregate Limit (H) Pollution & Remediation Legal Liability Insurance Pool Shared Annual Aggregate Limit (I) Privacy & Network Liability Insurance Pool Shared Annual Aggregate Limit	07-01-17 to 07-01-18
Joint School Districts Workers' Compensation Self Insurance Pool	32-C	Statutory Workers' Compensation Insurance	07-01-17 to 07-01-18
ACE American Insurance Co	PHFD38406097005	Foreign Liability Insurance	07-01-17 to 07-01-18
QBE Insurance Corporation	AHH 007253	Travel Accident Insurance	07-01-17 to 07-01-18

Limits			Deductible		
Per Occurrence	$	1,000,000,000	(Pool limit)		
			$	100,000	per occurrence
	$	1,135,176,966			
	$	166,001,741			
		Included	$	100,000	per occurrence
		Included	$	100,000	per occurrence
		Included	$	100,000	per occurrence
		Included	$	100,000	per occurrence
		Included	$	100,000	per occurrence
		Included	$	100,000	per occurrence
		Included	$	100,000	per occurrence
	$	100,000,000			
Reported value			$	100,000	per occurrence
	$	1,000,000	$	500	per loss
	$	1,000,000	$	500	per loss
	$	1,000,000	$	500	per loss
	$	1,000,000	$	500	per loss
	$	1,000,000	$	500	per loss
	$	1,000,000	$	500	per loss
Per occurrence	$	10,000,000	$	100,000	per occurrence
Aggregate	$	10,000,000			
Per occurrence	$	2,500,000			
Per occurrence	$	2,000,000	$	10,000	per occurrence
Self Insured					
		$45,000	$	250	per vehicle
			$	500	maximum deductible per loss
	Replacement Cost		$	1,000	per vehicle
			$	100,000	maximum deductible per loss
Per Person	$	5,000	$	-	
	$	250,000,000	$	10,000	damage to covered property
		Included			
	$	10,000,000			
		Included			
		Included			
	$	250,000			
	$	10,000,000	$	50,000	liability deductible per occurrence
			$	100,000	property deductible per occurrence
Per occurrence/annual	$	1,000,000	$	50,000	liability deductible per occurrence
			$	100,000	remediation expense deductible per occurrence
Per occurrence/annual	$	1,000,000	$	50,000	per occurrence
Statutory/ $1,000,000 Employers Liability					Each Pool Member retains first $100,000 of each loss, losses between $100,000 - $450,000 are pooled with other members, losses between $450,000 and statutory limits are reinsured.
Per occurrence/	$	1,000,000	$	-	deductible
Aggregate	$	2,000,000			
Per accident	$	25,000	$	-	deductible
Aggregate	$	500,000			

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SINGLE AUDIT REPORTS SECTION

Single Audit

The Single Audit Act Amendments of 1996 mandate independent financial and compliance audits of federal award programs. In addition to the required independent auditor's reports, the schedules of expenditures of federal awards and summary of findings and questioned costs are provided to support the requirements for compliance with the OMB Uniform Guidance.

Cherry Creek Schools

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CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
as of June 30, 2018

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	Federal CFDA Number	State Grant Number	Disbursements/ Expenditures
U.S. DEPARTMENT OF EDUCATION			
Passed through State Department of Education			
Title I Grants to Local Educational Agencies (Title I, Part A of ESEA)	84.010	4010	$ 4,775,298
Title I, Part A: Improving Basic Programs Operated by Schools	84.010	5010	7,514
			4,782,812
Special Education--Grants to States (IDEA, Part B)	84.027	4027	8,823,732
Special Education--Preschool Grants (IDEA Preschool)	84.173	4173	159,643
subtotal IDEA Cluster			8,983,375
English Language Acquisition Grants (Title III)	84.365	4365	286,260
English Language Acquisition Grants (Title III, Set Aside)	84.365	7365	72,473
Improving Teacher Quality State Grants (Title IIA)	84.367	4367	659,177
Title IV	84.424	4424	49,985
Passed through Colorado Community College and Occupational Education System			
Vocational Education - Basic Grants To States (Perkins III)	84.048	4048	259,198
Passed through State Department of Education			
Rehabilitation Services - Vocational Rehabilitation Grants To States	84.126	6126	165,049
Total U.S. Department of Education			15,258,329
U.S. DEPARTMENT OF AGRICULTURE			
Passed through State Department of Education			
School Breakfast Program	10.553	4553	1,534,412
National School Lunch Program	10.555	4555	5,803,742
Passed through State Department of Human Services			
USDA Commodities	10.555	4555	1,119,235
subtotal Child Nutrition Cluster			8,457,389
Total U.S. Department of Agriculture			8,457,389
Total Federal Awards			$ 23,715,718

