COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2017

CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO

CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO

Cherry Creek Schools
Dedicated to Excellence

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2017

Dr. Harry C. Bull, Jr.
Superintendent

Prepared by:

Fiscal Services Division

David D. Hart
Chief Financial Officer

Bradley S. Arnold
Director of Accounting

Kristine A. Githara
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, 2017

INTRODUCTORY SECTION Page No.

Board of Education 1

Mission Statement of Cherry Creek Schools..... 2

Vision, Mission and Values of Cherry Creek Schools 3

Letter of Transmittal 5

ASBO International Certificate of Excellence in Financial Reporting 31

GFOA Certificate of Achievement for Excellence in Financial Reporting 32

List of Elected and Appointed Officials 33

Administrative Organizational Chart 34

Administrative Functions 35

FINANCIAL SECTION

Independent Auditors' Report 37

Management's Discussion and Analysis 41

Basic Financial Statements:
Government-Wide Financial Statements:
Statement of Net Position 57
Statement of Activities 58
Fund Financial Statements:
Balance Sheet - Governmental Funds 60
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position 61
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds 62
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Government-Wide Statement of Activities 63
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund 64
Notes to the Basic Financial Statements 65

Required Supplementary Information:
Defined Benefit Pension Plan Schedules:
Schedule of the Proportionate Share of the Net Pension Liability 101
Schedule of Contributions 102

Supplementary Information:

Combining and Individual Fund Statements and Schedules:
Combining Balance Sheet - Nonmajor Governmental Funds 106
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds 107

Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual:
Debt Service - Bond Redemption Fund 108
Capital Projects - Building Fund 109
Capital Projects - Capital Reserve Fund 110
Special Revenue - Designated Purpose Grants Fund..... 111
Special Revenue - Extended Child Services Fund..... 112
Special Revenue - Food Services Fund 113
Special Revenue - Pupil Activities Fund 114

FINANCIAL SECTION (Continued)

Component Units - Charter Schools
Combining Statement of Net Position - Component Units - Charter Schools 115
Combining Statement of Activities - Component Units - Charter Schools 116
State Required Schedule:
Fiscal Year Spending Under Section 20 of Article X of the State Constitution (TABOR) Worksheet 117

STATISTICAL SECTION

Statistical Section Table of Contents 119
Financial Trends:
Schedule 1: Net Position by Component 120
Schedule 2: Changes in Net Position 122
Schedule 3: Fund Balances, Governmental Funds 128
Schedule 4: Changes in Fund Balances, Governmental Funds 130
Revenue Capacity:
Schedule 5: Assessed Value and Estimated Actual Value of Taxable Property 133
Schedule 6: Direct and Overlapping Property Tax Rates 134
Schedule 7: Principal Property Tax Payers 135
Schedule 8: Property Tax Levies and Collections 136
Debt Capacity:
Schedule 9: Ratios of Outstanding Debt by Type 137
Schedule 10: Ratios of General Bonded Debt Outstanding 138
Schedule 11: Direct and Overlapping Governmental Activities Debt 139
Schedule 12: Legal Debt Margin Information 140
Schedule 13: Pledged Revenue Coverage - The District has no pledged revenue ..... N/A
Demographic and Economic Information:
Schedule 14: Demographic and Economic Statistics 141
Schedule 15: Denver Metropolitan Statistical Area (MSA) Principal Employers 142
Operating Information:
Schedule 16: Full-time Equivalent Employees by Function/Program 143
Schedule 17: Teacher Salary 144
Schedule 18: Operating Statistics 146
Schedule 19: School Building Information 148
Schedule 20: Schedule of Insurance in Force 154

SINGLE AUDIT REPORTS SECTION

Schedule of Expenditures of Federal Awards 157

Notes to Schedule of Expenditures of Federal Awards 158

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters based on Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* 159

Independent Auditors' Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance 161

Schedule of Findings and Questioned Costs 164

INTRODUCTORY SECTION

CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO

BOARD OF EDUCATION
2016-2017

From Left to Right Standing
Karen Fisher, Treasurer
Janice McDonald, Secretary

From Left to Right Sitting
Randy Perlis, President
David Willman, Vice President
Eric Parish, Assistant Secretary/Treasurer

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

October 16, 2017

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, 2017. 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, 2017, 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 41-56.

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. Also included in the Financial Section as supplementary information is a report required as part of the Colorado Public School Finance Act showing fiscal year spending under Section 20 Article X of the State Constitution, also known as the Taxpayer's Bill of Rights (TABOR). 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 637,000 residents, has the third largest population of the counties in Colorado. The District, with approximately 54,200 students projected for fiscal year 2017-2018, is currently the fourth largest of the 178 school districts in the state.

The following economic data was obtained from the September 2017 revenue forecast for the State of Colorado, prepared by the Governor's Office of State Planning and Budgeting.

Colorado's economic growth has exhibited increased momentum led by the State's technology sector, new business formation, and growth in its skilled workforce. Economic growth is expected to continue at a moderate pace. The State's solid expansion continues to result in some of the lowest unemployment rates in the nation. However, tight labor and housing market conditions are raising costs for individuals and businesses. Further, rural areas continue to experience lower job and income growth than urban areas along the Front Range. Economic growth for the nation overall has also improved in 2017, but remains more modest than in Colorado. Importantly, U.S. financial conditions remain generally supportive of expansion.

Although recession risk currently appears low, events could develop that would change this outlook. For example, an increase in uncertainty regarding U.S. policies on international trade, as well as on the outcome of upcoming federal budget and debt limit deliberations could result in disruptions in financial markets. Further, the Federal Reserve has signaled that monetary tightening will continue, including through a reduction in the assets held on its balance sheet. As changes in monetary policy can have a large influence on economic conditions, further monetary tightening in the current environment of modest overall U.S. growth and tempered inflation may result in slowing economic conditions. In addition, there are concerns that equity markets are excessively valued. A large enough market downturn could cause investors, businesses, and households to reduce spending in the economy.

Recent strength in sales tax collections and income tax wage withholdings indicate that the overall economy in Colorado has increased momentum. Higher sales tax collections indicate that Coloradans are spending more money on goods, a key driver of economic activity. Income tax wage withholdings are a proxy for total wages paid, and data through August 2017 shows accelerating growth in recent months, indicating that wages and employment continue to grow. Both of these data trends indicate that the State's economic expansion has strengthened.

Colorado's sustained economic expansion is generating employment gains across most industries. However, tight labor market conditions are limiting further job growth. Colorado's Front Range labor market is among the tightest in the nation**.**

The unemployment rate in Colorado remains near its lowest levels on record, at 2.4 percent in August 2017, the second-lowest rate in the U.S. While this creates a positive environment for job seekers, the State's low unemployment is likely acting as a constraint on economic growth by making it difficult for employers to find qualified candidates to fill open positions.

The U.S. labor market remains strong as the unemployment rate, at 4.4 percent in August 2017, remains low. The low unemployment rate indicates the U.S. labor market is close to its full employment level. Labor market momentum has been improving since the spring of 2016 and hit a record high in March 2017, while the level of activity recently surpassed its historical average and reached its highest level since the Great Recession.

Personal income growth in Colorado slowed to 3.9 percent in 2016 due to slower job growth. Personal income is expected to increase 5.4 percent in 2017 and 5.2 percent in 2018. Per-capita income continues to grow faster in Colorado than the nation overall, increasing to $52,059 in 2016 and is expected to grow by 3.7 percent to $53,978 in 2017. In the U.S., per-capita income increased to $49,295 in 2016 and is expected to grow by 2.8 percent to $50,667 in 2017.

Wages and salaries grew at a slower rate of 4.6 percent in Colorado in 2016. Growth is expected to increase to 5.6 percent in 2017 and then moderate slightly in 2018 and 2019.

High in-migration rates pushed Colorado's population growth rate to 1.7 percent in 2016, over double the national rate. A similar trend is expected in 2017 as the State is expected to add 61,500 people through net migration alone. The State's total population is expected to reach 5.8 million by 2019.

The unemployment rate in Colorado averaged 3.3 percent in 2016, down over 1.5 percentage points from 2014 despite the oil and gas slowdown. Unemployment is expected to remain among the lowest in the nation averaging 2.4 percent in 2017 and 2.8 percent in 2018.

Average employment in Colorado grew at a modest 2.2 percent rate in 2016. Job growth is expected to remain steady in 2017 as the labor market remains tight before slowing slightly in 2018.

In 2016, Colorado housing permits increased 22.3 percent, with 38,974 permits issued; 42,328 permits are projected for 2017. The increases continue to be driven by population growth and strength in the State's metro housing markets.

The Denver-Boulder-Greeley CPI increased by 2.8 percent in 2016, more than twice the national average. Inflation is expected to remain above the national average in 2017 at 3.0 percent.

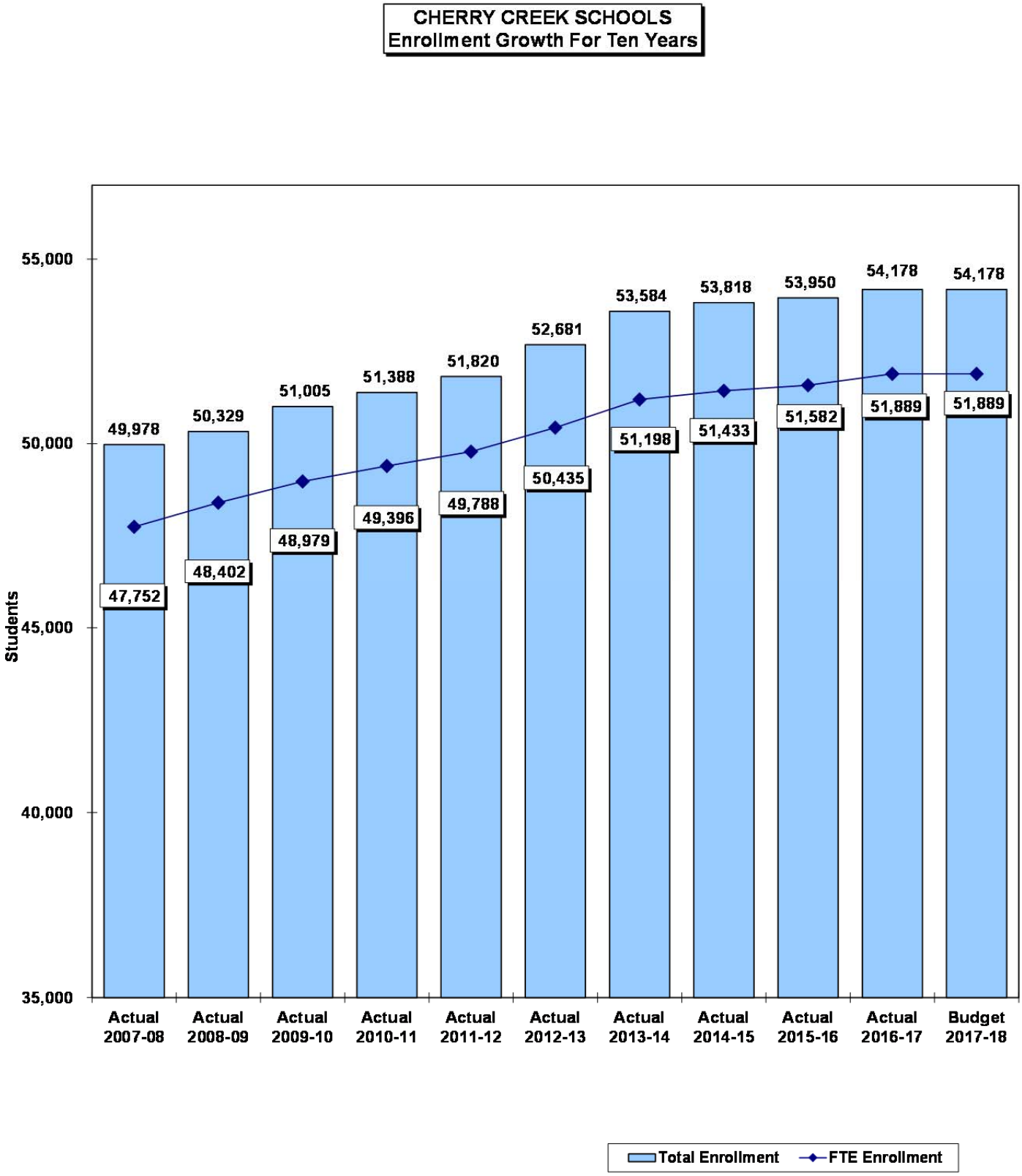
Tax revenue to the State Education Fund is expected to increase 7.1 percent and 5.0 percent in fiscal year 2017-2018 and fiscal year 2018-2019, respectively. The Colorado Constitution requires that one-third of one percent of taxable income from Colorado taxpayers be credited to the State Education Fund. In addition to this revenue, policies enacted over the past several years have transferred other General Fund money to the State Education Fund. The strong growth rate this fiscal year is due largely to higher individual income tax collections driven by the strong economy and labor market. Continued projected economic expansion will allow for State Education Fund revenue growth to continue in fiscal year 2018-2019.

The State Education Fund has been able to support a larger share of education funding in recent years than it has historically because it received large transfers of unspent General revenue earlier in the current expansion. Though transfers to the fund increased, so too did appropriations from the fund and thus the balance in the State Education Fund has dropped. In fiscal year 2017-2018 however, the year-end fund balance is expected to increase 66.3 percent from its level in fiscal year 2016-2017 to approximately $170 million. This increase is the result of a lower level of State Education Fund expenditures and greater General Fund and local property tax funding for K-12 education in fiscal year 2017-2018. Changes in the Colorado economy determine revenue to the State's General Fund and State Education Fund. In addition to revenue, changes in economic conditions impact the budget outlook through associated changes in the use of many State services, such as higher education and Medicaid.

Colorado's economic growth has accelerated in 2017 and the expansion is expected to continue during this fiscal year. Although recession risk appears low at this time, unforeseen events can develop that could result in an economic downturn, which often causes declines in State General Fund revenue. At the same time, demand for State services tends to increase during periods of economic weakness and higher unemployment. With the State constitution requiring a balanced budget, the combination of lower revenue and higher demand for services generates difficult budgeting conditions.

Provisions of TABOR limit the growth of a portion of 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. In November 2005, voters approved Referendum C, which allowed the State to retain all revenue through fiscal year 2009-2010 during a five-year TABOR "time out." Referendum C also set a new cap on revenue starting in fiscal year 2010-2011. The passage of SB 17-267 reclassified the Hospital Provider Fee from State General Fund revenue to a State Enterprise Fund, along with other changes that has the effect of reducing revenue subject to TABOR. SB 17-267 reduced the Referendum C cap by $200 million in fiscal year 2017-2018. The lower cap then grows by inflation and population growth in subsequent years.

With the passage of SB 17-267, no TABOR refunds are projected through fiscal year 2019-2020. TABOR revenue was $435.9 million below the cap in fiscal year 2016-2017 and is projected to be $507.8 million under the cap in fiscal year 2017-2018. TABOR revenue is expected to be below the cap by $579.6 million in fiscal year 2018-2019 and $595.3 million in fiscal year 2019-2020.



Note: 2017-2018 enrollment numbers are projected.

Enrollment

District enrollment increased last fall by 228 students to put the District at 54,178 students for the 2016-2017 school year. The breakdown of those students includes 22,946 in elementary schools; 12,355 in middle schools; 16,481 in high schools; 720 in the District's charter schools; 1,098 pre-school students and 38 special program students, and 540 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 307.0 FTE students to 51,888.7 for the 2016-2017 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 600 students. The last three school years have shown slight increases in enrollment. Enrollment for the 2017-2018 school year is budgeted at the same level as the 2016-2017 school year. Current projections indicate the enrollment may increase slightly over last year.

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, which is from local property taxes including voter approved mill levy budget overrides of $108.5 million, specific ownership taxes from vehicle registration, and State equalization aid is approximately 95% of the District's General Fund revenues for fiscal year 2016-2017.

Voters approved State Constitutional Amendment 23 in November 2000, which provides for funding per student of at least the Denver-Boulder 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 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 during the last five fiscal years.

The State funded the District during the 2012-2013 fiscal year at approximately the same level per pupil funding as the 2011-2012 fiscal year.

With more favorable economic conditions, the State was able to increase 2013-2014 funding by 1.9% in base per pupil funding in accordance with the annual increase in the 2012 CPI. The State also funded enrollment growth including additional Colorado Preschool slots along with additional special education funding. The funding formula continued to include a negative factor which remained at approximately $1.0 billion at the State level. This additional funding, along with a mill levy budget override that was approved by voters in November 2012, enabled the District to have positive financial results for the 2013-2014 fiscal year.

The economic condition of the State continued to improve and the State was able to increase base per pupil funding by 2.8% for the 2014-2015 fiscal year in accordance with the 2013 CPI. The State also funded enrollment growth along with additional English Language Learner funding and was able to reduce the Statewide negative factor from $1.0 billion in fiscal year 2013-2014 to $880 million in fiscal year 2014-2015. The District's Negative Factor in the School Finance formula reduced from $61.4 million in fiscal year 2013-2014 to $53.5 million in fiscal year 2014-2015.

The State funding for the 2015-2016 fiscal year included a 2.8% increase in base per pupil funding in accordance with the 2014 CPI and funding for enrollment growth. Per pupil funding for fiscal year 2015-2016 was $7,264.57, which is an increase of $282 per pupil over the prior fiscal year. The Statewide negative factor was reduced by $25 million resulting in additional funding to the District of approximately $1.6 million. The District's share of the Statewide negative factor decreased to $50.3 million.

The economic conditions remained stable for the 2016-2017 fiscal year and included a 1.2% increase in base per pupil funding in accordance with the 2015 CPI and included funding for enrollment growth. Per pupil funding for fiscal year 2016-2017 was $7,386.59, which is an increase of $122 per pupil over the prior fiscal year. The Statewide negative factor was held constant at $830.7 million, however, the District's proportionate share decreased by $0.7 million to $49.6 million.

The State did continue to provide partial funding of full day kindergarten for the 2016-2017 fiscal year at an additional .08 FTE for each kindergartener enrolled. The District continues to provide full day kindergarten at six schools.

The budget balancing plan for fiscal year 2016-2017 included using $14.9 million of General Fund reserves to fund the gap between State funding and District expenditures. On November 8, 2016, the District voters approved a $23.9 million mill levy budget override. As a result of the successful passage of this mill levy, the actual results for the 2016-2017 fiscal year include an increase of approximately $16.8 million of General Fund reserves. The actual results for fiscal year 2016-2017 are discussed more fully in the MD&A found on pages 41-56.

The budget balancing plan for fiscal year 2017-2018 projects a stable revenue outlook for the State. The budget balancing plan for fiscal year 2017-2018 utilizes funds from the School Finance Act and the 2016 override election to achieve a balanced budget that is consistent with the District's strategic mission and values. General Fund expenditures and transfers are budgeted to increase by $25.3 million, while General Fund revenue and transfers are budgeted to increase by $17.7 million. Unassigned General Fund reserves are 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. 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 55-56.

Other realities affecting the financial outlook are mandates that are outside of the District's control. 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 provides a temporary override to the current TABOR revenue formula for the State of Colorado. Referendum C allows the State to keep and spend the revenue it collects under current rates for five years and will establish 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 amount of savings for the State is expected to grow over time from continued tax base appreciation in districts with stabilized tax rates. Over the long term, however, as the local share of basic funding grows and residents' property tax bills rise, some districts may encounter greater cash management challenges and added difficulty garnering voter support for property tax-supported mill levy overrides and bond elections since operating tax rates will no longer steadily decrease as before, which had the effect of creating additional taxing capacity.

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.

MAJOR INITIATIVES

Colorado Academic Standards

Senate Bill 08-212, Colorado's Achievement Plan for Kids, called for the development of rigorous standards for students. The Colorado Department of Education engaged in a year-long process to update its academic standards in English language proficiency and ten content areas: comprehensive health and physical education; dance; drama and theater arts; mathematics; music; reading, writing and communicating; science; social studies; visual arts; and world languages. After releasing drafts of the standards for public comment, the State Board of Education adopted the Colorado Academic Standards in 2009.

The State-led effort to develop the Common Core State Standards in mathematics and English language arts began as the Colorado Academic Standards were being developed. Colorado was among six states asked to provide feedback on the Common Core State Standards in the development process.

Once the Common Core State Standards were released, the Colorado Department of Education commissioned a study to compare the State's reading, writing and communicating standards and mathematics standards with the Common Core State Standards. The study showed close alignment of the two sets of standards. Using the results of the study and feedback from the standards development committees, the State Board of Education adopted the Common Core State Standards in mathematics and English language arts in August 2010.

While Colorado adopted the Common Core State Standards in English language arts and mathematics, the State continues to maintain "unique Colorado" standards in those content areas. And, as always has been the case, districts maintain autonomy to adopt their own curriculum to meet the standards and teachers retain the ability to design their instruction in ways that support students in meeting the standards.

The Colorado Academic Standards emphasize what students need to be postsecondary and workforce ready.

- Articulated grade level expectations express the concepts and skills every student should master at each grade level.
- 21st century information literacy, collaboration, critical thinking, self-direction, and invention skills are evident throughout the standards.

The Colorado Academic Standards establish vertical and horizontal connections.

- Grade level expectations build vertically toward the achievement of the prepared graduate competencies for each content area.
- Interdisciplinary relationships in the standards connect content areas (horizontally) across grade levels.

The Colorado Academic Standards are written for mastery.

- Fluency, application and transfer comprise Colorado's definition of mastery.
- Requirements for deeper student understanding are the foundation of the standards.

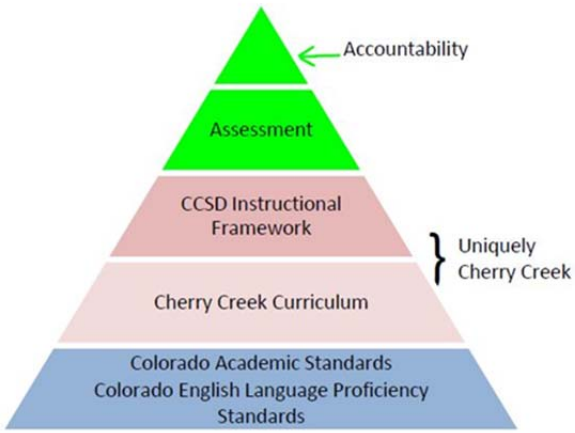
The Colorado Academic Standards reflect the importance of teaching the whole child.

- The Colorado Academic Standards include standards for ten content areas: comprehensive health and physical education; dance; drama and theatre arts; mathematics; music; reading, writing and communicating; science; social studies; visual arts; world languages.
- Literacy skills, the basis of academic success for all students, are a prominent focus within the standards.

Cherry Creek College and Career Framework

Key Points of the Cherry Creek College and Career Framework

- The Cherry Creek College and Career Framework provides students with the academic knowledge and skills they need to be successful in college, career and life.
- The Colorado Academic Standards provide a strong foundation in academic learning. But it is through the District's curriculum and high quality instruction that these standards are personalized and transformed into the unique and excellent learning experience that only Cherry Creek can provide its students.
- Coupled with the District's highly-trained, well-supported teachers and aligned, meaningful assessments, the Cherry Creek College and Career Framework will prepare students for college and postsecondary success.



Colorado Measures of Academic Success

The Colorado State Board of Education adopted updated Colorado Academic Standards in ten content areas in December 2009 and then adopted the Common Core State Standards for English language arts and mathematics in August 2010. The updated standards were fully implemented in all schools in the 2013-2014 school year. Challenging new standards require next-generation assessments that measure students' knowledge of the new expectations. The assessments also provide educators with important information they need to prepare their students for success.

To accurately measure students' mastery of these skills, Colorado adopted new assessments that align with the Colorado Academic Standards. The Colorado Measures of Academic Success (CMAS) are the State's common measurement of students' progress at the end of the school year in English language arts, mathematics, science and social studies. 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 and mathematics assessments.

PARCC is a multi-state consortia developing assessments aligned to the Common Core State Standards. Colorado is a governing member of the PARCC consortia which allows Colorado Department of Education staff, along with staff from the Colorado Department of Higher Education and Colorado educators, to collaborate with individuals from across the country to develop common assessments for English language arts and mathematics.

The science and social studies assessments were first administered in spring 2014 in grades 4, 5, 7, and 8. The English language arts and mathematics assessments were administered for the first time in spring 2015. Designed to be administered online, the tests feature a variety of interactive questions that are more engaging and aligned with 21st century teaching and learning practices.

The assessment system for the 2017-2018 school year will include the following tests:

- English language arts 3rd through 8th grade
- Mathematics in grades 3rd through 8th grade
- Science in grades 5, 8 and 11
- Social studies in grades 4 and 7 (Over the next three years, about one-third of elementary and middle schools will be selected each year to administer social studies assessments.
- Social studies in grade 11
- College preparatory exam in 9th and 10th grade (PSAT).
- College entrance exam in 11th grade (SAT).

The score reports for PARCC-developed English language arts and mathematics assessments are designed to provide educators, families and students better information about students' mastery of grade-level academic standards. Score reports offer an overall measurement of performance in a particular subject, as well as how a student compares to other students in the school, District, Colorado and other PARCC states.

The first year of the new tests in English language arts and mathematics were in spring of 2015 and the scores mark a new baseline for students. The scores were not comparable to previous test scores. The new tests measure different things – such as where the students are in developing the critical-thinking and problem-solving skills employers in the 21st Century are demanding. They are also more rigorous, as they are aligned to higher standards. The level of knowledge that students have is the same as previous years, but since now the standards are higher the performance on these tests may change.

Performance levels help students, families, educators and school officials understand how students are performing against the content standards for college and career readiness. The performance levels indicate what a typical student at each level should know based on their command of grade-level standards.

For social studies and science, there are four performance levels that align with the more rigorous standards that provide students, parents, and teachers with relevant information about a student's command of the standards and their progress toward postsecondary success. Each performance level of the CMAS assessment has a descriptor associated with it that gives a general idea of what is expected of a student at each level regardless of their grade level. The levels of Met and Exceeded Expectations are on track for College and Career Readiness.

- **Exceeded Expectations:** Students performing at this level demonstrate a distinguished command of the concepts, skills, and practices embodied by the Colorado Academic Standards for Science or Social Studies assessed at their grade level. They are academically well prepared to engage successfully in further studies in this content area.
- **Met Expectations:** Students performing at this level demonstrate a strong command of the concepts, skills, and practices embodied by the Colorado Academic Standards for Science or Social Studies assessed at their grade level. They are academically prepared to engage successfully in further studies in this content area.
- **Approached Expectations:** Students performing at this level demonstrate a moderate command of the concepts, skills, and practices embodied by the Colorado Academic Standards for Science or Social Studies assessed at their grade level. They will likely need academic support to engage successfully in further studies in this content area.
- **Partially Met Expectations:** Students performing at this level demonstrate a limited command of the concepts, skills, and practices embodied by the Colorado Academic Standards for Science or Social Studies assessed at their grade level. They will likely need extensive academic support to engage successfully in further studies in this content area.

For English language arts and mathematics, five performance levels describe a student's performance in relationship to the standards that are aligned to College and Career Readiness. The levels of Met and Exceeded Expectations are on track for College and Career Readiness.

- **Exceeded Expectations:** Students performing at this level demonstrate a distinguished command of the concepts, skills, and practices embodied by the Colorado Academic Standards for English language arts or mathematics assessed at their grade level. They are academically well prepared to engage successfully in further studies in this content area.
- **Met Expectations: S**tudents performing at this level demonstrate a strong command of the concepts, skills, and practices embodied by the Colorado Academic Standards for English language arts or mathematics assessed at their grade level. They are academically prepared to engage successfully in further studies in this content area.
- **Approached Expectations:** Students performing at this level demonstrate a moderate command of the concepts, skills, and practices embodied by the Colorado Academic Standards for English language arts or mathematics assessed at their grade level. They will likely need some academic support to engage successfully in further studies in this content area.
- **Partially Met Expectations:** Students performing at this level demonstrate a partial command of the concepts, skills, and practices embodied by the Colorado Academic Standards for English language arts or mathematics assessed at their grade level. They will likely need strong academic support to engage successfully in further studies in this content area.
- **Did Not Meet Expectations:** Students performing at this level demonstrate a minimal command of the concepts, skills, and practices embodied by the Colorado Academic Standards for English language arts or mathematics assessed at their grade level. They will likely need extensive academic support to engage successfully in further studies in this content area.

Assessments in Cherry Creek Schools

During the 2016-2017 school year the District implemented the CCSD Assessment System. This system acts as the District's internal summative assessment system and serves 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.

The CCSD Assessment System incorporates three vertically aligned assessments—the ACT Aspire Summative, the Pre-ACT and the District ACT.

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.

Colorado READ Act

The Colorado Reading to Ensure Academic Development Act (READ Act) was passed by the Colorado Legislature during the 2012 legislative session. The READ Act repeals the Colorado Basic Literacy Act (CBLA) as of July 1, 2013, keeping many of the elements of CBLA such as a focus on K-3 literacy, assessment, and individual plans for students reading below grade level. The READ Act differs from CBLA by focusing on students identified as having a significant reading deficiency, delineating requirements for parent communication, and providing funding to support intervention. Other components of the READ Act include a competitive Early Literacy Grant and a resource bank of assessments, instructional programming, and professional development. The District was funded $1.4 million for the 2016-2017 fiscal year to assist 1,689 students, and will be funded $1.9 million for the 2017-2018 fiscal year to assist 2,290 students.

Colorado School Performance Framework

The Colorado Department of Education changed the way it evaluates and accredits schools and districts. School Accountability Reports (SARs) which rated schools as Low, Average, High or Excellent, were replaced by the Colorado School Performance Framework (SPF), which is designed to provide teachers, parents, and the State with more meaningful information about how schools are doing. The change is the result of Senate Bill 09-163, the Education Accountability Act, passed by the Legislature in 2009.

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

Other District Accreditation & School Plan Types are as follows:

Insufficient State Data

- Small Tested Population will be assigned to small districts and schools with enrollment in grades three through nine (tested grades) that are too small to report data publically.

- Insufficient State Data: Low Participation will be given to schools and districts of any size with assessment participation low enough that achievement results could not be reported publicly, in order to protect the privacy of student data. Schools and districts with only postsecondary workforce readiness data and no achievement/growth information are assigned this rating.

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. Because low participation can impact how well the results reflect the school/district as a whole, it is important to consider low participation in reviewing the results on the frameworks. Participation rates are also reported on the first page of the frameworks, along with the achievement results on the subsequent pages.

- 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 95% of Cherry Creek schools assigned to Performance Plans, 5% assigned to Improvement Plans and 2% assigned to Turnaround Plans.

For the prior reporting period, the State rating system calculated school ratings for four academic indicators on the School Performance Frameworks (SPF) reports:

- Academic Achievement (TCAP and Colorado Alternative Performance for all students).
- Academic Growth (TCAP Growth for all students and Colorado English Language Acquisition Growth for all English Language Learners).
- Academic Growth Gaps (TCAP growth for minority students, English language learners, students with disabilities, economically disadvantaged students, and students below Proficient).
- Post-Secondary and Workforce Readiness (Colorado ACT performance, graduation and dropout rates).

Across all SPF indicators, most Cherry Creek schools Meet or Exceed expectations.

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. The District is committed to becoming the first and only large, diverse school district in the State to be Accredited with Distinction.

Curriculum Overview

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.

District standards, which are based on the Colorado State Standards, describe what students are expected to know and be able to do. The curriculum provides a program of instruction based on and designed to enable students to meet or exceed the Board-adopted standards for student performance. In order to meet the needs of all students, a variety of educational programs and instructional practices are offered. In addition, the curriculum is well-articulated District wide while at the same time flexible enough for individualized instruction.

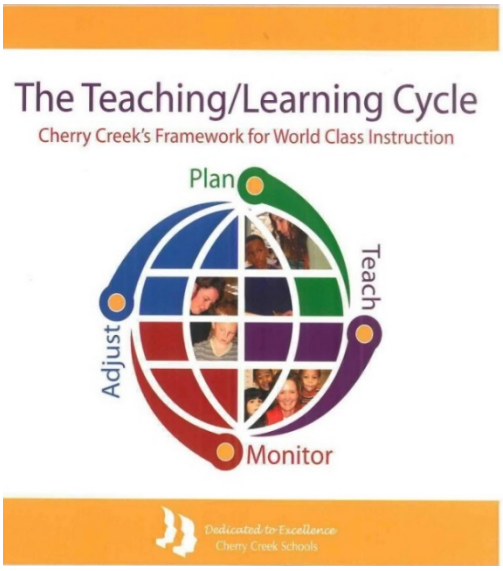
Elementary School (K-5): The development of literacy and numeracy skills is the primary focus in elementary school. The curriculum also stresses fundamental skills and concept development in science and social studies. Elementary students enhance their education through the arts, physical education,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

- English - four or more years
- Mathematics - three or more years (Algebra I & II and Geometry)
- Social Studies - three or more years (US History, World History and US Government, and World Geography are required for admission to the University of Colorado)
- Natural Sciences - three or more years (Physical/Earth Science, Biology, Chemistry, Physics)
- Physical Education/Health – two or more years
- Fine Arts or Career and Technical Education – one and a half years

All students are encouraged to complete the academic core program. Advanced and rigorous curriculum is offered in all high schools through International Baccalaureate, Advanced Placement, and Honors course work.



The Teaching/Learning Cycle

The District's mission "To inspire every student to think, to learn, to achieve, to care" is a compelling charge. To fulfill that mission, the District must ensure that all teachers have the knowledge and skill to teach the current and future student population who will be living and working in a global economy. That calls for world-class instruction focused on preparing students for the 21st century and beyond. As a district, we are committed to giving all teachers the tools they need to work effectively with every student so that each child can reach his/her potential.

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 our 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.

District Performance Plan: Excellence in Action

The District Performance plan is the blueprint that guides the District's actions and monitors progress toward meeting the District's long term goals.

District Vision

Dedicated to Excellence

District Mission

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

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.

Cherry Creek is a High Performing District

District Goals

The District mission statement calls for the District "to inspire EVERY student to think, to learn, to achieve, to care." Hidden within the District's high test scores are differences in achievement between student subgroups. The District goals call for EVERY student of the Cherry Creek School District to graduate from high school prepared for success in college and career.

Inclusive Excellence Goal

Every student will demonstrate high achievement and growth, eliminating difference in academic performance and growth by race.

Objective: Every school will meet or exceed District and State targets for academic performance and growth.
Objective: Every school will meet or exceed District and State targets for academic performance and growth for students of color.

College and Career Preparation and Success Goal

Every student graduates high school ready for success in college, career, or other post-secondary option.

Objective: Every school will meet college readiness targets as measured by the SAT/ACT at Grade 11 and increasing graduation rates.
Objective: Every school will meet State targets for graduation.

District Accreditation

Objective: To be the first, large, diverse school district in the State to be Accredited with Distinction.

Cherry Creek 2021 District Improvement Strategies and Key Actions

Major Improvement Strategies and Key Actions: These outline the steps that are being employed District-wide to help meet goals.

District Improvement Strategy: Implement and sustain Professional Learning Communities as the District Model of Continuous Improvement. In the Professional Learning Communities model, educators work collaboratively in recurring cycles of collective inquiry and action research so that all students are prepared for college and career.

Key action: Focus on learning

- Continuously refine the Cherry Creek School District standards and aligned curriculum so that all students have access and opportunity to engage in a challenging course of study.
- Implement a comprehensive assessment system.
- Through progress monitoring, initiate interventions for students who have not yet met academic standards.

for students who have already mastered academic standards.
- Focus support in literacy across all content areas so that every student understands complex text, writes for a variety of purposes, and demonstrates effective use of academic vocabulary across all content areas.
- Focus support in math to provide every student with a strong foundation in concepts and skills.
- Build the capacity of all staff to provide culturally responsive education and equity mindedness, continue to develop systems and structures so that all students achieve and grow at high levels, eliminating the predictable disproportionality in achievement by race.

Key Action: Collaborative Culture
- Continue to increase opportunities for collaboration among departments, schools, community and other partners.
- Hire, develop and retain a talented, effective and diverse workforce.
- Establish strong, positive relationships between parents of students of color and District staff.

Key Action: Results Orientation
- Monitor organizational effectiveness through district milestones and performance indicators on a variety of measures.
- Expand the use of Naviance to inform students and parents of the requirements of graduation and college and career planning.
- Develop a College and Career Readiness planning guide to provide families with key information about aligned programming and course opportunities to students.

Key Action: Workforce Skills
- Create a stand-alone Career and Innovation Academy to support the acquisition of high level career skills, to explore areas of interest, or to provide a foundation for higher education.
- Enroll every student in a postsecondary experience prior to graduation.
- Require all students to complete an ICAP so that they are on track to meet their goals prior to graduation.
- Integrate workforce skills into the instructional program.
- Design innovative learning spaces where students have opportunity to apply critical thinking to prepare them for successful careers.
- Engage all students in project based learning to apply their knowledge and skills to solve real world problems.
- Formalize the creation of online and blended learning opportunities.

Key Action: Safe, inclusive schools
- Support the physical, social, and emotional well-being of every student and staff member.
- Solicit student and parent feedback focused on the quality of the learning environment in every school.

Safety and Security

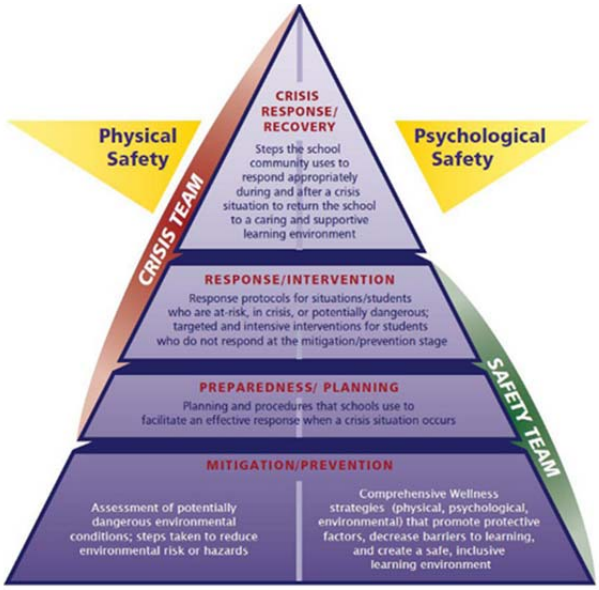
The District is committed to creating safe, respectful, and inclusive learning environments where all community members work together to promote academic excellence, civil behaviors, and social competence. All staff, students, and parents help create safe schools. This emphasis has resulted in a Comprehensive 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 $23.9 million in operating funds 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 148 to 152.

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, 2017, provided 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 65-100, 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 2016-2017 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, 2017. 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 37-39 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, 2016. 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 four 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 2016-2017 budget document. In addition, the ASBO awarded its Meritorious Budget Award to the District for the fiscal year 2016-2017 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,

/s/
Dr. Harry C. Bull, Jr.
Superintendent

/s/
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, 2016.