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For The Year Ended June 30, 2018

1) **Basis of Presentation**

In the accompanying schedule of expenditures of federal awards, award revenues and expenditures have been prepared on the modified accrual basis of accounting, except for the U.S. Department of Agriculture grants, which have been prepared on the full accrual basis of accounting. The basis of accounting used for the schedule of expenditures of federal awards is consistent with the basis of accounting used for the annual financial report presentation.

2) **Noncash Federal Awards**

The District receives food commodities from the U. S. Department of Agriculture for use in its food service program. Commodities are recorded under CFDA # 10.555 on the Schedule of Federal Awards. The commodities, in the amount of $1,119,235, are recognized as revenue when received. The commodities are recognized as expenditures when used by the schools. The majority of the commodities are stored at the individual schools instead of a central warehouse. As such, the District has determined that the title to the commodities passes to the District upon receipt of the commodities. Since the District has received title to the commodities, the unused commodities are not reflected as unearned revenue.

3) The District has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Education
Cherry Creek School District No. 5
Greenwood Village, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Cherry Creek School District No. 5 (the District), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 15, 2018. Our report includes a reference to other auditors who audited the financial statements of Cherry Creek Academy and Heritage Heights Academy, as described in our report on the District's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

Board of Education
Cherry Creek School District No. 5

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

Purpose of this Report

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Greenwood Village, Colorado
October 15, 2018

CliftonLarsonAllen LLP
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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Education
Cherry Creek School District No. 5
Greenwood Village, Colorado

Report on Compliance for Each Major Federal Program

We have audited Cherry Creek School District No. 5's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Cherry Creek School District No. 5's major federal programs for the year ended June 30, 2018. Cherry Creek School District No. 5's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Cherry Creek School District No. 5's basic financial statements include the operations of the discretely presented component units, Cherry Creek Academy and Heritage Heights Academy, which received $153,230 in federal awards which is not included in Cherry Creek School District No. 5's schedule of expenditures of federal awards during the year ended June 30, 2018. Our audit, described below, did not include the operations of the discretely presented component units, Cherry Creek Academy and Heritage Heights Academy, because other auditors were engaged to perform audits of both Cherry Creek Academy and Heritage Heights Academy.

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.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Cherry Creek School District No. 5'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 Cherry Creek School District No. 5's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Cherry Creek School District No. 5's compliance.

Board of Education
Cherry Creek School District No. 5

Opinion on Each Major Federal Program

In our opinion, Cherry Creek School District No. 5 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

Report on Internal Control Over Compliance

Management of Cherry Creek School District No. 5 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 Cherry Creek School District No. 5's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Cherry Creek School District No. 5'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.

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 a deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2018-001 that we consider to be a significant deficiency.

Cherry Creek School District No. 5's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs and corrective action plan. Cherry Creek School District No. 5'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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Greenwood Village, Colorado
October 15, 2018

CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2018

Section I – Summary of Auditors' Results

Financial Statements

1. Type of auditors' report issued: Unmodified
2. Internal control over financial reporting:
   - Material weakness(es) identified? _____ yes ____x____ no
   - Significant deficiency(ies) identified? _____ yes ____x____ none reported
3. Noncompliance material to financial statements noted? _____ yes ____x____ no

Federal Awards

1. Internal control over major federal programs:
   - Material weakness(es) identified? _____ yes ____x____ no
   - Significant deficiency(ies) identified? ____x____ yes _____ none reported
2. Type of auditors' report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ____x____ yes _____ no

Identification of Major Federal Programs

CFDA Number(s)	**Name of Federal Program or Cluster**
84.010	Title I Grants to Local Educational Agencies (Title I, Part A of ESEA)