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

CERTIFICATE OF EXCELLENCE IN FINANCIAL REPORTING

Anthony N. Dragona, Ed.D., RSBA
President

John D. Musso, CAE, RSBA
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, 2016

Executive Director/CEO

Elected Officials

Board of Education

District A	Eric Parish
District B	Janice McDonald
District C	David Willman
District D	Randy Perlis
District E	Karen Fisher

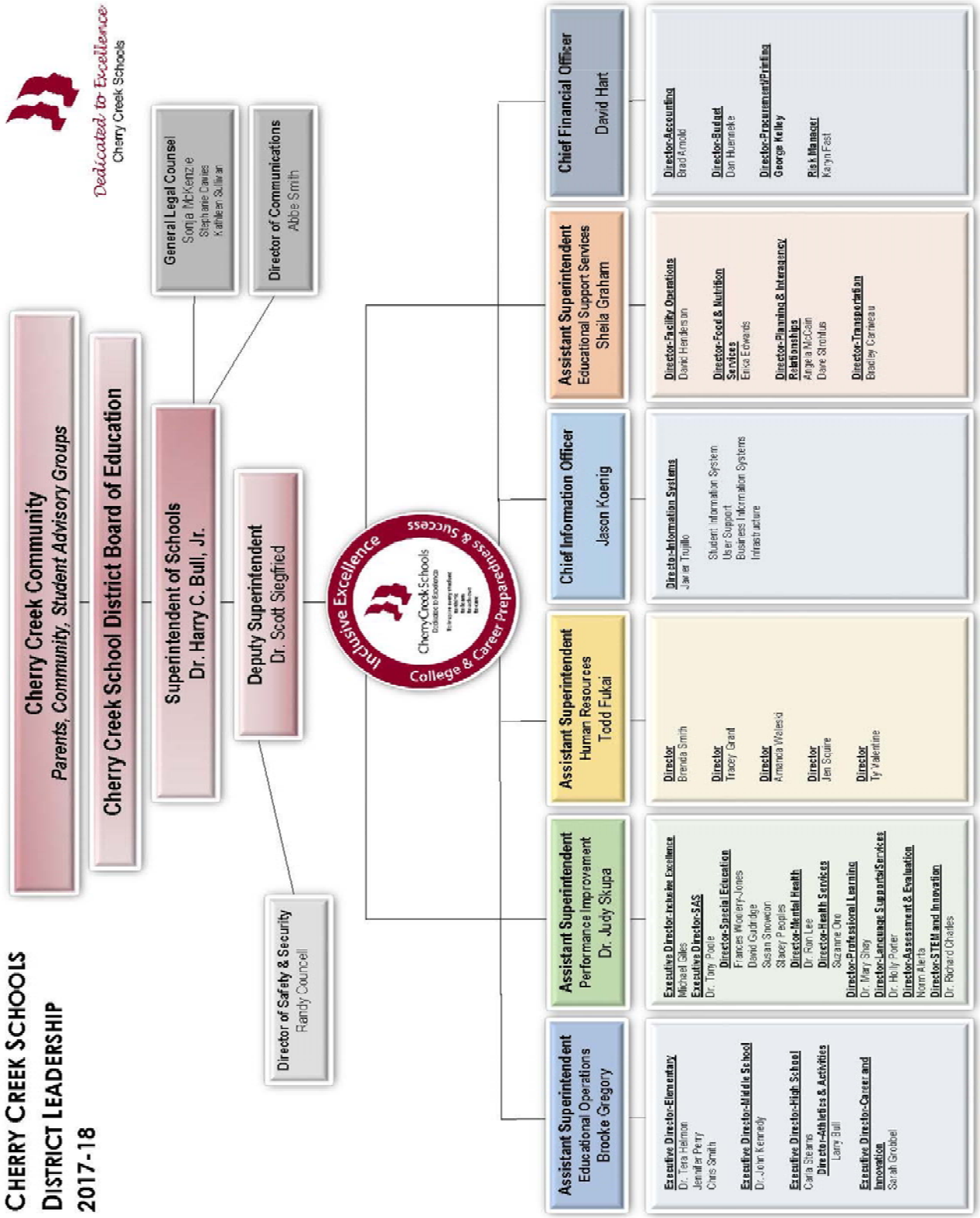
Appointed Officials

District Leadership Team

Superintendent	Dr. Harry C. Bull, Jr.
Deputy Superintendent	Dr. Scott Siegfried
Assistant Superintendent	Todd Fukai
Assistant Superintendent	Sheila Graham
Assistant Superintendent	Brooke Gregory
Assistant Superintendent	Dr. Judy Skupa
Chief Financial Officer	David D. Hart
Chief Information Officer	Jason Koenig
General Counsel	Sonja McKenzie

CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO

Administrative Organizational Chart
as of July 1, 2017



CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO

Administrative Functions
as of July 1, 2017

CHERRY CREEK SCHOOL DISTRICT ADMINISTRATIVE FUNCTIONS

Deputy Superintendent
Dr. Scott Siegfried

Educational Operations
Performance Improvement
Human Resources
Safety & Security

Assistant Superintendent Educational Operations
Brooke Gregory

Innovation
Supervision of Schools
Elementary Schools
- Principals
- Challenge School
- Cherry Creek Academy
- Extended Child Services

Middle Schools
- Principals

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

Athletics & Activities

Career & Technical Education

Prevention/Bully-Prevention

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

Assistant Superintendent Performance Improvement
Dr. Judy Skupa

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

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

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

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

Funded Projects
- Federal/State/Local Grants

Science, Technology, Engineering, & Mathematics (STEM)
- STEM Coaches

Assistant Superintendent Human Resources
Todd Fukai

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

Assistant Superintendent Educational Support Services
Sheila Graham

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

General Legal Counsel Legal Matters
Sonja McKenzie

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

Chief Information Officer Information Systems
Jason Koenig

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

Chief Financial Officer Fiscal Services
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

Cherry Creek Schools

Dedicated to Excellence

FINANCIAL SECTION

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, 2017, 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.

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, 2017, 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.

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 41 - 56 and pension information on pages 101 - 103 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 16, 2017, 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 16, 2017

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, 2017

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, 2017. 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 5-29.

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 43.

The District has a negative net position. The governmental liabilities and deferred inflows of resources exceed its assets and deferred outflows of resources by $1,158.1 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). The fiscal year ended June 30, 2017 is the third year that the District has been required to apply GASB 68. This GASB pronouncement is discussed in more detail under Accounting Pronouncements on page 44.

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 $2,367.2 million as of June 30, 2017. 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.

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

The net position of the District's governmental activities includes $179.5 million net investment in capital assets; net position of $83.9 million restricted for debt service payments, required emergency reserves, restricted cash and food service operations; and an unrestricted net position balance of $(1,421.5) million. The unrestricted balance is negative due to the effects of GASB 68. 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.

This is also the third year that the District has reported its Food Services operations as a governmental fund rather than a business-type activity separate from governmental activities. Due to a change in State regulations, the Food Services Fund is reported as a governmental fund and its operations are included in governmental activities.

The total net position of the District's governmental activities decreased by $368.0 million during fiscal year 2016-2017. This decrease in net position on a government-wide basis is similar to the decrease in fund balance on a governmental fund basis, however, several large factors impact differences between the two methods. The reconciliation between the two methods is found on page 63. The last two reconciling items on page 63 shows the effect of GASB 68 on net position. The District's share of the NPL of PERA increased by $1,099.8 million (from $1,267.4 million at June 30, 2016 to $2,367.2 million at June 30, 2017). The impact of that increase in NPL is an increase in pension expense reflected in the Statement of Activities. If not for the effect of GASB 68, 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 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 about a $6.0 million increase in net position and the net effect of debt related activity is a decrease of $143.6 million in net position.

Fund balance of the District's governmental funds increased by $163.4 million resulting in an ending fund balance of $315.1 million.

The General Fund had an increase in fund balance of $16.8 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 $23.9 million or twenty-five percent of total program funding to provide additional funding to the District. 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 52.

The Capital Projects - Building Fund had an increase in fund balance of $137.1 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 January 2017, the District sold $150.0 million of District General Obligation debt as the first part of the $250.0 million debt authorization approved by District voters in November 2016. The remaining $100.0 million was issued in the fall of 2017. The remaining proceeds from that bond issue 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 a decrease of $5.5 million in fund balance due to required payments on outstanding debt in excess of property tax and other revenues. The nonmajor governmental funds had an increase of $15.1 million in fund balance from operations primarily from increased funding in the Special Revenue Fund - Capital Reserve Fund.

The District's long-term obligations increased by $143.5 million to $640.7 million. The increase is the net result of issuing $150.0 million of District General Obligation debt as discussed above, a capital lease entered into during the year for the purchase of school buses and by the scheduled current year payments on existing debt. Further discussion of long-term debt is also found on page 54.

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 57-100 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 governmental funds including the General Fund, 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 57-59 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 87-96 in the Notes to Basic Financial Statements for the full disclosure related to PERA under GASB 68.

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 60-64 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 65-100 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 required schedules. Combining and individual fund statements and schedules can be found on pages 106-114 of this report. The additional schedule required as part of the Colorado Public School Finance Act can be found on pages 117 of this report. The GASB 68 schedules can be found on pages 101-103 of this report. The combining statements for the discretely presented component units can be found on pages 115-116.

Government-Wide Financial Analysis

The assets of the District are classified as current assets and noncurrent assets. Cash, 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 94% 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 2017-2018. 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 2017-2018.

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 $1,158.1 million. Total net position of the primary government does not include internal balances.

A net investment of $179.5 million in land, improvements, buildings, equipment, and vehicles, provide services to the District's 54,178 public school students. Net position of $45.7 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 $5.7 million is restricted for that funds use only. The required emergency reserves of $17.0 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 $15.5 million.

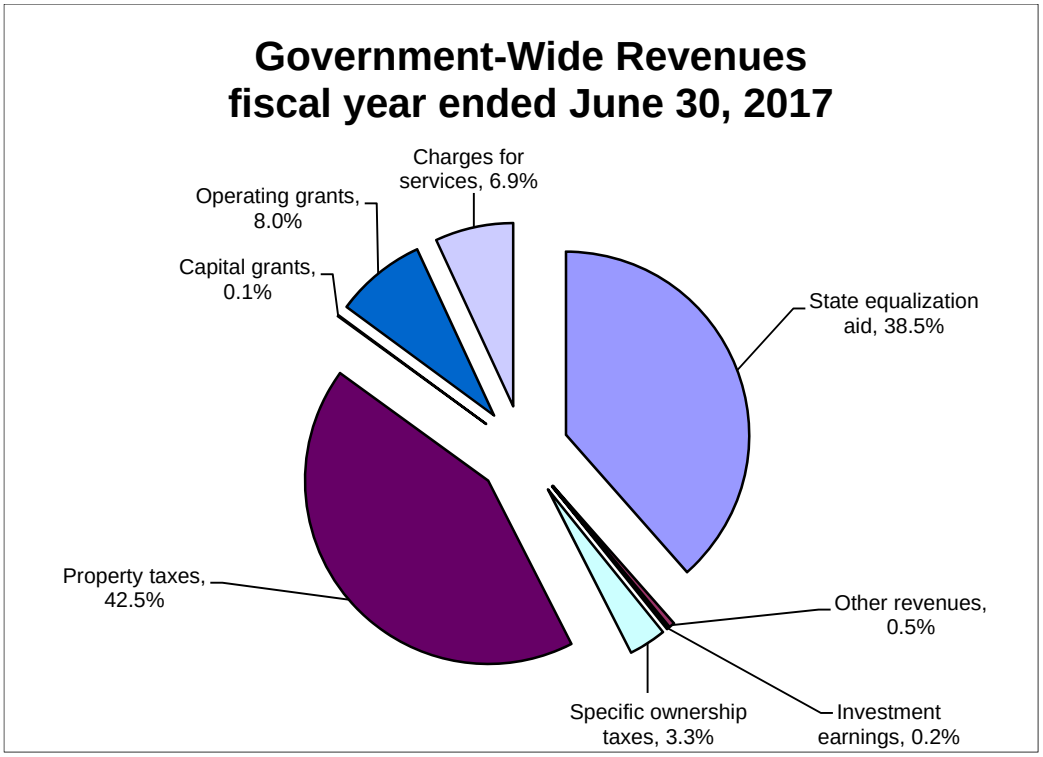
As mentioned earlier, unrestricted net position is different than what would be reflected on a governmental fund accounting basis. This is due to GASB 68 along with the accounting treatment in the Government-Wide Statements of accrued salaries and benefits earned but unpaid and compensated absences payable. The $34.5 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 $2,367.2 million.

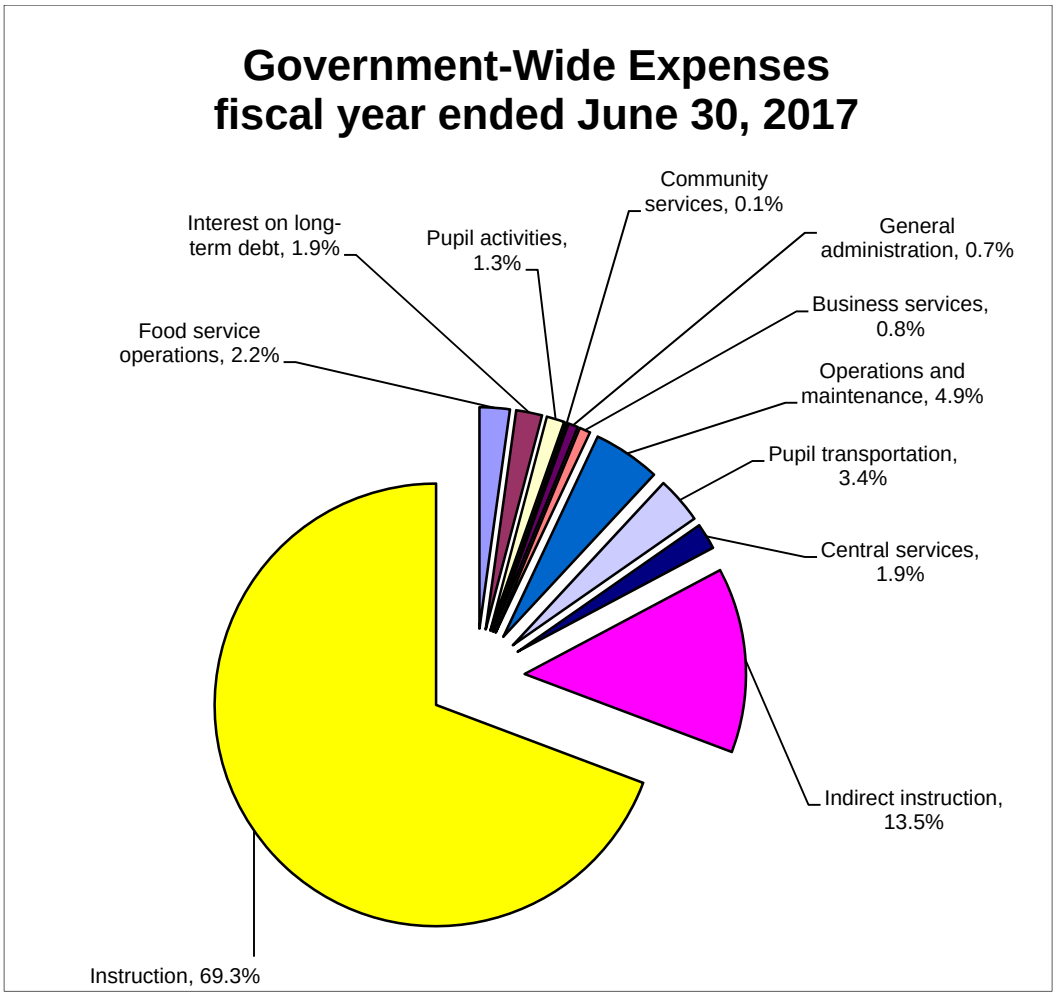
Cherry Creek School District No. 5 Comparative Summary of Net Position as of June 30, 2017 and 2016 (in millions)		
	Primary Government	
	Governmental Activities	
	2017	2016
Assets:		
Capital assets	$ 675.5	$ 669.5
Other assets	380.6	206.2
Total assets	1,056.1	875.7
Deferred outflows of resources:	937.9	200.6
Liabilities:		
Current liabilities	96.3	91.3
Noncurrent liabilities	3,011.6	1,757.1
Total liabilities	3,107.9	1,848.4
Deferred inflows of resources:	44.2	18.0
Net position:		
Net investment in capital assets	179.5	180.1
Restricted	83.9	73.3
Unrestricted	(1,421.5)	(1,043.5)
Total Net position	$ (1,158.1)	$ (790.1)

Government-Wide Activities

Governmental Activities decreased the net position of the District by $368.0 million.

Cherry Creek School District No. 5 Comparative Schedule of Changes in Net Position as of and for the fiscal year ended June 30, 2017 and 2016 (in millions)		
	Primary Government Governmental Activities	
	2017	2016
Revenues:		
Program revenues		
Charges for services	$ 44.5	$ 44.2
Operating grants and contributions	52.0	51.0
Capital grants and contributions	0.8	0.7
General unrestricted revenues		
Property taxes	276.0	251.4
Specific ownership taxes	21.2	19.6
Investment earnings	1.2	0.4
Other revenues	3.4	2.9
State equalization aid	250.2	245.1
Total revenues	649.3	615.3
Expenses:		
Governmental activities		
Instruction	703.4	467.5
Indirect instruction	137.7	87.5
Supporting services	118.4	85.7
Community services	1.4	0.8
Pupil activities	13.0	12.2
Assets conveyed to other govts	0.8	-
Interest on long-term debt	19.8	18.5
Food services operations	22.8	18.6
Total expenses	1,017.3	690.8
Increase (decrease) in net position before transfers	(368.0)	(75.5)
Changes in net position	(368.0)	(75.5)
Net position, beginning of year	(790.1)	(714.6)
Net position, end of year	$ (1,158.1)	$ (790.1)


Government-Wide Revenues
fiscal year ended June 30, 2017
Charges for services, 6.9%
Operating grants, 8.0%
Capital grants, 0.1%
State equalization aid, 38.5%
Property taxes, 42.5%
Other revenues, 0.5%
Specific ownership taxes, 3.3%
Investment earnings, 0.2%


Government-Wide Expenses
fiscal year ended June 30, 2017
Community services, 0.1%
Interest on long-term debt, 1.9%
Pupil activities, 1.3%
General administration, 0.7%
Business services, 0.8%
Food service operations, 2.2%
Operations and maintenance, 4.9%
Pupil transportation, 3.4%
Central services, 1.9%
Indirect instruction, 13.5%
Instruction, 69.3%

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 $5.1 million during the fiscal year, while property taxes increased by $24.6 million during the year. The State's economic conditions remained stable for the 2016-2017 fiscal year and included a 1.2% increase in base per pupil funding in accordance with the 2015 Consumer Price Index and included funding for enrollment growth. Per pupil funding for fiscal year 2016-2017 was $7,386.59, which is an increase of $122 per pupil over the prior fiscal year. The Statewide negative factor was held constant at $830.7 million, however, the District's proportionate share decreased by $0.7 million to $49.6 million. State equalization aid also increased from increased enrollment of 307.0 FTE.

On November 8, 2016, the District voters approved a bond and mill levy budget override. The mill levy budget override provides $23.9 million in 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 increase in property taxes is due to the mill levy budget override. 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 2016-2017 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 11-14.

Total governmental activities expenses increased by $326.5 million. Approximately $312.3 million of that increase relates to the way pension expenses are recorded as a result of GASB 68. 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. Another $1.3 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 18.4% for fiscal year 2015-2016 to 19.3% for fiscal year 2016-2017. Instructional expenses also increased as a result of increased enrollment and related staffing and direct expenses related to those students.

All employees enrolled in District medical benefits as of October 2016 received a $400 stipend to offset the increasing cost of medical benefits. For the 2016-2017 fiscal year, most employee groups other than teachers received a 1.6% increase to base pay.

The District completed the second year of a two year Memorandum of Understanding with the teachers, mental health professionals and nurses. For the 2016-2017 fiscal year, the District provided teachers with a 1.2% increase to the salary schedule along with providing experience step increases and additional education attainment increases and a $1,000 stipend for National Board Certification (one-time upon initial certification), retroactive for those currently certified.

Recurring monthly health insurance contributions were maintained at existing levels. Cost increases for PERA continue to impact the District. Current employer contribution rates are 19.65% of salary. This rate caps out at 20.15% starting January 1, 2018.

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 $315.1 million, an increase of $163.4 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 $137.1 million. The General Fund had an increase in fund balance of $16.8 million discussed more fully on page 52. The Debt Service – Bond Redemption Fund had required payments on outstanding debt in excess of property tax and other revenues which resulted in a decrease in fund balance of $5.5 million. Long Term Debt is also discussed on page 54. Other governmental funds show an increase of $15.1 million in fund balance primarily in the Special Revenue Fund - Capital Reserve Fund. That increase in fund balance includes funding from the General Fund for capital projects that were not completed by year end with the fund balance available for use in the following fiscal year. Fund balances also increased slightly in the Special Revenue Funds - Pupil Activities and Food Services Funds, while the Extended Child Services Fund had a slight decrease. The unassigned fund balance for the District at the end of the fiscal year includes $55.9 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, $3.9 million; 2) restricted for construction, $144.5 million; restricted to pay debt service, $47.0 million; restricted for food service operations, $5.7 million; restricted for investments in trust, $15.5 million; and restricted for emergency reserves, $17.0 million; 3) committed to specific Extended Child Services activities, $4.0 million; and committed to Pupil Activity activities, $5.4 million; and 4) for a variety of other assigned purposes, $16.2 million.

The Debt Service - Bond Redemption Fund has adequate resources accumulated to make the December 2017 principal and interest payments. The mill levy to accumulate resources for the June 2018 and December 2018 principal and interest payments will be certified in December 2017.

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. 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 by $23.9 million or twenty-five percent of total program funding 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, 2016 in the amount of $542,797 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, 2016.

The original District budget contemplated the use of $14.9 million of General Fund reserves to fund the gap between expected State funding and projected expenditures. During the current fiscal year the fund balance in the General Fund increased by $16.8 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 $122 compared to the prior fiscal year and student enrollment increased by 307.0 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 $5.9 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 $510.0 million. Unassigned fund balance represents 11.0% of expenditures while total fund balance represents 15.7% 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, 2017 and 2016
(in millions)

	General Fund 2017	General Fund 2016
Nonspendable for:		
Prepayments and deposits	$ 1,013,064	$ 271,910
Inventories	1,646,301	1,605,860
Restricted for:		
Emergency reserve	15,302,000	15,092,000
Committed for:		
Multiple year commitments	-	645,626
Future year expenditures	-	14,880,000
Assigned for:		
Future year purchases and curriculum	500,550	542,797
Future year expenditures	5,874,709	-
Unassigned	55,915,851	30,374,491
Total fund balance	$ 80,252,475	$ 63,412,684

Capital Assets and Long-term Debt

Capital Assets

The District's investment in capital assets for its governmental activities as of June 30, 2017, amounts to $675.5 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 $6.0 million. This increase is the net result of remaining capital additions completed during the current fiscal year from the District voter's approval of a $125.0 million bond election in 2012 along with the additional $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 $27.6 million.
- Major projects included finalizing work on multiple school and facility renovations as outlined in the $125.0 million bond issue approved by voters in 2012 along with the start of projects detailed 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, 2017 and 2016
(in millions)

	Primary Government	
	Governmental Activities	
	2017	2016
Land	$ 19.9	$ 19.9
Improvements	3.5	4.1
Buildings	609.1	614.9
Projects in progress	27.6	17.3
Equipment and vehicles	15.4	13.3
Total capital assets	$ 675.5	$ 669.5

Additional information on the District's capital assets can be found in Note 6 on pages 79-80.

Long-term Debt

At June 30, 2017, the District had total bonded debt outstanding of $616.8 million backed by the full faith and credit of the District.

The District's general obligation bonds increased by $131.6 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 January 5, 2017, the District sold $150.0 million of District General Obligation debt. This is the first part of the $250.0 million debt authorization approved by District voters in November 2016. The balance was sold in the fall of 2017. The bonds were sold competitively with bids received electronically via the internet. The winning bid out of eight submitted was J.P. Morgan Securities LLC with a True Interest Cost of 3.38%. The bond issue provides funds for District-wide capital improvements 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 in the current fiscal year for $3,552,683.

In June 2017 the District also entered into a $12.0 million technology lease to upgrade computers for students and staff.

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

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 $1,059.0 million and the legal debt margin was $532.8 million.

Cherry Creek School District No. 5
General Obligation Bonds and Capital Leases
June 30, 2017 and 2016
(in millions)

	Primary Government Governmental Activities	
	2017	2016
General obligation bonds	$ 616.8	$ 485.2
Capital leases	23.9	12.0
Total	$ 640.7	$ 497.2

Additional information on the District's long-term obligations can be found in Notes 9 and 10 on pages 82-86 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 during the last five fiscal years.

Recent State economic forecasts indicate an increase in State revenues for the 2017-2018 fiscal year. Information from the September 2017 Economic Forecast prepared by the Governor's Office of State Planning and Budgeting (OSPB) is included in the Letter of Transmittal on pages 7-9.

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.

Senate Bill 17-267 was passed during the last legislative cycle which reclassified the Hospital Provider Fee from State General Fund revenue to a State Enterprise Fund, along with other changes that has the effect of reducing revenue subject to TABOR. The State projects that no TABOR refunds are required through fiscal year 2019-2020.

Fiscal year 2017-2018 budget planning considerations reflect a stable outlook for revenue, confirmed by School Finance legislation (SB 17-296 -School Finance Act). The effect of the School Finance Act for the District is anticipated to increase Net Total Program Funding from an estimated $383.3 million in the 2016-2017 fiscal year to $395.9 million in the 2017-2018 fiscal year, an increase of $12.6 million. Per pupil funding for the District for the 2017-2018 fiscal year is projected to be $7,629, which is a 3.3% increase, or $242 per pupil over the 2016-17 fiscal year per pupil funding of $7,387.

In 2017-2018, the School Finance Act (SB 17-296) provided a component of the revenue increase, resulting in a reduction of the District's Negative Factor (now referred to as the Budget Stabilization Factor) by $0.4 million in the School Finance formula from an estimated $49.8 million in 2016-2017 to $49.4 million in 2017-2018. At the State level, the Budget Stabilization Factor was maintained at $828.3 million in 2017-2018, the same level as in 2016-2017. The Budget Stabilization Factor for 2017-2018 is an approximate 11.10% reduction from Total Program Funding prescribed in the School Finance formula for the District.

The School Finance legislation for the 2017-2018 fiscal year reflects a 2.8% increase in base per pupil funding in accordance with the 2016 Consumer Price Index and funding for enrollment growth. State Equalization Aid is anticipated to increase $10.8 million from an estimated $255.4 million in the 2016-2017 fiscal year to $266.2 million in the 2017-2018 fiscal year. District pupil counts for funding purposes are based on an October 2, 2017 count date. Funded pupil count is projected to be flat at 51,888.7 full-time equivalent pupils in 2017-2018, as compared to 51,888.7 full-time equivalent pupils in 2016-2017, which is based on planning department projections. Demographic study information is used to compile student growth projections and is re-assessed on a regular basis to confirm local school information and evaluate the consistency of projections with the latest economic and population data. Current projections indicate the enrollment may increase slightly over last year.

The District preserved instructional programs for the 2017-2018 year and maintained the staffing ratio at 18.5:1. Funding is provided for K-3 class size with a soft cap of 23:1. Supplemental staffing resources were preserved for targeted achievement.

For fiscal year 2017-2018, most employee groups received a 3.3% increase to base pay related to the percentage increase in per pupil funding the District is projected to receive. The District entered a three year agreement with the teachers 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 2017-2018 fiscal year, the District will provide teachers with a 3.3% increase to the salary schedule along with providing experience step increases and additional education attainment increases. The minimum starting salary for bus drivers was also increased to attract and maintain staffing. Recurring monthly health insurance contributions were maintained at existing levels, with some increases for certain employee work groups.
Cost increases for the PERA continue to impact the District.

The budget balancing plan for fiscal year 2017-18 utilizes 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. The General Fund Budget includes $547.5 million of revenue (including transfers) and $544.9 million of expenditures (including transfers).

General Fund expenditures and transfers are budgeted to increase by $25.3 million, while General Fund Revenue and Transfers are budgeted to increase by $17.7 million. Unassigned General Fund reserves are maintained as well as a balanced budget for fiscal year 2017-18.

The balance in Unassigned General Fund reserves as of June 30, 2018, is estimated at $64.8 million, a standard of protection consistent with Board policy on maintenance of adequate reserves as a fiscally sound approach to District financial management.

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. The District has planned for an adequate level of unassigned General Fund reserves to provide protection from unknown but conceivable offsets to District funding from State legislative action with the Budget Stabilization Factor and/or unanticipated State or local enrollment variations.

Funding for the 2018-2019 fiscal year generally takes into consideration recent quarterly economic forecasts, primarily the March 2018 economic forecast. The School Finance Act is considered during the 2018 Legislative Session, which convenes in January 2018 and adjourns in May 2018.

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

Dedicated to Excellence

CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO
STATEMENT OF NET POSITION
June 30, 2017

	Primary Government	Component Unit
	Governmental Activities	Charter Schools
ASSETS		
Cash	$ 6,594,915	$ 2,156,495
Cash held by county treasurer	2,768,814	-
Equity in pooled cash	124,433,218	-
Cash in savings	-	-
Investments	166,581,837	675,383
Investments with escrow agent	46,138,875	-
Investments in trust	15,534,767	-
Receivables, net		
Property taxes	7,857,046	-
Other governments	4,789,660	-
Other	2,013,221	4,455
Prepayments and deposits	1,695,304	47,333
Inventories	2,169,421	-
Capital Assets		
Land	19,850,598	1,028,597
Improvements	25,147,956	599,221
Buildings	980,056,764	5,310,869
Equipment and vehicles	78,032,576	389,997
Projects in progress	27,567,614	764,413
Less accumulated depreciation	(455,163,728)	(1,589,665)
Total Capital assets	675,491,780	6,503,432
Total Assets	1,056,068,858	9,387,098
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources related to pensions	937,667,894	9,824,225
Deferred outflows on refunding	281,440	82,637
Total Deferred outflows of resources	937,949,334	9,906,862
LIABILITIES		
Current liabilities		
Accounts and other current payables	18,726,948	284,747
Accrued interest payable	1,359,389	31,622
Accrued salaries and benefits	30,790,010	246,943
Unearned revenues	8,868,292	71,786
General obligation bonds	28,065,000	150,000
Capital lease obligations	2,722,471	-
Compensated absences payable	5,726,212	-
Total Current liabilities	96,258,322	785,098
Noncurrent liabilities		
General obligation bonds	588,747,944	2,624,585
Capital lease payable	21,211,540	-
Compensated absences payable	34,468,868	-
Net pension liability	2,367,204,150	19,664,355
Total Noncurrent liabilities	3,011,632,502	22,288,940
Total Liabilities	3,107,890,824	23,074,038
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources related to pensions	44,220,960	84,811
NET POSITION		
Net investment in capital assets	179,540,163	3,811,484
Restricted for:		
Debt service	45,651,420	338,004
Emergency reserve	16,958,000	191,785
Restricted investments in trust	15,534,767	-
Food service	5,697,921	-
Unrestricted	(1,421,475,863)	(8,256,560)
Total Net position	$ (1,158,093,592)	$ (3,864,889)

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, 2017

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES:				
Instruction	$ 703,392,749	$ 20,386,624	$ 33,147,132	$ 848,692
Indirect instruction	137,738,793	292,015	5,838,512	-
Support services				
General administration	7,420,407	-	-	-
Business services	7,685,836	170,320	-	-
Operations and maintenance	49,650,329	214,740	-	-
Pupil transportation	34,052,376	124,060	4,492,509	-
Central services	19,540,005	-	84	-
Community services	1,409,488	513,062	-	-
Pupil activities	13,049,338	13,216,520	-	-
Food service operations	22,808,464	9,578,059	8,537,816	-
Assets conveyed to other governments	764,413	-	-	-
Interest on long-term debt, unallocated	19,775,884	-	-	-
Total Governmental activities	1,017,288,082	44,495,400	52,016,053	848,692
Total Primary government	$ 1,017,288,082	$ 44,495,400	$ 52,016,053	$ 848,692
Component unit - Charter school	$ 11,143,731	$ 327,939	$ 353,895	$ 803,285

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

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
$ (649,010,301)	$ (7,473,908)
(131,608,266)	-
(7,420,407)	(2,045,741)
(7,515,516)	-
(49,435,589)	-
(29,435,807)	-
(19,539,921)	-
(896,426)	-
167,182	-
(4,692,589)	-
(764,413)	-
(19,775,884)	(138,963)
(919,927,937)	(9,658,612)
$ (919,927,937)	-
-	(9,658,612)
275,982,491	718,987
21,153,791	-
1,236,883	13,291
3,285,983	160,049
250,235,290	4,994,570
82,486	-
551,976,924	5,886,897
(367,951,013)	(3,771,715)
(790,142,579)	(93,174)
$ (1,158,093,592)	$ (3,864,889)

CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2017

	General Fund	Debt Service - Bond Redemption Fund	Capital Projects - Building Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash	$ 20,275	$ 10,062	$ -	$ 6,564,578	$ 6,594,915
Cash held by county treasurer	2,651,294	117,520	-	-	2,768,814
Equity in pooled cash	99,961,250	-	4,465,942	20,006,026	124,433,218
Investments	5,586,037	-	153,975,545	7,020,255	166,581,837
Investments - escrow agent	-	46,138,875	-	-	46,138,875
Investments in trust	-	-	-	15,534,767	15,534,767
Receivables, net					
Property taxes	5,053,463	2,803,583	-	-	7,857,046
Other governments	-	-	-	4,789,660	4,789,660
Other	1,252,602	20,505	78,963	661,151	2,013,221
Interfund receivables	178,032	-	-	-	178,032
Prepayments and deposits	1,013,064	-	395	681,845	1,695,304
Inventories	1,646,301	-	-	523,120	2,169,421
Total Assets	$ 117,362,318	$ 49,090,545	$ 158,520,845	$ 55,781,402	$ 380,755,110
LIABILITIES					
Accounts payable and retainage payable	$ 3,955,158	$ -	$ 14,006,947	$ 702,031	$ 18,664,136
Other payables	62,812	-	-	-	62,812
Interfund payables	-	-	-	178,032	178,032
Accrued salaries and benefits	28,453,601	-	-	2,336,409	30,790,010
Unearned revenues	-	-	-	8,868,292	8,868,292
Compensated absences	2,846,440	-	-	329,772	3,176,212
Total Liabilities	35,318,011	-	14,006,947	12,414,536	61,739,494
DEFERRED INFLOWS OF RESOURCES					
Unavailable property tax revenues	1,791,832	2,079,736	-	-	3,871,568
FUND BALANCES					
Nonspendable for:					
Prepayments and deposits	1,013,064	-	395	681,845	1,695,304
Inventories	1,646,301	-	-	523,120	2,169,421
Restricted for:					
Construction	-	-	144,513,503	-	144,513,503
Debt service	-	47,010,809	-	-	47,010,809
Investments in trust	-	-	-	15,534,767	15,534,767
Emergency reserve	15,302,000	-	-	1,656,000	16,958,000
Food service operations	-	-	-	5,697,921	5,697,921
Committed for:					
Extended Child Services Fund activities	-	-	-	3,979,998	3,979,998
Pupil Activities Fund activities	-	-	-	5,420,596	5,420,596
Assigned for:					
Future year purchases and curriculum	500,550	-	-	-	500,550
Future year expenditures	5,874,709	-	-	-	5,874,709
Future year transfers	-	-	-	1,774,499	1,774,499
Capital Reserve Fund activities	-	-	-	8,098,120	8,098,120
Unassigned	55,915,851	-	-	-	55,915,851
Total Fund balances	80,252,475	47,010,809	144,513,898	43,366,866	315,144,048
Total Liabilities, Deferred inflows of resources and Fund balances	$ 117,362,318	$ 49,090,545	$ 158,520,845	$ 55,781,402	$ 380,755,110

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, 2017

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

Total fund balance - governmental funds		$ 315,144,048
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	$ 1,130,655,508	
Accumulated depreciation is	(455,163,728)	
		675,491,780
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.		3,871,568
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	616,812,944	
Capital leases payable	23,934,011	
Compensated absences payable	37,018,868	
Net pension liability	2,367,204,150	
		(3,044,969,973)
Deferred outflows from refunding debt are not considered current financial resources and not reported in the governmental funds		281,440
Deferred outflows related to pensions are applicable to future periods and, therefore, are not reported in the funds.		937,667,894
Deferred inflows related to pensions are applicable to future periods and, therefore, are not reported in the funds.		(44,220,960)
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.		(1,359,389)
Total Net Position - governmental activities		$ (1,158,093,592)

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, 2017

	General Fund	Debt Service - Bond Redemption Fund	Capital Projects - Building Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Taxes					
Property taxes	$ 226,816,405	$ 50,527,846	$ -	$ -	$ 277,344,251
Specific ownership taxes	21,153,791	-	-	-	21,153,791
Intergovernmental					
Federal - grants	1,463,989	-	-	26,492,832	27,956,821
State equalization aid	250,235,290	-	-	-	250,235,290
State transportation	4,492,509	-	-	-	4,492,509
State education of handicapped	11,151,827	-	-	-	11,151,827
State vocational education	2,431,091	-	-	-	2,431,091
Other state	2,786,464	-	-	2,573,815	5,360,279
Earnings on investments	146,509	173,221	873,757	43,396	1,236,883
Other					
Tuition	557,473	-	-	18,067,339	18,624,812
Fees and fines	1,346,950	-	-	-	1,346,950
Pupil activities	-	-	-	13,216,520	13,216,520
Donations	-	-	-	2,936,207	2,936,207
Food services sales	-	-	-	9,578,059	9,578,059
Miscellaneous	2,836,032	-	-	715,021	3,551,053
Total revenues	525,418,330	50,701,067	873,757	73,623,189	650,616,343
EXPENDITURES					
Current					
Instruction	342,673,674	-	-	32,074,389	374,748,063
Indirect instructional					
Pupil services	30,240,248	-	-	3,322,343	33,562,591
Instructional staff services	19,194,407	-	-	3,251,600	22,446,007
School administration	26,158,727	-	-	264,105	26,422,832
Support services					
General administration	4,475,734	-	-	-	4,475,734
Business services	4,044,646	-	-	278,992	4,323,638
Operations and maintenance	37,361,730	-	-	-	37,361,730
Pupil transportation	19,914,808	-	-	-	19,914,808
Central services	12,348,198	-	-	84	12,348,282
Community services	490,807	-	-	327,241	818,048
Pupil activities	-	-	-	13,049,338	13,049,338
Food service operations	-	-	-	17,077,316	17,077,316
Non-departmental	566,488	-	-	-	566,488
Capital outlay	465,524	-	32,667,183	11,389,596	44,522,303
Debt service					
Principal	-	35,085,000	-	3,625,794	38,710,794
Interest and fiscal charges	-	21,157,171	-	189,380	21,346,551
Total expenditures	497,934,991	56,242,171	32,667,183	84,850,178	671,694,523
Excess of revenues over (under) expenditures	27,483,339	(5,541,104)	(31,793,426)	(11,226,989)	(21,078,180)
OTHER FINANCING SOURCES (USES)					
Transfers in	1,459,833	-	-	12,103,381	13,563,214
Transfers out	(12,103,381)	-	-	(1,459,833)	(13,563,214)
Capital lease issuance	-	-	-	15,552,683	15,552,683
Sale of bonds	-	-	150,000,000	-	150,000,000
Premium on bonds	-	-	18,854,635	-	18,854,635
Sale of assets	-	-	-	82,486	82,486
Total other financing sources (uses)	(10,643,548)	-	168,854,635	26,278,717	184,489,804
Net change in fund balances	16,839,791	(5,541,104)	137,061,209	15,051,728	163,411,624
Fund balances, Beginning	63,412,684	52,551,913	7,452,689	28,315,138	151,732,424
Fund balances, Ending	$ 80,252,475	$ 47,010,809	$ 144,513,898	$ 43,366,866	$ 315,144,048

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, 2017

Amounts reported for governmental activities in the statement of net position are different because:		
Total net change in fund balances - governmental funds		$ 163,411,624
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	$ 36,301,283	
Depreciation expense	(30,275,419)	
		6,025,864
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.		3,871,568
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.		(5,233,328)
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.		(3,235,687)
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.		38,710,794
Governmental funds report the issuance of debt, including premiums, 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.		(184,407,318)
Premiums, discounts and deferred outflows on refunding are amortized in the governmental activities, but are recognized as expenditures in the governmental funds.		2,066,789
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.		(496,122)
Other pension 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, 2016 and not reflected as expenses on the statement of activities. These consist of:		
Employer contribution expense		64,706,755
Change in contributions subsequent to the measurement date		1,732,658
Net pension liability related items reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. These activities consist of:		
Pension expense		(455,104,610)
Total change in net position - governmental activities		$(367,951,013)

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, 2017

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Taxes				
Property taxes	$ 202,651,121	$ 225,987,672	$ 226,816,405	$ 828,733
Specific ownership taxes	19,480,900	19,831,400	21,153,791	1,322,391
Intergovernmental - State				
State equalization aid	250,170,287	250,278,159	250,235,290	(42,869)
Transportation	4,609,600	4,684,076	4,492,509	(191,567)
Education of handicapped	11,238,164	11,113,718	11,151,827	38,109
Vocational education	2,062,100	2,043,704	2,431,091	387,387
Other state	2,668,612	2,786,464	2,786,464	-
Intergovernmental - Federal	1,465,562	1,464,382	1,463,989	(393)
Earnings on investments	43,800	129,400	146,509	17,109
Other				
Tuition	588,900	802,400	557,473	(244,927)
Fees and fines	1,279,000	1,855,100	1,346,950	(508,150)
Miscellaneous	2,078,454	2,899,843	2,836,032	(63,811)
Total revenues	498,336,500	523,876,318	525,418,330	1,542,012
EXPENDITURES				
Current				
Instruction	344,648,575	344,094,239	342,673,674	1,420,565
Indirect instructional				
Pupil services	30,757,293	30,754,475	30,240,248	514,227
Instructional staff services	20,483,054	20,356,569	19,194,407	1,162,162
School administration	25,915,958	26,220,939	26,158,727	62,212
Support services				
General administration	4,806,930	4,925,583	4,475,734	449,849
Business services	4,026,481	4,071,621	4,044,646	26,975
Operations and maintenance	38,041,688	38,043,064	37,361,730	681,334
Pupil transportation	20,465,640	20,466,730	19,914,808	551,922
Central services	13,217,682	13,241,825	12,348,198	893,627
Community services	380,267	516,153	490,807	25,346
County treasury fees	517,500	567,500	566,488	1,012
Facilities construction services	548,632	551,002	465,524	85,478
Total expenditures	503,809,700	503,809,700	497,934,991	5,874,709
Excess of revenues over (under) expenditures	(5,473,200)	20,066,618	27,483,339	7,416,721
OTHER FINANCING SOURCES (USES)				
Transfers in	1,450,000	1,450,000	1,459,833	9,833
Transfers out	(10,856,800)	(10,856,800)	(12,103,381)	(1,246,581)
Total other financing sources (uses)	(9,406,800)	(9,406,800)	(10,643,548)	(1,236,748)
Net change in fund balance	(14,880,000)	10,659,818	16,839,791	6,179,973
Fund balance, Beginning	59,520,641	63,412,684	63,412,684	-
Fund balance, Ending	$ 44,640,641	$ 74,072,502	$ 80,252,475	$ 6,179,973

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, 2017

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 (the Challenge School, Cherry Creek Academy Charter School and Heritage Heights Academy, discretely presented component units), 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 54,200 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, 2017. 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. U.S. Agencies and U.S. Treasury obligations are recorded at fair value. Money market funds and repurchase agreements are recorded at amortized cost. 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 2016 but not yet collected in 2017 are identified as property taxes receivable and deferred inflows of resources in the governmental funds balance sheet at June 30, 2017, and are presented in the amount of $3,871,568. Intergovernmental receivable of $4,037,398 in the Designated Purpose Grants Fund includes amounts due from grantors for specific program grants. Intergovernmental receivable of $752,262 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 items' 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 $2,169,421.