Dollar threshold used to distinguish between Type A and Type B programs: $ 750,000

Auditee qualified as low-risk auditee? ____x____ yes _____ no

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Findings and Questioned Costs – Major Federal Programs

2018 – 001

Federal agency: U.S. Department of Education

Federal program title: Title I Grants to Local Educational Agencies (Title I, Part A of ESEA)

CFDA Number: 84.010

Pass-Through Agency: Colorado Department of Education

Pass-Through Number(s): 4010 and 5010

Award Period: July 1, 2017 through June 30, 2018

Type of Finding: Significant Deficiency in Internal Control over Compliance

Criteria or specific requirement: Per the Office of Management and Budget (OMB)'s Uniform Guidance 2018 Compliance Supplement for CFDA 84.010, organizations are required to select a poverty measure from a select list of data sources and must use that measure consistently across the district to rank all its school attendance areas according to their percentage of poverty in the Consolidated Application for eligibility.

Condition: We noted that the District does not have policies and procedures in place for review of the measures used when entering counts for the Consolidated Application.

Questioned costs: None.

Context: We noted that the District does have policies and procedures in place for compliance with eligibility requirements, as a new application process was implemented by the Colorado Department of Education during fiscal year 2018.

Cause: There was an error in entering counts for the Consolidated Application. However, this error was related to a middle school. Currently, only elementary schools receive funding and as a result, the error did not impact funding or compliance.

Effect: The District could not be in compliance with eligibility requirements for its federal programs if proper internal controls are not in place.

Repeat Finding: No.

Recommendation: The District should implement policies for verifying counts used in the Consolidated Application prior to submission.

Views of responsible officials: There is no disagreement with the audit finding.

CHERRY CREEK SCHOOL DISTRICT
ARAPAHOE COUNTY, COLORADO
CORRECTIVE ACTION PLAN
YEAR ENDED JUNE 30, 2018

Cherry Creek School District No. 5 respectfully submits the following corrective action plan for the year ended June 30, 2018.

Audit period: July 1, 2017 - June 30, 2018

The finding from the schedule of findings and questioned costs is discussed below. The finding is numbered consistently with the number assigned in the schedule.

FINDINGS—FINANCIAL STATEMENT AUDIT

No current year findings noted.

FINDINGS—FEDERAL AWARD PROGRAMS AUDITS

2018 – 001
Federal agency: U.S. Department of Education

Federal program title: Title I Grants to Local Educational Agencies (Title I, Part A of ESEA)

CFDA Number: 84.010

Pass-Through Agency: Colorado Department of Education

Pass-Through Number(s): 4010 and 5010

Award Period: July 1, 2017 through June 30, 2018

Type of Finding: Significant Deficiency in Internal Control over Compliance, Other Matters

Recommendation: The District should implement policies for reviewing the Consolidated Application and the counts used in the application prior to submission.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: The District has developed procedures to review the Consolidated Application and the counts used in the application prior to the submission. This review process will be performed by the applicable administrative personnel for their particular areas of the Consolidated Application.

Name(s) of the contact person(s) responsible for corrective action: David D. Hart, CFO/COO

Planned completion date for corrective action plan:

If there are questions regarding this plan, please call David D. Hart at 720-554-4344.

CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2018

Dedicated to Excellence

Cherry Creek School District No. 5 respectfully submits the following summary schedule of prior audit findings for the year ended June 30, 2018.

Audit period: July 1, 2017 - June 30, 2018

The findings from the prior audit's schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the prior year.

FINDINGS—FINANCIAL STATEMENT AUDIT

There were no financial statement findings in the prior year.

FINDINGS—FEDERAL AWARD PROGRAMS AUDIT

2017 – 001 Special Education Cluster

Condition: We noted that the District does have policies and procedures in place for compliance with suspension and debarment requirements; however, we noted two out of four vendors selected for testing had not been checked to verify they were not suspended or debarred. We did verify these vendors were not currently suspended or debarred through verification per SAM.gov.

Status: Corrective action was taken.

If there are questions regarding this schedule, please call David D. Hart, at 720-554-4344.

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