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 $1,013,064 in the General Fund, $646,392 in the Capital Reserve Fund, $7,196 in the Food Services Fund, $395 in the Building Fund and $28,257 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
School buildings…… 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 $281,440 for governmental activities and $82,637 for component units.

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

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

See Note 13 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 2017 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, 2017, in the amount of $3,871,568. 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, 2017.

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, 2017, was $11,126,020 with a current portion due within one year of $808,769. 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 three items which are classified as deferred inflows of resources related to GASB No. 68 and No. 71:

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

See Note 13 for additional information.

Q) Fund Equity

As of June 30, 2017, 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.

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.

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

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, 2017, 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, 2017, the District had bank deposits of $133,847,895 and a carrying balance of $131,028,133, the difference is checks issued but not yet cashed. The District had cash of $2,768,814 held by the county treasurer.

A reconciliation of the District's deposits as shown on the Statement of Net Position follows:

Cash	$ 6,594,915
Equity in pooled cash	124,433,218
Total	$ 131,028,133

Component Units:

As of June 30, 2017, the charter schools had bank deposits of $1,473,872 and a carrying balance of $2,156,495. At June 30, 2017, 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.

Investments as of June 30, 2017, are classified in the accompanying financial statements as follows:

Investments held by the District	$ 166,581,837
Investments held by an escrow agent	46,138,875
Investments held in trust	15,534,767
Total	$ 228,255,479

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 minimum rating required by the District's investment policy, and the actual rating at year-end for each investment type.

Investment Type	Total	% of Total	Minimum Legal Rating	Rating as of Year end A-1+	Rating as of Year end Not Rated
Federal Home Loan Bank	$ 5,422,132	2%	N/A	$ 5,422,132	$ -
Freddie Mac	7,074,848	3%	N/A	7,074,848	-
Repurchase Agreement	153,975,545	67%	N/A	-	153,975,545
Money Market Funds	61,673,642	27%	N/A	-	61,673,642
Federal National Mortg Assoc	109,312	1%	N/A	109,312	-
Total	$ 228,255,479	100%		$ 12,606,292	$ 215,649,187

Federal Home Loan Bank, Farmer Mac, and Federal National Mortgage Association are government backed issues with an A-1+ rating.

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.

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
Federal Home Loan Bank	$ 5,422,132	$ 5,422,132	$ -
Freddie Mac	7,074,848	7,074,848	-
Repurchase Agreement	153,975,545	-	153,975,545
Money Market Funds	61,673,642	61,673,642	-
Federal National Mortg Assoc	109,312	109,312	-
Total	$ 228,255,479	$ 74,279,934	$ 153,975,545

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, 2017:

Investments by fair value levels	Balance June 30, 2017	Fair Value Measurement Using Level 2
Federal Home Loan Bank	$ 5,422,132	$ 5,422,132
Freddie Mac	7,074,848	7,074,848
Federal National Mortg Assoc	109,312	109,312
Total	$ 12,606,292	$ 12,606,292

Component Units:

At June 30, 2017, the charter school had invested $675,383 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, 2017 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, 2016	Additions	Deletions	Balance June 30, 2017
Non-depreciable assets:				
Land	$ 19,850,598	$ -	$ -	$ 19,850,598
Projects in progress	17,384,206	27,476,019	17,292,611	27,567,614
Total non-depreciable assets	37,234,804	27,476,019	17,292,611	47,418,212
Depreciable assets:				
Land improvements	25,130,903	17,053	-	25,147,956
Buildings	959,227,121	20,829,643	-	980,056,764
Equipment & vehicles	74,931,295	5,271,179	2,169,898	78,032,576
Total depreciable assets	1,059,289,319	26,117,875	2,169,898	1,083,237,296
Less accumulated depreciation for:				
Land improvements	21,010,656	652,193	-	21,662,849
Buildings	344,435,107	26,449,680	-	370,884,787
Equipment & vehicles	61,612,444	3,173,546	2,169,898	62,616,092
Total accumulated depreciation	427,058,207	30,275,419	2,169,898	455,163,728
Total capital assets being depreciated, net	632,231,112	(4,157,544)	-	628,073,568
Net capital assets	$ 669,465,916	$ 23,318,475	$ 17,292,611	$ 675,491,780

6) CAPITAL ASSETS (Continued)

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

Governmental activities:	
Instruction	$ 27,773,332
Indirect instruction	514,794
General administration	10,852
School administration	21,139
Business services	104,726
Operations and maintenance	642,529
Pupil transportation	603,164
Central services	296,288
Community services	1,340
Food service operations	290,501
Other support services	16,754
Total depreciation expense - governmental activities	$ 30,275,419

Component unit activities

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
Governmental activities:				
Land	$ 1,028,597	$ -	$ -	$ 1,028,597
Projects in progress	-	764,413	-	764,413
Buildings	6,597,353	-	1,286,484	5,310,869
Building improvements	599,221	-	-	599,221
Furniture and equipment	318,414	71,583	-	389,997
Accumulated depreciation	(1,737,953)	(167,247)	(315,535)	(1,589,665)
Total Capital Assets, net	$ 6,805,632	$ 668,749	$ 970,949	$ 6,503,432

Construction commitments: The District has active construction projects as of June 30, 2017. The projects include renovation, new construction, and site improvements.

A list of significant commitments as of June 30, 2017, is as follows:

	Commitment Total	Completed to Date	Remaining Commitment
Elementary #44	$ 21,557,106	$ 908,681	$ 20,648,425
Middle School #11	45,513,177	7,538,442	37,974,735
Career and Innovation Academy	2,806,062	151,528	2,654,534
Cherokee Trail HS pond improvement	79,007	18,365	60,642
Cherry Creek Academy	5,234,513	689,051	4,545,462
Mechanical renovations	13,660,288	8,541,961	5,118,327
Roofing renovations	4,300,518	2,823,820	1,476,698
Track, tennis, turf renovations	1,970,771	865,427	1,105,344
Campus MS lift station	994,638	497,442	497,196
			$ 74,081,363

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 2016 - 2017 fiscal year were as follows:

	Transfers In		
		Nonmajor Funds	
Transfers Out	General Fund	Food Services Fund	Capital Reserve Fund
General Fund	$ -	$ 473,381	$ 11,630,000
Nonmajor Funds:			
Extended Child Services Fund	1,459,833	-	-
Total	$ 1,459,833	$ 473,381	$ 11,630,000

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	$ 178,032
Total		$ 178,032

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, 2017, are estimated to be $28,453,601 for the General Fund. Additional accrued salaries and benefits earned by non-contracted employees, including other hourly employees, are $2,336,409 at June 30, 2017.

9) COMPENSATED ABSENCES PAYABLE

As of June 30, 2017, compensated absences payable are as follows:

	Current	Long-term	Total
Governmental activities	$ 5,726,212	$ 34,468,868	$ 40,195,080
Total	$ 5,726,212	$ 34,468,868	$ 40,195,080

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 $3,176,212. 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, 2016	Additions	Deletions	Balance June 30, 2017
Governmental funds	$ 36,736,137	$ 8,961,896	$ 5,502,953	$ 40,195,080

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, 2017, 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%	85,575,000
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%	10,295,000
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%	23,965,000
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%	120,840,000
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%	19,255,000
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%	31,475,000
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%	31,525,000
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
Total general obligation bonds payable	$ 573,185,000

Long-term debt maturities for all general obligation bonds outstanding at June 30, 2017, including interest, are as follows:

Fiscal year ended June 30,	Principal	Interest	Total
2018	$ 28,065,000	$ 23,943,463	$ 52,008,463
2019	31,345,000	22,726,313	54,071,313
2020	30,220,000	21,297,638	51,517,638
2021	31,060,000	19,891,136	50,951,136
2022	32,410,000	18,556,764	50,966,764
2023-2027	170,885,000	72,797,733	243,682,733
2028-2032	152,835,000	36,131,725	188,966,725
2033-2036	96,365,000	9,182,625	105,547,625
Total	$ 573,185,000	$ 224,527,397	$ 797,712,397

10) LONG-TERM DEBT (Continued)

Capital Lease Obligations

Capital lease obligations at June 30, 2017, are as follows:

Description, Interest Rates, and Maturity Dates	Balance
Technology lease in the original amount of $9,923,440 (2013) due in varying installments through August 16, 2017, interest at 1.046%	$ 1,263,195
Technology lease in the original amount of $1,694,812 (2014) due in varying installments through September 30,2018, interest at 1.410%	646,743
Bus lease in the original amount of $4,178,500 (2015) due in varying installments through March 24, 2025, interest at 2.090%	3,410,818
Bus lease in the original amount of $3,368,178 (2016) due in varying installments through January 25, 2026, interest at 1.990%	3,060,572
Bus lease in the original amount of $3,552,683 (2017) due in varying installments through March 3, 2027, interest at 2.296%	3,552,683
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
Total capital lease obligations payable	$ 23,934,011

The total amount of assets acquired with the technology and bus leases noted above amount to $22,717,613 and is included in the category of equipment and vehicles.

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
2018	$ 2,722,471	$ 267,467	$ 2,989,938
2019	4,621,632	386,731	5,008,363
2020	4,486,968	302,768	4,789,736
2021	4,570,955	218,780	4,789,735
2022	2,880,636	133,209	3,013,845
2023-2027	4,651,349	234,902	4,886,251
Total	$ 23,934,011	$ 1,543,857	$ 25,477,868

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, 2017, are $1,058,962,467 and $532,788,276, respectively. As of June 30, 2017, the management of the District is of the opinion that it is in compliance with all significant limitations and restrictions in the bond indentures.

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 $1,463,989 from the United States Treasury for the fiscal year ended June 30, 2017, 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, 2017, the following changes occurred in long-term debt:

	Balance July 1, 2016	Additions	Deletions	Outstanding June 30, 2017
Governmental Activities:				
General obligation bonds payable	$ 458,270,000	$ 150,000,000	$ 35,085,000	$ 573,185,000
Unamortized premiums	26,920,919	18,854,635	2,147,610	43,627,944
Total bonds payable	485,190,919	168,854,635	37,232,610	616,812,944
Capital lease	12,007,122	15,552,683	3,625,794	23,934,011
Compensated absences	36,736,137	8,961,896	5,502,953	40,195,080
Total	$ 533,934,178	$ 193,369,214	$ 46,361,357	$ 680,942,035

Due within one year:	
Governmental activities:	
General obligation bonds payable	$ 28,065,000
Capital lease	2,722,471
Compensated absences	5,726,212
Total	$ 36,513,683

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

10) LONG-TERM DEBT (Continued)

Component Unit Debt

Building lease

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
2018	$ 150,000	$ 126,487	$ 276,487
2019	155,000	120,487	275,487
2020	160,000	114,287	274,287
2021	165,000	107,888	272,888
2022	175,000	101,287	276,287
2023-2027	990,000	381,849	1,371,849
2028-2030	995,000	109,014	1,104,014
Totals	$ 2,790,000	$ 1,061,299	$ 3,851,299

During the year ended June 30, 2017, the following changes occurred in the charter school's long-term debt:

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
Building Lease, Series 2012	$ 2,930,000	$ -	$ 140,000	$ 2,790,000
Lease Discount	(16,624)	-	(1,209)	(15,415)
Total	$ 2,913,376	$ -	$ 138,791	$ 2,774,585
Due within one year:				
Building Lease				$ 150,000

11) SHORT-TERM DEBT

During the year ended June 30, 2017, the District borrowed $48,156,559 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, 2017. The amount borrowed was paid in full by the maturity date June 25, 2017.

12) OPERATING LEASE

The District has entered into an operating lease for GPS equipment installed in District transportation vehicles. Payments made during fiscal year 2017 totaled $122,400.

Future payments on the operating lease are as follows:

Fiscal year ended June 30,	Annual lease payments
2018	$ 122,400
2019	122,400
2020	81,600
Total	$ 326,400

13) DEFINED BENEFIT PENSION PLAN

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 percent match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

13) DEFINED BENEFIT PENSION PLAN (Continued)

In all cases the service retirement benefit is limited to 100 percent 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.

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 and all benefit recipients of the DPS benefit structure receive an annual increase of 2 percent, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 2 percent 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 percent or the average CPI-W for the prior calendar year, not to exceed 10 percent 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, 2016	December 31, 2017
Employer contribution rate	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)	-1.02%	-1.02%
Amount apportioned to the SCHDTF	9.13%	9.13%
Amortization equalization disbursement (AED) as specified in C.R.S § 24-51-411	4.50%	4.20%
Supplemental amortization equalization disbursement (SAED) as specified in C.R.S § 24-51-411	4.50%	5.00%
Total employer contribution rate to the SCHDTF	18.13%	18.63%

Note: 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 from the District were $64,706,755 for the year ended June 30, 2017.

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

At June 30, 2017, the District reported a liability of $2,367,204,150 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015. Standard update procedures were used to roll forward the total pension liability to December 31, 2016. The District's proportion of the net pension liability was based on District's contributions to the SCHDTF for the calendar year 2016 relative to the total contributions of participating employers to the SCHDTF.

At December 31, 2016, The District's proportion was 7.9506103466 percent, which was a decrease of 0.3362078615 percent from its proportion measured as of December 31, 2015

13) DEFINED BENEFIT PENSION PLAN (Continued)

For the year ended June 30, 2017, the District recognized pension expense of $455,104,610. At June 30, 2017, 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	$ 29,593,682	$ 20,832
Changes of assumptions or other inputs	768,108,386	10,674,887
Net difference between projected and actual earnings on pension plan investments	79,154,368	-
Changes in proportion and differences between contributions recognzied and proportionate share of contributions	26,354,713	33,525,241
Contributions subsequest to the measurement date	34,456,745	-
Total	937,667,894	44,220,960

$34,456,745 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
2018	$ 349,406,222
2019	343,290,559
2020	165,503,915
2021	789,493
Totals	$ 858,990,189

Based on the 2016 experience analysis and the October 28, 2016 actuarial assumptions workshop, revised economic and demographic assumptions were adopted by PERA's Board on November 18, 2016 and effective as of December 31, 2016. These revised assumptions shown below were reflected in the roll-forward calculation of the total pension liability from December 31, 2015 to December 31, 2016:

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

Mortality rates were based on the RP-2000 Combined Mortality Table for males or females, as appropriate, with adjustments for mortality improvements based on a projection of Scale AA to 2020 with males set back one year, and females set back two years. Active member mortality was based on the same mortality rates but adjusted to 55 percent of the base rate for males and 40 percent of the base rate for females. For disabled retirees, the RP-2000 Disabled Mortality Table (set back 2 years for males and set back 2 years for females) was assumed.

The actuarial assumptions used in the December 31, 2015 valuation were based on the results of an actuarial experience study for the period January 1, 2008 through December 31, 2011, adopted by PERA's Board on November 13, 2012, and an economic assumption study, adopted by PERA's Board on November 15, 2013 and January 17, 2014.

As a result of the 2016 experience analysis and the October 28. 2016 actuarial assumptions workshop, revised economic and demographic actuarial assumptions including withdrawal rates, retirement rates for early reduced and unreduced retirement, disability rates, administrative expense load, and pre- and post-retirement and disability mortality rates were adopted by PERA's Board on November 18. 2016 to more closely reflect PERA's actual experience. As the revised economic and demographic assumptions are effective as of the measurement date, December 31, 2016, these revised assumptions were reflected in the total pension liability roll-forward procedures.

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.

13) DEFINED BENEFIT PENSION PLAN (Continued)

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.

For disabled retirees, the mortality assumption was changed to reflect 90 percent of the RP-2014 Disabled Retiree Mortality Table.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2016. As a result of the October 28, 2016 actuarial assumptions workshop and the November 18, 2016 PERA Board meeting, the economic assumptions changed, effective December 31, 2016, as follows:

- Investment rate of return assumption decreased from 7.50 percent per year, compounded annually, net of investment expenses to 7.25 percent per year, compounded annually, net of investment expenses.

- Price inflation assumption decreased from 2.80 percent per year to 2.40 percent per year.

- Real rate of investment return assumption increased from 4.70 percent per year, net of investment expenses, to 4.85 percent per year, net of investment expenses.

- Wage inflation assumption decreased from 3.90 percent per year to 3.50 percent per year.

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.

As of the November 18, 2016 adoption of the current long-term expected rate of return by the PERA Board, the target 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 5.26 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:

- Updated economic and demographic actuarial assumptions adopted by PERA's Board on November 18, 2016
- 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 increased annual at a rate of 3.50%.
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

13) DEFINED BENEFIT PENSION PLAN (Continued)

- 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 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 December average of the Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by the Board of Governors of the Federal Reserve System, was applied to periods on and after 2041 to develop the discount rate. For the measurement date, the municipal bond index rate was 3.86 percent, resulting in a discount rate of 5.26 percent.

As of the prior measurement date, the projection test indicated the SCHDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments of 7.50 percent was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination did not use a municipal bond index rate and the discount rate was 7.50 percent, 2.24 percent higher compared to the current measurement date.

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 5.26 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 (4.26 percent) or 1-percentage-point higher (6.26 percent) than the current rate:

	1% Decrease (4.26%)	Current Discount Rate (5.26%)	1% Increase (6.26%)
Proportionate share of the net pension liability (in thousands)	$ 2,976,683	$ 2,367,204	$ 1,870,806

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.

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 $589,505 for the year ended June 30, 2017.

At June 30, 2017, the charter schools reported a liability of $19,664,355 for their proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015. Standard update procedures were used to roll forward the total pension liability to December 31, 2016. The charter school's proportion of the net pension liability was based on charter school's contributions to the SCHDTF for the calendar year 2016 relative to the total contributions of participating employers to the SCHDTF.

At December 31, 2016, the charter schools' proportion was 0.0660356976%, which was an increase of 0.0160375691% from their proportion measured as of December 31, 2015.

For the year ended June 30, 2017, the charter schools recognized pension expense of $4,294,820. At June 30, 2016, the charter school 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	$ 242,074	$ 159
Changes of assumptions or other inputs	6,717,433	84,652
Net difference between projected and actual earnings on pension plan investments	625,417	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	1,908,790	-
Contributions subsequent to the measurement date	330,511	-
Total	$ 9,824,225	$ 84,811

13) DEFINED BENEFIT PENSION PLAN (Continued)

$330,511 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
2018	$ 3,666,966
2019	3,452,691
2020	1,880,318
2021	404,945
2022	3,983
Totals	$ 9,408,903

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

	1% Decrease (4.26%)	Current Discount Rate (5.26%)	1% Increase (6.26%)
Proportionate share of the net pension liability	$ 24,727,294	$ 19,664,355	$ 15,540,773

14) POST-EMPLOYMENT HEALTH CARE BENEFITS

Plan Description

The District contributes to the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit post-employment health care plan administered by PERA. The HCTF provides a health care premium subsidy to participating PERA benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the CRS, as amended, assigns the authority to establish the HCTF benefit provisions to the State Legislature. PERA issues a publicly available annual financial report that includes financial statements and required supplementary information for the HCTF. That report may be obtained online at www.copera.org or by writing to Colorado PERA, 1301 Pennsylvania Street, Denver, Colorado 80203 or by calling PERA at (303) 832-9550 or 1-800-759-PERA (7372).

Funding Policy

The District is required to contribute at a rate of 1.02% of covered salary for all PERA members set by statute. This contribution is a portion of the funding described in Note 12, not in addition to that funding. No member contributions are required. The contribution requirements for the District are established under Title 24, Article 51, Part 4 of the CRS, as amended.

The apportionment of the contribution to the HCTF is established under Title 24, Article 51, Section 208 of the Colorado Revised Statutes, as amended.

The District's net contributions to the HCTF for the years ending June 30, 2017, 2016, and 2015, was $3,686,587, $3,745,688, and $3,446,253, respectively, equal to its required contributions for each year.

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, 2017, the amount of workers compensation liability was $0. Changes in the reported liability for the years ended June 30, 2017, and 2016, were as follows:

	2017	2016
Beginning of fiscal year liability	$ -	$ -
Current-year claims and changes in estimate	2,313,784	3,400,548
Claim payments	(2,313,784)	(3,400,548)
Balance at fiscal year-end liability	$ -	$ -

15) RISK MANAGEMENT (Continued)

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 $74,081,363 for capital projects at June 30, 2017, of which $74,081,363 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. The ultimate liability that might result from final resolution of these matters is not presently determinable. However, the District believes that the final settlement of these 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.

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, 2017, the District has restricted 3 percent of its fiscal year 2016-2017 spending as follows:

Governmental Activities:		
General Fund	$	15,302,000
Capital Projects Fund: Capital Reserve Fund		434,000
Special Revenue Funds:		
Extended Child Services Fund		544,000
Food Services Fund		287,000
Pupil Activities Fund		391,000
Total	$	16,958,000

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, 2017, was $495,147.

19) SUBSEQUENT EVENTS

On September 21, 2017 the District sold $100,000,000 of new general obligation bonds. This is the second part of the $250,000,000 debt authorization approved in 2016 by District voters. The bonds were sold competitively with bids also 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 bond issue was structured as tax exempt bonds maturing over the period 2019-2037.

On this same date 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 was structured as tax exempt bonds maturing over the period 2019-2028. The bond issue reduced the principal amount of the outstanding debt by over $3 million dollars.

Required

Supplementary

Information

Defined Benefit

Pension Plan Schedules

Cherry Creek Schools

Dedicated to Excellence

Cherry Creek Schools

Dedicated to Excellence

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

* The amounts presented for each fiscal year were determined as of 12/31
* Information for the prior six 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			
	2008	2009	2010	2011
Contractually required contribution	$ 30,592,398	$ 34,503,283	$ 38,489,687	$ 41,241,902
Contributions in relation to the contractually required contribution	30,592,398	34,503,283	38,489,687	41,241,902
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Covered payroll	$ 280,640,509	$ 299,482,725	$ 310,122,745	$ 310,340,201
Contributions as a percentage of covered payroll	10.90%	11.52%	12.41%	13.29%

Fiscal Year					
2012	2013	2014	2015	2016	2017
$ 43,955,795	$ 46,977,093	$ 51,349,225	$ 57,048,749	$ 65,062,685	$ 64,706,755
43,955,795	46,977,093	51,349,225	57,048,749	65,062,685	64,706,755
$ -	$ -	$ -	$ -	$ -	$ -
$ 309,832,213	$ 311,487,289	$ 321,256,642	$ 337,867,964	$ 367,224,349	$ 357,027,065
14.19%	15.08%	15.98%	16.88%	17.72%	18.12%

Cherry Creek Schools

Dedicated to Excellence

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.

Cherry Creek Schools

Dedicated to Excellence

Cherry Creek Schools

Dedicated to Excellence

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, 2017

	Capital Reserve Fund	Designated Purpose Grants Fund	Extended Child Services Fund	Food Services Fund	Pupil Activities Fund	Total Nonmajor Governmental Funds
ASSETS						
Cash	$ -	$ 250	$ 188,299	$ 386,346	$ 5,989,683	$ 6,564,578
Equity in pooled cash	8,179,957	4,744,430	5,351,624	1,730,015	-	20,006,026
Investments	-	-	2,994,966	4,025,289	-	7,020,255
Investments in trust	15,534,767	-	-	-	-	15,534,767
Receivables, net						
Other governments	-	4,037,398	-	752,262	-	4,789,660
Other	643,669	-	7,263	10,219	-	661,151
Prepayments and deposits	646,392	-	28,257	7,196	-	681,845
Inventories	-	-	-	523,120	-	523,120
Total Assets	$ 25,004,785	$ 8,782,078	$ 8,570,409	$ 7,434,447	$ 5,989,683	$ 55,781,402
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	$ 291,506	$ 101,884	$ 82,649	$ 225,992	$ -	$ 702,031
Accrued salaries and benefits	-	1,000,353	1,163,817	172,184	55	2,336,409
Interfund payables	-	-	-	-	178,032	178,032
Unearned revenues	-	7,679,841	811,292	377,159	-	8,868,292
Compensated absences	-	-	185,897	143,875	-	329,772
Total Liabilities	291,506	8,782,078	2,243,655	919,210	178,087	12,414,536
Fund balances						
Nonspendable for:						
Prepayments and deposits	646,392	-	28,257	7,196	-	681,845
Inventories	-	-	-	523,120	-	523,120
Restricted for:						
Investments in trust	15,534,767	-	-	-	-	15,534,767
Emergency reserve	434,000	-	544,000	287,000	391,000	1,656,000
Food service operations	-	-	-	5,697,921	-	5,697,921
Committed for:						
Extended Child Services Fund activities	-	-	3,979,998	-	-	3,979,998
Pupil Activities Fund activities	-	-	-	-	5,420,596	5,420,596
Assigned for:						
Future year transfers	-	-	1,774,499	-	-	1,774,499
Capital Reserve Fund activities	8,098,120	-	-	-	-	8,098,120
Total Fund balances	24,713,279	-	6,326,754	6,515,237	5,811,596	43,366,866
Total Liabilities and Fund balances	$ 25,004,785	$ 8,782,078	$ 8,570,409	$ 7,434,447	$ 5,989,683	$ 55,781,402

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, 2017

	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	$ -	$ 18,210,810	$ -	$ 8,282,022	$ -	$ 26,492,832
State - grants	-	2,318,021	-	255,794	-	2,573,815
Tuition	-	-	18,067,339	-	-	18,067,339
Earnings on investments	4,085	-	17,452	13,886	7,973	43,396
Pupil activities	-	-	-	-	13,216,520	13,216,520
Food services sales	-	-	-	9,578,059	-	9,578,059
Cash in lieu of land	611,829	-	-	-	-	611,829
Donations	-	2,324,128	250	-	-	2,324,378
Other	715,021	-	-	-	-	715,021
Total revenues	1,330,935	22,852,959	18,085,041	18,129,761	13,224,493	73,623,189
EXPENDITURES						
Current						
Instruction	-	17,014,363	15,060,026	-	-	32,074,389
Pupil services	-	2,322,807	999,536	-	-	3,322,343
Instructional staff services	-	3,251,600	-	-	-	3,251,600
School administration	-	264,105	-	-	-	264,105
Business services	-	-	278,992	-	-	278,992
Central services	-	84	-	-	-	84
Community services	-	-	327,241	-	-	327,241
Pupil activities	-	-	-	-	13,049,338	13,049,338
Food service operations	-	-	-	17,077,316	-	17,077,316
Capital outlay	10,637,284	-	-	752,312	-	11,389,596
Debt service						
Principal	3,625,794	-	-	-	-	3,625,794
Interest and fiscal charges	189,380	-	-	-	-	189,380
Total expenditures	14,452,458	22,852,959	16,665,795	17,829,628	13,049,338	84,850,178
Excess of revenues over (under) expenditures	(13,121,523)	-	1,419,246	300,133	175,155	(11,226,989)
OTHER FINANCING SOURCES (USES)						
Transfers in	11,630,000	-	-	473,381	-	12,103,381
Transfers out	-	-	(1,459,833)	-	-	(1,459,833)
Capital lease proceeds	15,552,683	-	-	-	-	15,552,683
Sale of assets	82,486	-	-	-	-	82,486
Total other financing sources (uses)	27,265,169	-	(1,459,833)	473,381	-	26,278,717
Excess of revenues and other sources over (under) expenditures and other uses	14,143,646	-	(40,587)	773,514	175,155	15,051,728
Fund balances, Beginning	10,569,633	-	6,367,341	5,741,723	5,636,441	28,315,138
Fund balances, Ending	$ 24,713,279	$ -	$ 6,326,754	$ 6,515,237	$ 5,811,596	$ 43,366,866

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, 2017

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Taxes				
Property	$ 45,745,487	$ 50,853,574	$ 50,527,846	$ (325,728)
Earnings on investments	40,000	40,000	173,221	133,221
Total revenues	45,785,487	50,893,574	50,701,067	(192,507)
EXPENDITURES				
Debt service				
Principal	35,085,000	35,085,000	35,085,000	-
Interest	18,402,788	21,149,534	21,149,534	-
Fiscal charges	15,000	68,254	7,637	60,617
Total expenditures	53,502,788	56,302,788	56,242,171	60,617
Net change in fund balance	(7,717,301)	(5,409,214)	(5,541,104)	(131,890)
Fund balance, Beginning	51,793,492	52,551,913	52,551,913	-
Fund balance, Ending	$ 44,076,191	$ 47,142,699	$ 47,010,809	$ (131,890)

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, 2017

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Earnings on investments	$ 20,000	$ 20,000	$ 873,757	$ 853,757
Total revenues	20,000	20,000	873,757	853,757
EXPENDITURES				
Capital outlay				
Building and improvements	6,640,968	155,847,116	30,420,277	125,426,839
Furniture and equipment	1,700,332	1,700,332	1,456,363	243,969
Bond issuance costs	-	654,934	654,934	-
Other	-	138,918	135,609	3,309
Total expenditures	8,341,300	158,341,300	32,667,183	125,674,117
Excess of revenues over (under) expenditures	(8,321,300)	(158,321,300)	(31,793,426)	126,527,874
OTHER FINANCING SOURCES (USES)				
Bond proceeds	-	150,000,000	150,000,000	-
Premium on bonds	-	18,854,635	18,854,635	-
Total other financing sources (uses)	-	168,854,635	168,854,635	-
Net change in fund balance	(8,321,300)	10,533,335	137,061,209	126,527,874
Fund balance, Beginning	30,891,600	7,452,689	7,452,689	-
Fund balance, Ending	$ 22,570,300	$ 17,986,024	$ 144,513,898	$ 126,527,874

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, 2017

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
REVENUES				
Earnings on investments	$ 500	$ 500	$ 4,085	$ 3,585
Cash in lieu of land	38,000	38,000	611,829	573,829
Other	-	-	715,021	715,021
Total revenues	38,500	38,500	1,330,935	1,292,435
EXPENDITURES				
Capital outlay				
Building and improvements	5,817,436	6,634,373	6,616,785	17,588
Furniture and equipment	4,120,589	4,088,153	4,020,499	67,654
Debt service				
Principal	3,625,795	3,625,794	3,625,794	-
Interest	189,380	189,380	189,380	-
Total expenditures	13,753,200	14,537,700	14,452,458	85,242
Excess of revenues over (under) expenditures	(13,714,700)	(14,499,200)	(13,121,523)	1,377,677
OTHER FINANCING SOURCES				
Transfers in	10,130,000	10,130,000	11,630,000	1,500,000
Capital lease proceeds	3,655,589	3,655,589	15,552,683	11,897,094
Sale of assets	-	-	82,486	82,486
Total other financing sources	13,785,589	13,785,589	27,265,169	13,479,580
Net change in fund balance	70,889	(713,611)	14,143,646	14,857,257
Fund balance, Beginning	1,152,355	10,569,633	10,569,633	-
Fund balance, Ending	$ 1,223,244	$ 9,856,022	$ 24,713,279	$ 14,857,257

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, 2017

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
REVENUES				
Intergovernmental				
Federal - Grants	$ 21,903,875	$ 21,903,875	$ 18,210,810	$ (3,693,065)
State - Grants	2,497,825	2,497,825	2,318,021	(179,804)
Donations	3,500,000	3,500,000	2,324,128	(1,175,872)
Total revenues	27,901,700	27,901,700	22,852,959	(5,048,741)
EXPENDITURES				
Current				
Instruction	21,698,676	21,548,576	17,014,363	4,534,213
Pupil services	2,826,544	2,826,544	2,322,807	503,737
Instructional staff services	3,109,990	3,259,990	3,251,600	8,390
School administration	266,490	266,490	264,105	2,385
Central services	-	100	84	16
Total expenditures	27,901,700	27,901,700	22,852,959	5,048,741
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, 2017

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
REVENUES				
Tuition	$ 18,080,500	$ 17,973,900	$ 18,067,339	$ 93,439
Earnings on investments	-	-	17,452	17,452
Donations	-	-	250	250
Other	140,000	246,600	-	(246,600)
Total revenues	18,220,500	18,220,500	18,085,041	(135,459)
EXPENDITURES				
Current				
Instruction	14,832,515	15,060,098	15,060,026	72
Instructional staff services	878,299	999,536	999,536	-
Business services	225,438	278,992	278,992	-
Community services	322,948	327,241	327,241	-
Total expenditures	16,259,200	16,665,867	16,665,795	72
Excess of revenues over expenditures	1,961,300	1,554,633	1,419,246	(135,387)
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,450,000)	(1,459,833)	(1,459,833)	-
Total other financing sources (uses)	(1,450,000)	(1,459,833)	(1,459,833)	-
Net change in fund balance	511,300	94,800	(40,587)	(135,387)
Fund balance, Beginning	6,562,247	6,367,341	6,367,341	-
Fund balance, Ending	$ 7,073,547	$ 6,462,141	$ 6,326,754	$ (135,387)

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, 2017

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
REVENUES				
Intergovernmental				
Federal - Grants	$ 7,722,243	$ 7,722,243	$ 8,282,022	$ 559,779
State - Grants	243,381	243,381	255,794	12,413
Food sales	8,297,906	8,297,906	9,355,382	1,057,476
Earnings on Investments	8,000	8,000	13,886	5,886
Other	1,173,170	1,173,170	222,677	(950,493)
Total revenues	17,444,700	17,444,700	18,129,761	685,061
EXPENDITURES				
Current				
Food service operations	17,549,600	17,399,600	17,077,316	322,284
Capital outlay	621,000	771,000	752,312	18,688
Total expenditures	18,170,600	18,170,600	17,829,628	340,972
Excess of revenues over (under) expenditures	(725,900)	(725,900)	300,133	1,026,033
OTHER FINANCING SOURCES				
Transfers in	726,800	726,800	473,381	(253,419)
Total other financing sources	726,800	726,800	473,381	(253,419)
Net change in fund balance	900	900	773,514	772,614
Fund balance, Beginning	5,592,449	5,741,723	5,741,723	-
Fund balance, Ending	$ 5,593,349	$ 5,742,623	$ 6,515,237	$ 772,614

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, 2017

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Earnings on investments	$ -	$ -	$ 7,973	$ 7,973
Pupil activities	14,925,200	14,925,200	13,216,520	(1,708,680)
Total revenues	14,925,200	14,925,200	13,224,493	(1,700,707)
EXPENDITURES				
Current				
Pupil activities	14,925,200	14,925,200	13,049,338	1,875,862
Total expenditures	14,925,200	14,925,200	13,049,338	1,875,862
Net change in fund balance	-	-	175,155	175,155
Fund balance, Beginning	5,324,013	5,636,441	5,636,441	-
Fund balance, Ending	$ 5,324,013	$ 5,636,441	$ 5,811,596	$ 175,155

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

Dedicated to Excellence

Cherry Creek Schools

Dedicated to Excellence

CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO

COMBINING STATEMENTS OF NET POSITION
COMPONENT UNITS
June 30, 2017

	Cherry Creek Academy	Heritage Heights Academy	Total Component Units
ASSETS			
Cash	$ 2,130,123	$ 26,372	$ 2,156,495
Investments	675,383	-	675,383
Receivables, net			
Other	3,020	1,435	4,455
Prepayments and deposits	-	47,333	47,333
Capital Assets			
Land	1,028,597	-	1,028,597
Improvements	599,221	-	599,221
Buildings	5,310,869	-	5,310,869
Equipment and vehicles	389,997	-	389,997
Construction in progress	764,413	-	764,413
Less accumulated depreciation	(1,589,665)	-	(1,589,665)
Total Capital assets	6,503,432	-	6,503,432
Total Assets	9,311,958	75,140	9,387,098
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pensions	6,734,831	3,089,394	9,824,225
Deferred outflows on refunding	82,637	-	82,637
Total Deferred outflows of resources	6,817,468	3,089,394	9,906,862
LIABILITIES			
Liabilities			
Accounts payable	263,612	21,135	284,747
Accrued salaries and benefits	246,943	-	246,943
Unearned revenues	57,825	13,961	71,786
General obligations payable	150,000	-	150,000
Accrued interest payable	31,622	-	31,622
Total Current liabilities	750,002	35,096	785,098
Noncurrent liabilities			
General obligations payable	2,624,585	-	2,624,585
Net pension liability	15,778,869	3,885,486	19,664,355
Total Noncurrent liabilities	18,403,454	3,885,486	22,288,940
Total Liabilities	19,153,456	3,920,582	23,074,038
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pensions	67,255	17,556	84,811
NET POSITION			
Net investment in capital assets	3,811,484	-	3,811,484
Restricted for:			
Debt service	338,004	-	338,004
Emergency reserve	144,785	47,000	191,785
Repair and replacement	50,398	-	50,398
Unrestricted	(7,435,956)	(820,604)	(8,256,560)
Total Net position	$ (3,091,285)	$ (773,604)	$ (3,864,889)

CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO

COMBINING STATEMENTS OF ACTIVITIES
COMPONENT UNITS
For The Year Ended June 30, 2017

	Cherry Creek Academy	Heritage Heights Academy	Total Component Units
REVENUES			
Intergovernmental			
State equalization aid	$ 3,956,754	$ 1,037,816	$ 4,994,570
Mill levy funding	572,086	146,901	718,987
State capital construction	151,934	-	151,934
Grants and contributions not restricted	7,244	-	7,244
Earnings on investments	13,291	-	13,291
Other	134	737	871
Program revenues			
Charges for services	259,506	68,433	327,939
Operating grants and contributions	46,246	307,649	353,895
Capital grants and contributions	764,413	38,872	803,285
Total revenues	5,771,608	1,600,408	7,372,016
EXPENSES			
Current			
Instruction	5,431,997	1,347,675	6,779,672
Supporting services	3,198,759	1,026,337	4,225,096
Debt			
Interest and fiscal charges	138,963	-	138,963
Total expenses	8,769,719	2,374,012	11,143,731
Change in net position	(2,998,111)	(773,604)	(3,771,715)
Net position, Beginning	(93,174)	-	(93,174)
Net position, Ending	$ (3,091,285)	$ (773,604)	$ (3,864,889)

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.

Cherry Creek Schools
Dedicated to Excellence

Cherry Creek Schools

Dedicated to Excellence

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, 2017

Fiscal year spending		
General Fund	$ 525,858,085	
Designated-Purpose Grants Fund	24,194,097	
Capital Reserve Fund	769,893	
Extended Child Services Fund	17,891,902	
Pupil Activities Fund	13,224,493	
Other Special Revenue Funds	N/A	
Building Fund	N/A	
Bond Redemption Fund	50,858,472	
Food Service Fund	17,473,381	
Total fiscal year spending		$ 650,270,323
Deduct the following expenditures included in totals above:		
Expenditures from Gifts/Foundations	2,324,128	
Expenditures from Federal Grants	29,297,959	
Amendment No. 23, November 2000	128,139,212	
Repayment of Voter-Approved Debt	50,858,472	
Post 1991 Voter-Approved Referendum	91,400,000	
Total Deductions		302,817,278
Total Spending Subject to TABOR for Current Year		347,453,045
Total Spending Subject to TABOR Prior Year		346,919,439
% Change in Denver/Boulder Consumer Price Index for Prior Year	1.20	
% Change in Student Enrollment	0.33	
Total % Change	1.53	
Change in Spending Permitted		5,307,867
Maximum Spending Subject to TABOR Allowed for Current Year		352,227,306
Spending Over (Under) Allowable Amount		$ (4,774,261)

Cherry Creek Schools

Dedicated to Excellence

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.

Contents

		Page
Financial Trends:		
These schedules contain trend information to help the user understand how the District's financial position has changed over time.		
Schedule 1	Net Position by Component	120-121
Schedule 2	Changes in Net Position	122-127
Schedule 3	Fund Balances, Governmental Funds	128
Schedule 4	Changes in Fund Balances, Governmental Funds	130-132
Revenue Capacity:		
These schedules contain information to help the user understand and asses the factors affecting the District's most significant local revenue source, property tax.		
Schedule 5	Assessed Value and Estimated Actual Value of Taxable Property	133
Schedule 6	Direct and Overlapping Property Tax Rates	134
Schedule 7	Principal Property Tax Payers	135
Schedule 8	Property Tax Levies and Collections	136
Debt Capacity:		
These schedules present information to help the user understand and assess the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.		
Schedule 9	Ratios of Outstanding Debt by Type	137
Schedule 10	Ratios of General Bonded Debt Outstanding	138
Schedule 11	Direct and Overlapping Governmental Activities Debt	139
Schedule 12	Legal Debt Margin Information	140
Schedule 13	Pledged Revenue Coverage - The District has no pledged revenue	N/A
Demographic and Economic Information:		
These schedules offer demographic and economic indicators to help the user understand the socioeconomic environment within which the District's financial activities take place.		
Schedule 14	Demographic and Economic Statistics	141
Schedule 15	Denver Metropolitan Statistical Area (MSA) Principal Employers	142
Operating Information:		
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.		
Schedule 16	Full-time Equivalent Employees by Function/Program	143
Schedule 17	Teacher Salary	144
Schedule 18	Operating Statistics	146-147
Schedule 19	School Building Information	148-152
Schedule 20	Schedule of Insurance in Force	154-155

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			
	2008	2009	2010	2011
Governmental activities:				
Net investment in capital assets	$ 180,282,382	$ 184,821,149	$ 187,845,000	$ 175,535,480
Restricted	56,904,127	58,044,822	54,983,140	56,639,073
Unrestricted	(6,849,551)	2,478,303	16,035,640	22,929,078
Total governmental activities net position	$ 230,336,958	$ 245,344,274	$ 258,863,780	$ 255,103,631
Business-type activities:				
Net investment in capital assets	$ 944,783	$ 1,131,800	$ 964,686	$ 1,113,297
Restricted	257,000	259,000	236,000	243,000
Unrestricted	4,834,411	4,704,388	5,623,665	5,977,288
Total business-type activities net position	$ 6,036,194	$ 6,095,188	$ 6,824,351	$ 7,333,585
Primary government:				
Net investment in capital assets	$ 181,227,165	$ 185,952,949	$ 188,809,686	$ 176,648,777
Restricted	57,161,127	58,303,822	55,219,140	56,882,073
Unrestricted	(2,015,140)	7,182,691	21,659,305	28,906,366
Total primary government net position	$ 236,373,152	$ 251,439,462	$ 265,688,131	$ 262,437,216

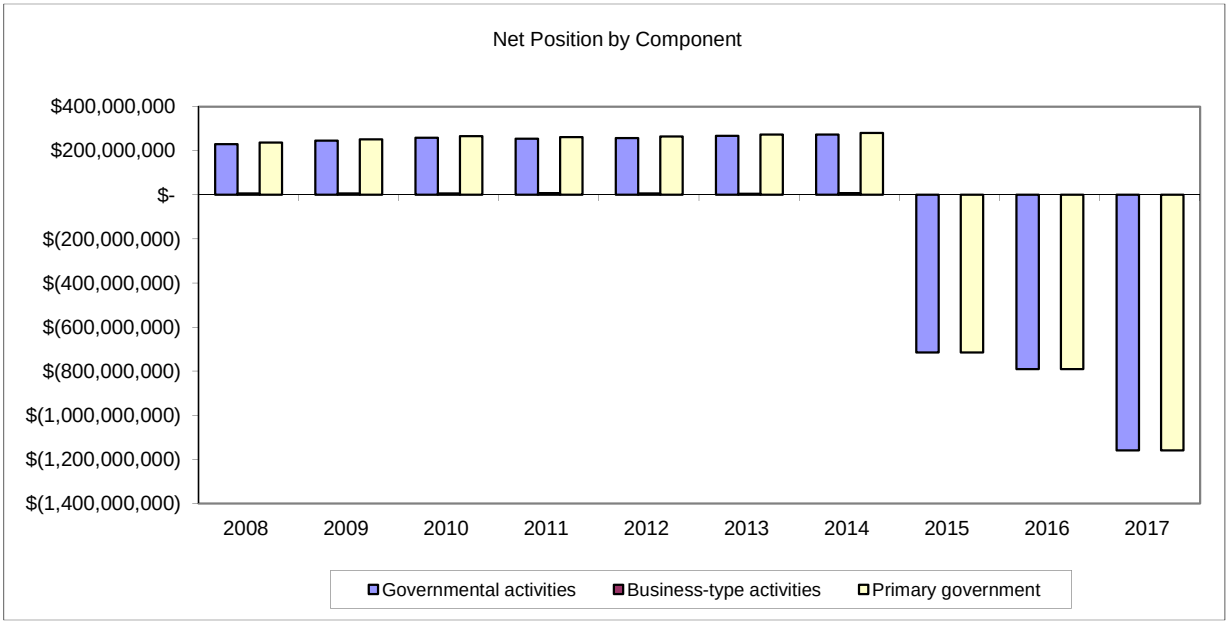
Notes:
(1) Includes all funds. (GAAP Basis)

(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					
2012	2013	2014	2015	2016	2017
$ 172,640,583	$ 178,096,324	$ 173,658,780	$ 170,518,596	$ 180,082,824	$ 179,540,163
60,204,062	59,368,003	60,360,003	73,886,697	73,268,418	83,842,108
24,837,243	29,717,319	39,769,558	(959,050,922)	(1,043,493,821)	(1,421,475,863)
$ 257,681,888	$ 267,181,646	$ 273,788,341	$(714,645,629)	$ (790,142,579)	$(1,158,093,592)
$ 1,293,612	$ 1,905,120	$ 2,170,445	$ -	$ -	$ -
274,000	282,000	229,000	-	-	-
4,849,788	3,455,122	4,827,177	-	-	-
$ 6,417,400	$ 5,642,242	$ 7,226,622	$ -	$ -	$ -
$ 173,934,195	$ 180,001,444	$ 175,829,225	$ 170,518,596	$ 180,082,824	$ 179,540,163
60,478,062	59,650,003	60,589,003	73,886,697	73,268,418	83,842,108
29,687,031	33,172,441	44,596,735	(959,050,922)	(1,043,493,821)	(1,421,475,863)
$ 264,099,288	$ 272,823,888	$ 281,014,963	$(714,645,629)	$ (790,142,579)	$(1,158,093,592)



CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO

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

	Fiscal Year			
	2008	2009	2010	2011
Expenses:				
Governmental activities:				
Instruction	$ 306,386,804	$ 320,917,408	$ 335,698,599	$ 344,545,552
Indirect instruction				
Pupil services	25,204,203	25,445,100	29,282,610	28,659,690
Instructional staff services	14,552,126	14,713,440	14,917,608	13,703,092
School administration	21,640,585	22,569,955	22,568,207	22,348,882
Support services				
General administration	3,281,998	3,242,318	3,247,376	2,745,940
Business services	3,636,338	3,741,106	3,933,573	4,177,634
Operations and maintenance	34,244,558	36,145,126	35,331,594	35,131,333
Pupil transportation	17,433,438	19,158,870	19,858,334	19,458,476
Central services	11,725,014	12,123,792	10,086,142	10,191,118
Community services	1,241,794	877,783	968,945	1,195,266
Pupil activities	11,852,886	11,520,567	10,983,274	10,665,631
Food services operations	-	-	-	-
Non-departmental	600,163	628,921	-	-
Assets conveyed to other governments	-	-	-	2,781,306
Interest on long-term debt	17,775,387	17,770,954	19,969,292	23,104,156
Total governmental activities expenses	469,575,294	488,855,340	506,845,554	518,708,076
Business-type activities:				
Food services operations	13,841,369	14,387,086	14,563,755	15,252,619
Total business-type activities expenses	13,841,369	14,387,086	14,563,755	15,252,619
Total primary government expenses	$ 483,416,663	$ 503,242,426	$ 521,409,309	$ 533,960,695

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

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

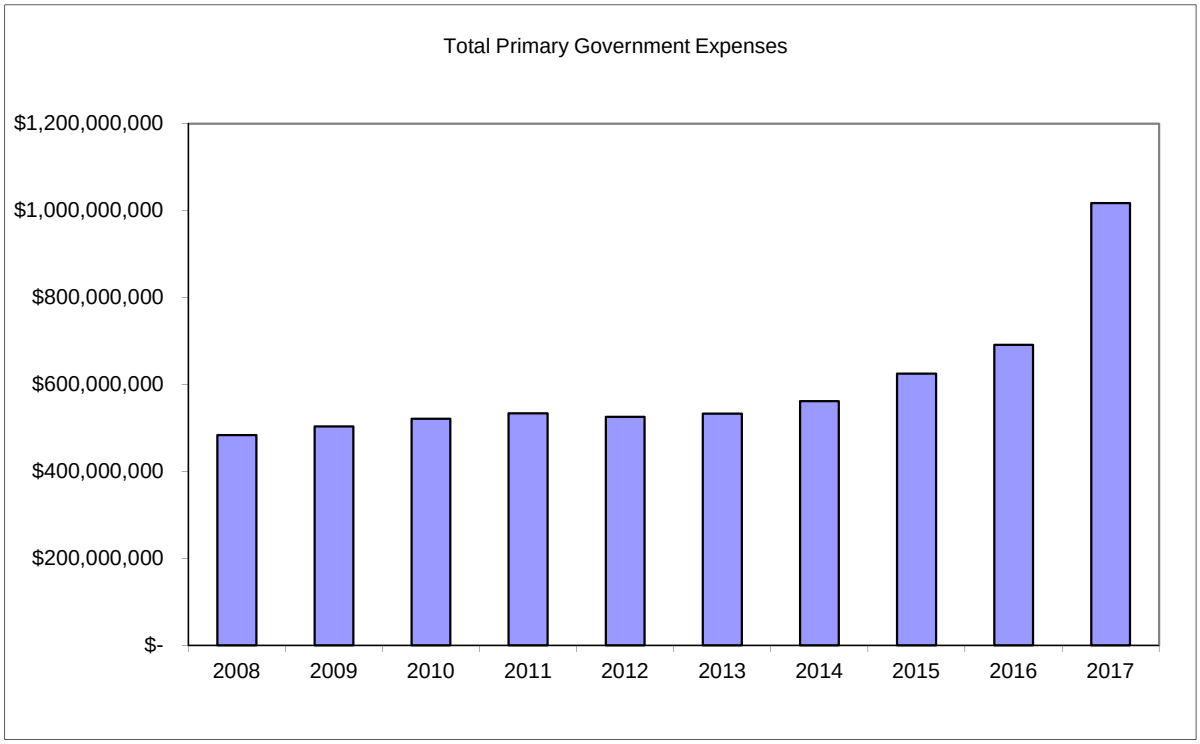
(3) Beginning with fiscal year 2010, Non-departmental expenses are allocated to other functional expenses.

(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					
2012	2013	2014	2015	2016	2017
$ 336,630,175	$ 346,453,219	$ 365,185,697	$ 414,304,861	$ 467,537,058	$ 703,392,749
28,729,476	29,536,406	31,021,527	32,854,486	37,073,844	58,480,293
13,149,405	12,675,181	13,857,314	20,795,098	20,337,348	32,782,286
21,859,294	21,952,033	23,204,153	26,139,197	30,022,059	46,476,214
3,226,398	3,620,491	4,054,572	4,493,078	4,861,700	7,420,407
3,773,499	3,947,340	3,901,097	4,398,011	4,897,793	7,685,836
34,177,502	35,008,799	36,209,203	37,381,807	40,831,590	49,650,329
19,693,624	20,458,952	20,472,241	22,109,735	20,122,305	34,052,376
11,533,499	12,766,547	13,600,777	12,764,162	15,026,745	19,540,005
1,202,570	872,855	786,233	714,396	842,782	1,409,488
10,807,898	11,751,012	12,391,480	12,352,432	12,240,209	13,049,338
-	-	-	16,856,380	18,536,204	22,808,464
-	-	-	-	-	-
-	-	-	-	-	764,413
24,622,384	17,009,979	21,314,671	19,611,220	18,494,821	19,775,884
509,405,724	516,052,814	545,998,965	624,774,863	690,824,458	1,017,288,082
16,270,439	16,944,341	15,355,789	-	-	-
16,270,439	16,944,341	15,355,789	-	-	-
$ 525,676,163	$ 532,997,155	$ 561,354,754	$ 624,774,863	$ 690,824,458	$1,017,288,082



CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO

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

	Fiscal Year			
	2008	2009	2010	2011
Program Revenues				
Governmental activities:				
Charges for services:				
Instruction	$ 18,118,834	$ 17,672,587	$ 18,117,416	$ 17,306,277
Pupil activities	11,571,446	11,464,290	11,217,970	10,744,849
Food services operations	-	-	-	-
Other activities	1,476,045	1,385,941	1,576,975	1,466,473
Operating grants and contributions	28,940,825	29,333,487	35,984,390	50,919,702
Capital grants and contributions	541,869	280,737	575,230	866,172
Total governmental activities program revenues	60,649,019	60,137,042	67,471,981	81,303,473
Business-type activities:				
Charges for services:				
Food services operations	8,631,867	8,269,413	8,344,224	8,266,385
Operating grants and contributions	5,518,150	6,027,800	6,948,094	7,390,992
Total business-type activities program revenues	14,150,017	14,297,213	15,292,318	15,657,377
Total primary government program revenues	$ 74,799,036	$ 74,434,255	$ 82,764,299	$ 96,960,850
Net (Expense)/Revenue				
Governmental activities	$ (408,926,275)	$ (428,718,298)	$ (439,373,573)	$ (437,404,603)
Business-type activities	308,648	(89,873)	728,563	404,758
Total primary government net expense	$ (408,617,627)	$ (428,808,171)	$ (438,645,010)	$ (436,999,845)

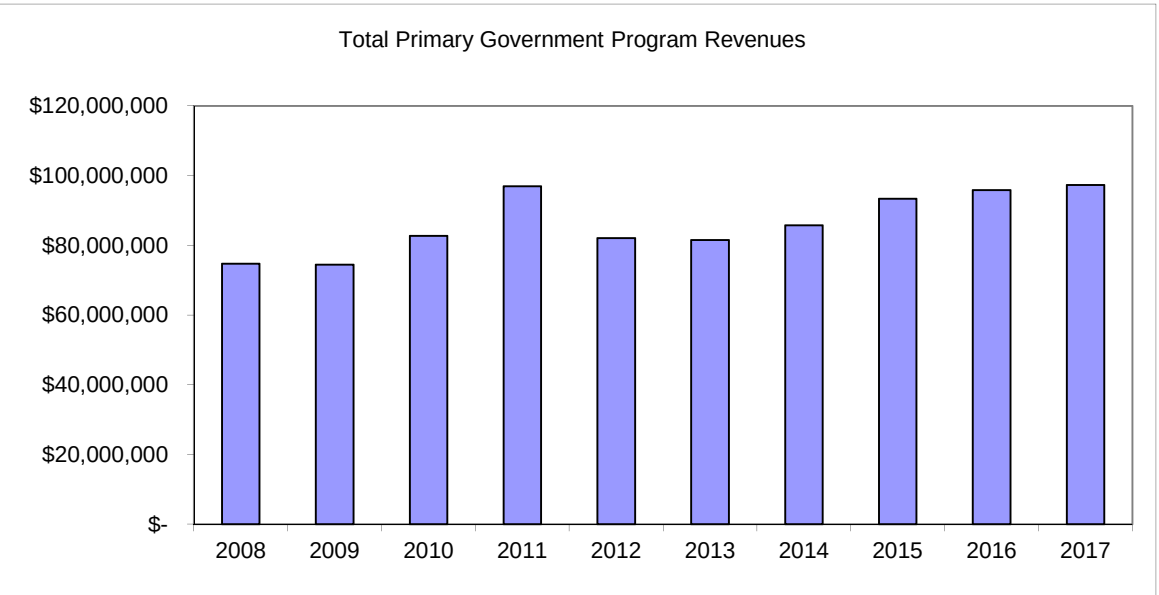
Notes:
(1) Includes all funds. (GAAP Basis)

(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					
2012	2013	2014	2015	2016	2017
$ 17,887,323	$ 17,907,531	$ 18,256,500	$ 19,071,710	$ 20,493,121	$ 20,386,624
11,002,470	11,554,515	12,528,299	12,529,479	12,541,753	13,216,520
-	-	-	8,833,988	9,446,817	9,578,059
1,334,298	1,058,037	550,790	1,598,637	1,710,744	1,314,197
35,338,499	34,657,536	37,404,200	50,530,484	51,030,628	52,016,053
1,212,331	460,861	1,055,175	789,202	648,635	848,692
66,774,921	65,638,480	69,794,964	93,353,500	95,871,698	97,360,145
7,975,985	8,105,311	8,033,410	-	-	-
7,376,254	7,781,614	7,967,900	-	-	-
15,352,239	15,886,925	16,001,310	-	-	-
$ 82,127,160	$ 81,525,405	$ 85,796,274	$ 93,353,500	$ 95,871,698	$ 97,360,145
$ (442,630,803)	$ (450,414,334)	$ (476,204,001)	$ (531,421,363)	$ (594,952,760)	$ (919,927,937)
(918,200)	(1,057,416)	645,521	-	-	-
$ (443,549,003)	$ (451,471,750)	$ (475,558,480)	$ (531,421,363)	$ (594,952,760)	$ (919,927,937)



CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO

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

	Fiscal Year			
	2008	2009	2010	2011
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes:				
Property taxes	$ 206,915,772	$ 222,411,349	$ 223,752,825	$ 229,323,293
Specific ownership taxes	16,768,029	15,903,660	15,360,501	14,449,208
Investment earnings	2,895,107	1,745,780	1,687,500	751,113
Other revenues	1,776,439	3,596,646	2,908,257	2,960,316
State equalization aid	187,758,523	200,186,015	209,183,996	186,263,975
Sale of assets	-	-	-	-
Transfers	(81,484)	(117,836)	-	(103,451)
Total governmental activities	416,032,386	443,725,614	452,893,079	433,644,454
Business-type activities:				
Investment earnings	141,982	31,031	600	1,025
Transfers	81,484	117,836	-	103,451
Total business-type activities	223,466	148,867	600	104,476
Total primary government	$ 416,255,852	$ 443,874,481	$ 452,893,679	$ 433,748,930
Change in Net Position				
Governmental activities	$ 7,106,111	$ 15,007,316	$ 13,519,506	$ (3,760,149)
Business-type activities	532,114	58,994	729,163	509,234
Total primary government	$ 7,638,225	$ 15,066,310	$ 14,248,669	$ (3,250,915)

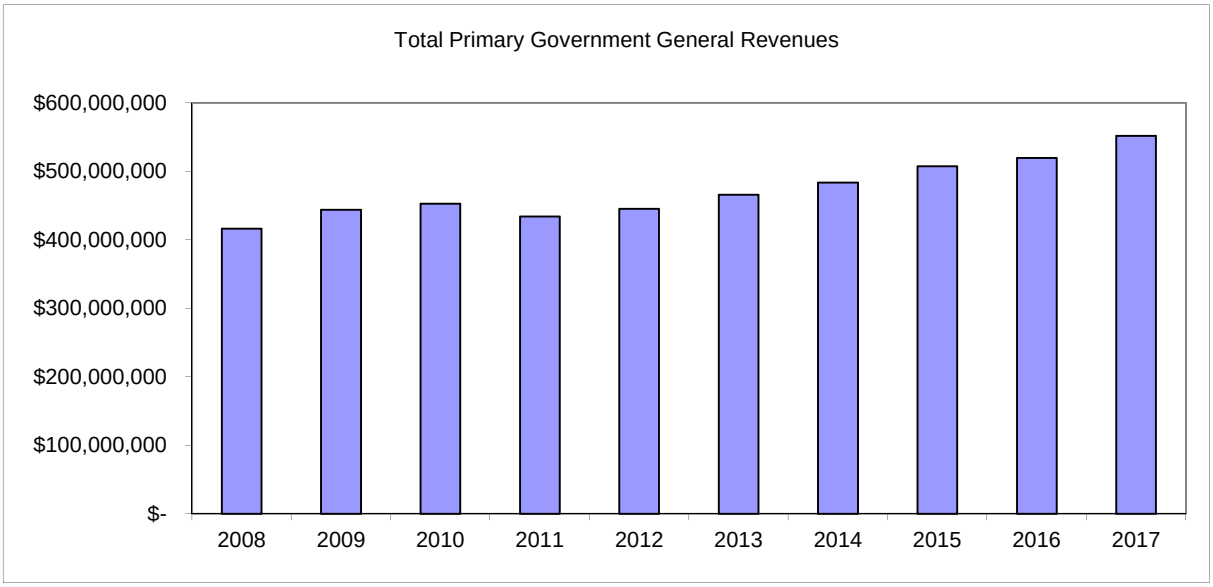
Notes:
(1) Includes all funds. (GAAP Basis)

(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					
2012	2013	2014	2015	2016	2017
$ 229,771,527	$ 244,443,241	$ 250,991,310	$ 252,956,067	$ 251,422,063	$ 275,982,491
14,509,101	16,057,777	17,605,225	19,097,032	19,635,073	21,153,791
440,924	633,081	825,024	330,635	346,212	1,236,883
3,179,402	2,695,837	2,690,670	2,167,466	2,838,653	3,285,983
197,308,106	201,778,792	211,633,340	232,119,104	245,160,665	250,235,290
-	-	-	642,594	53,144	82,486
-	(275,560)	(934,873)	-	-	-
445,209,060	465,333,168	482,810,696	507,312,898	519,455,810	551,976,924
2,015	6,698	3,986	-	-	-
-	275,560	934,873	-	-	-
2,015	282,258	938,859	-	-	-
$ 445,211,075	$ 465,615,426	$ 483,749,555	$ 507,312,898	$ 519,455,810	$ 551,976,924
$ 2,578,257	$ 14,918,834	$ 6,606,695	$ (24,108,465)	$ (75,496,950)	$ (367,951,013)
(916,185)	(775,158)	1,584,380	-	-	-
$ 1,662,072	$ 14,143,676	$ 8,191,075	$ (24,108,465)	$ (75,496,950)	$ (367,951,013)



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
2008	$ 1,464,082	$ 11,378,000	$ 644,367	$ 1,421,197	$ 28,504	$ 14,936,150
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

	All Other Governmental Funds					
Fiscal Year	Nonspendable	Restricted	Committed	Assigned	Unassigned	Total
2008	$ 28,074	$ 63,348,897	$ 6,168,618	$ 2,372,744	$ -	$ 71,918,333
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

Notes:
(1) Other governmental funds from fiscal year 2008 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			
	2008	2009	2010	2011
Revenues				
Local sources				
Property taxes	$ 207,013,865	$ 220,133,193	$ 223,900,561	$ 230,897,870
Specific ownership taxes	16,768,029	15,903,660	15,360,501	14,449,208
Tuition	16,373,319	15,912,029	16,288,980	15,591,988
Earnings on investments	2,895,107	1,745,780	1,687,500	751,113
Pupil activities	11,571,446	11,464,290	11,217,970	10,744,849
Food service operations	-	-	-	-
Other	8,687,906	9,402,234	8,083,985	6,540,245
State sources				
Equalization aid	187,758,523	200,186,015	209,183,996	186,263,975
Vocational education	1,491,395	1,078,451	1,892,460	1,927,762
Education of handicapped	7,507,649	7,778,024	8,196,245	8,260,881
Transportation	3,086,331	3,576,970	3,921,767	3,986,143
Other	665,442	753,524	1,398,444	1,414,238
Federal sources	13,956,561	13,795,224	19,380,387	35,797,683
Total revenues	477,775,573	501,729,394	520,512,796	516,625,955
Expenditures				
Instruction	277,624,127	291,739,767	304,555,053	311,451,823
Pupil services	24,991,634	25,393,727	28,875,655	28,261,343
Instructional staff services	14,376,166	14,452,430	14,327,494	13,056,852
School administration	21,766,883	22,483,945	22,514,168	22,241,396
General administration	3,192,004	3,160,948	3,043,541	2,704,992
Business services	3,428,093	3,555,377	3,622,878	3,843,164
Operations & maintenance	34,454,985	34,861,871	33,606,542	33,299,583
Pupil transportation	17,043,796	17,415,623	17,352,382	16,586,304
Central supporting services	11,538,222	11,973,210	10,043,521	10,178,782
Non-departmental	1,539,238	1,236,573	1,348,519	1,582,783
Pupil activities	11,852,886	11,520,567	10,983,274	10,665,631
Food service operations	-	-	-	-
Capital outlay	24,093,682	18,955,829	98,698,111	80,911,468
Debt service				
Interest	18,372,291	18,681,896	21,797,565	23,974,385
Principal	30,850,000	25,830,000	27,600,000	29,050,000
Total expenditures	495,124,007	501,261,763	598,368,703	587,808,506
Excess of revenues over (under) expenditures	(17,348,434)	467,631	(77,855,907)	(71,182,551)
Other Financing Sources (Uses):				
Transfers in	2,324,723	1,928,953	8,648,452	14,540,447
Transfers out	(2,406,207)	(2,046,789)	(8,648,452)	(14,643,898)
General obligation bonds issued	-	101,775,000	101,775,000	-
Bond premium	-	5,269,031	1,280,672	-
Refunding bonds issued	-	-	-	-
Bond refunding escrow agent	-	-	-	-
Capital lease proceeds	-	-	-	-
Sale of assets	-	-	-	-
Total other financing sources (uses)	(81,484)	106,926,195	103,055,672	(103,451)
Net change in fund balances	$ (17,429,918)	$ 107,393,826	$ 25,199,765	$ (71,286,002)
Debt service as a percentage of noncapital expenditures	10.3%	9.0%	9.7%	10.1%

Schedule 4

Fiscal Year					
2012	2013	2014	2015	2016	2017
$ 228,223,103	$ 244,241,017	$ 253,798,699	$ 248,177,323	$ 256,605,009	$ 277,344,251
14,509,101	16,057,777	17,605,225	19,097,032	19,635,073	21,153,791
16,142,958	16,401,196	16,929,390	17,816,277	18,521,156	18,624,812
440,924	633,081	825,024	330,635	346,212	1,236,883
11,002,470	11,554,515	12,528,299	12,529,479	12,541,753	13,216,520
-	-	-	8,833,988	9,446,817	9,578,059
6,683,263	6,101,978	5,500,336	8,064,853	7,599,774	7,834,210
197,308,106	201,778,792	211,633,340	232,119,104	245,160,665	250,235,290
1,999,301	1,770,487	1,242,237	1,944,188	2,043,704	2,431,091
8,756,893	8,876,181	10,733,620	10,674,340	11,071,983	11,151,827
3,893,457	3,976,050	4,402,117	4,444,837	4,684,076	4,492,509
1,254,837	1,179,010	1,870,763	4,735,947	4,999,123	5,360,279
20,221,144	18,474,903	19,278,707	26,476,985	27,801,765	27,956,821
510,435,557	531,044,987	556,347,757	595,244,988	620,457,110	650,616,343
310,493,043	317,066,517	330,808,321	349,682,286	366,199,694	374,748,063
28,749,259	29,402,945	30,796,440	30,254,589	31,767,642	33,562,591
13,171,119	12,535,219	14,114,213	19,204,994	19,642,608	22,446,007
21,789,567	22,010,548	23,052,768	24,455,161	25,900,069	26,422,832
3,175,239	3,586,078	3,813,769	4,184,892	4,340,758	4,475,734
3,633,546	3,697,875	3,748,118	3,920,947	4,143,531	4,323,638
32,933,622	33,742,097	34,781,310	35,301,454	37,484,456	37,361,730
18,380,112	19,179,400	19,611,022	20,228,156	20,356,802	19,914,808
11,355,195	12,180,195	13,123,683	12,381,765	13,321,003	12,348,282
1,566,324	1,275,301	1,238,377	1,116,255	1,207,504	1,384,536
10,807,898	11,751,012	12,391,480	12,352,432	12,240,209	13,049,338
-	-	-	16,051,226	17,107,553	17,077,316
25,393,161	26,531,263	70,697,204	51,721,532	31,868,670	44,522,303
31,340,000	21,770,399	22,357,261	20,394,811	19,106,212	38,710,794
21,821,250	28,940,000	29,627,902	32,551,624	35,938,282	21,346,551
534,609,335	543,668,849	610,161,868	633,802,124	640,624,993	671,694,523
(24,173,778)	(12,623,862)	(53,814,111)	(38,557,136)	(20,167,883)	(21,078,180)
5,163,573	9,270,877	7,717,284	12,660,230	19,178,703	12,063,214
(5,163,573)	(9,546,437)	(8,652,157)	(12,660,230)	(19,178,703)	(12,063,214)
48,855,000	125,000,000	31,215,000	-	-	150,000,000
4,870,000	4,411,897	4,319,741	7,077,043	4,809,202	18,854,635
-	-	-	37,585,000	46,855,000	-
(53,567,932)	-	(35,345,000)	(44,431,763)	(52,452,915)	-
-	-	9,923,605	5,873,383	3,368,378	15,552,683
-	-	-	642,594	53,144	82,486
157,068	129,136,337	9,178,473	6,746,257	2,632,809	184,489,804
$ (24,016,710)	$ 116,512,475	$ (44,635,638)	$ (31,810,879)	$ (17,535,074)	$ 163,411,624
10.3%	9.7%	9.5%	9.0%	8.9%	9.5%

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

Schedule 4 (continued)

(modified accrual basis of accounting)

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
2008	$2,297,685	$1,798,515	$ 853,743	$ 495,052	$ 4,454,891	47.3970	$36,303,602	12.27%
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%

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
2008	7.96	29.0	2006
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

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)
2008	35.550	11.847	47.397	74.106	15.217	1,294.426	1,431.146
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

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 1.00 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**

	2017			2008		
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	$ 69,036,020	1	1.30%	$ 33,991,880	2	0.76%
Verizon Wireless	47,592,540	2	0.90%	32,461,760	3	0.73%
Qwest	45,636,700	3	0.86%	52,104,100	1	1.17%
Greenwood Property Corporation	30,879,200	4	0.58%	29,000,010	4	0.65%
GPI Plaza Tower LP	23,807,550	5	0.45%	-		-
Denver CB Center 2 LLC	16,940,640	6	0.32%	-		-
AX Inverness LP	14,090,520	7	0.27%	-		-
Palazzo Verdi LLC	13,780,510	8	0.26%	-		-
Village Center Station I LLC	13,535,170	9	0.26%	-		-
IKEA Property Inc	13,391,620	10	0.25%	-		-
Property Colorado OBJLW One	-		-	22,330,010	5	0.50%
Crescent Peakview Tower	-		-	13,050,000	6	0.29%
FSP Greenwood Plaza Corporation	-		-	12,768,000	7	0.29%
CSHV Denver Tech Center LLC	-		-	11,600,000	8	0.26%
LR Fiddler LC	-		-	11,600,000	9	0.26%
Galleria Acquisition Inc.	-		-	11,599,990	10	0.26%
	$ 219,654,450		4.14%	$ 230,505,750		4.91%

Source: Arapahoe County Assessor's Office

Notes:
(1) The total net assessed valuation upon which the 2016 tax levy is based for collection in 2017 is $5,304,812,334. The total assessed valuation upon which the 2007 tax levy is based for collection in 2008 is $4,455,398,490.

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
2008	$ 211,148,521	$ 206,670,244	97.88%	$ 40,259	$ 206,710,503	97.90%
2009	224,621,021	218,325,366	97.20%	1,989,768	220,315,134	98.08%
2010	231,224,256	223,701,797	96.75%	139,570	223,841,367	96.81%
2011	238,383,887	229,597,846	96.31%	2,837,707	232,435,553	97.50%
2012	233,311,851	227,541,817	97.53%	1,949,433	229,491,250	98.36%
2013	248,885,279	240,722,903	96.72%	6,807,446	247,530,349	99.46%
2014	254,202,850	252,258,135	99.23%	634,716	252,892,851	99.48%
2015	250,707,346	247,276,192	98.63%	3,255,779	250,531,971	99.93%
2016	258,565,499	254,777,590	98.54%	1,495,956	256,273,546	99.11%
2017	277,667,139	275,530,435	99.23%	-	275,530,435	99.23%

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 2017 collection year include actual collections through June 30, 2017, 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
2008	380,168	5,165	-	385,333	1.06%	1.37%	1,456	8,069
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%		1,654	9,639
2017	616,813	-	23,934	640,747	1.51%		2,117	12,348

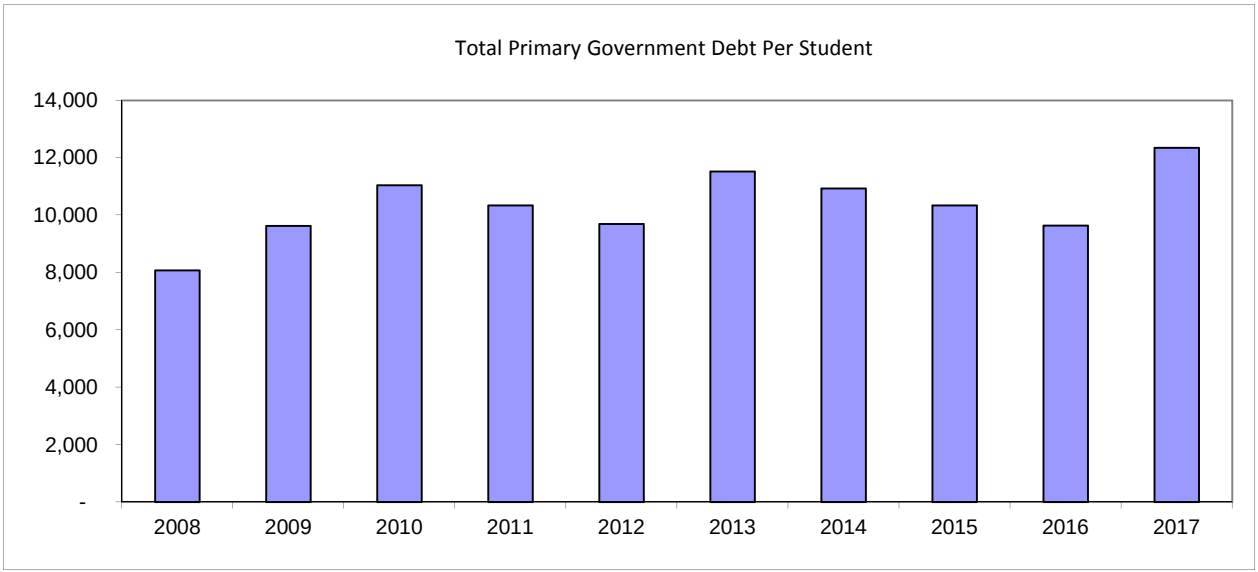
Notes:

(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 2016 and 2017.



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)

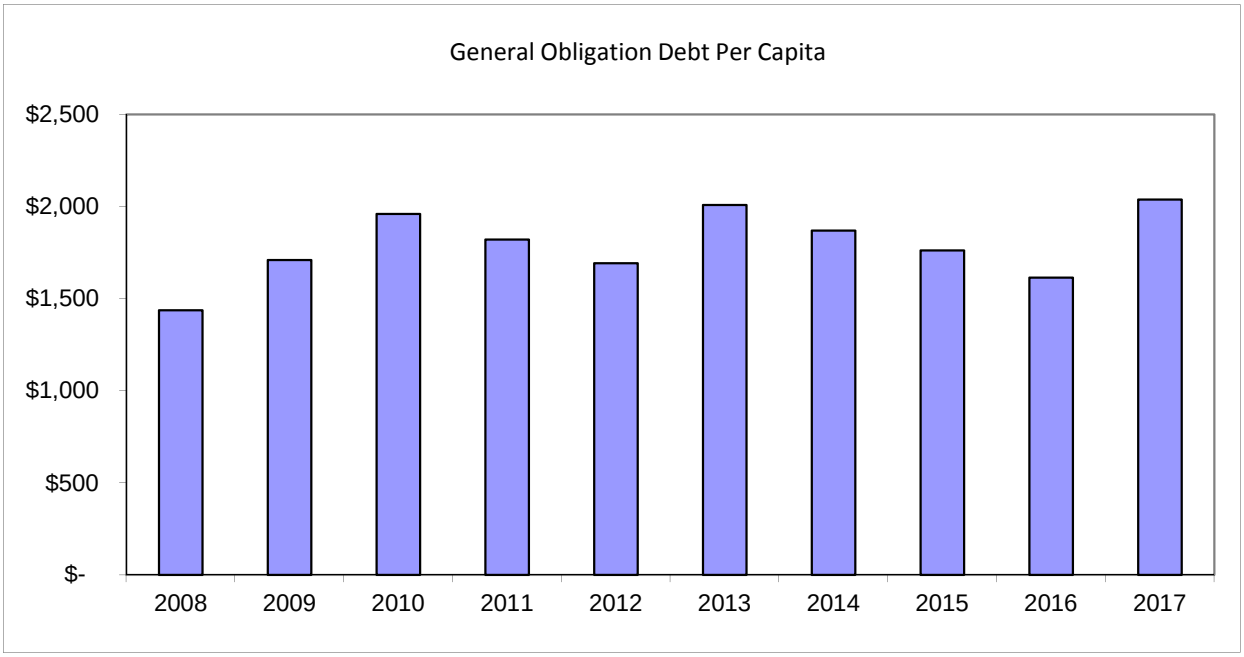
Fiscal Year	General Obligation Bonds	Percentage of Estimated Actual Value of Taxable Property	Per Capita	Per Student
2008	$ 380,168	1.05%	$ 1,437	$ 7,961
2009	461,541	1.24%	1,709	9,536
2010	537,017	1.45%	1,960	10,964
2011	508,008	1.37%	1,821	10,284
2012	480,762	1.40%	1,693	9,656
2013	581,065	1.68%	2,009	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

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, 2017

(dollars in thousands)

Overlapping debt:	Outstanding Debt	Percentage Applicable To District	Amount Applicable To District
Antelope Water System General Improvement District	$ 3,434	100.00 %	$ 3,434
Arapahoe Park & Recreation District	8,371	100.00	8,371
Arapahoe Water & Wastewater Public Improvement District	136,900	100.00	136,900
Beacon Point Metropolitan District	21,005	100.00	21,005
Chaparral Metropolitan District	3,016	100.00	3,016
Cherry Creek Vista Metro Park & Rec District	2,770	100.00	2,770
City of Englewood	44,150	3.63	1,603
Conservatory Metropolitan District	22,465	100.00	22,465
Country Homes Metropolitan District #A	180	100.00	180
Dove Valley Metropolitan District	48,515	100.00	48,515
Eagle Bend Metropolitan District #A	30,780	100.00	30,780
East Quincy Highlands Metro District #1	2,935	100.00	2,935
East Smoky Hill Metro District #1	3,420	100.00	3,420
East Smoky Hill Metro District #2	6,135	100.00	6,135
Fiddler's Green Business Improve. District	61,150	100.00	61,150
Galleria Metropolitan District	4,200	100.00	4,200
Goodman Metropolitan District	2,175	100.00	2,175
Heather Gardens Metropolitan District	9,800	40.16	3,936
High Plains Metropolitan District	23,675	100.00	23,675
Highline Glen Metropolitan District	40	100.00	40
Interstate South Metropolitan District	4,425	100.00	4,425
Inverness Metropolitan Improvement District	3,580	71.10	2,545
Inverness Water & Sanitation District	11,360	69.32	7,875
Liverpool Metropolitan District	2,650	100.00	2,650
Panorama Metropolitan District	5,695	100.00	5,695
Parker Jordan Metropolitan District	13,725	100.00	13,725
Piney Creek Metropolitan District	5,910	100.00	5,910
Saddle Rock Metro District	8,725	100.00	8,725
Saddle Rock South Metropolitan District #4	14,310	100.00	14,310
Serenity Ridge Metropolitan District No. 2	8,365	100.00	8,365
Sorrel Ranch Metropolitan District	10,912	100.00	10,912
South Suburban Metropolitan Park & Recreation District	9,835	36.17	3,557
Southeast Public Improvement Metro District	2,985	57.70	1,722
Southlands Metropolitan District No. 1	58,940	100.00	58,940
Southlands Metropolitan District No. 2	5,124	100.00	5,124
Sundance Hills Metropolitan District	295	100.00	295
Town of Foxfield	250	100.00	250
Tallgrass Metropolitan District	16,325	100.00	16,325
Tallyn's Ranch Metropolitan District No. 2	652	100.00	652
Tallyn's Ranch Metropolitan District No. 3	48,365	100.00	48,365
Tollgate Crossing Metropolitan District No. 2	15,445	100.00	15,445
Willow Trace Metropolitan District	8,300	100.00	8,300
Total overlapping debt	691,289		630,817
Direct debt:			
Cherry Creek School District No. 5	640,747	100.00	640,747
Total	$ 1,332,036		$ 1,271,564

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 2017

	Assessed Value
Assessed Value	$ 5,294,812,334
Legal debt limit percentage	20%
Legal debt limit	$ 1,058,962,467
Amount of debt applicable to debt limit:	
Total bonded debt	$ 573,185,000
Less Debt Service Fund available	47,010,809
Total amount of debt applicable to debt limit	526,174,191
Legal debt margin	$ 532,788,276

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
2008	$ 890,978,198	$ 328,557,070	$ 562,421,128	36.9%
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%

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**

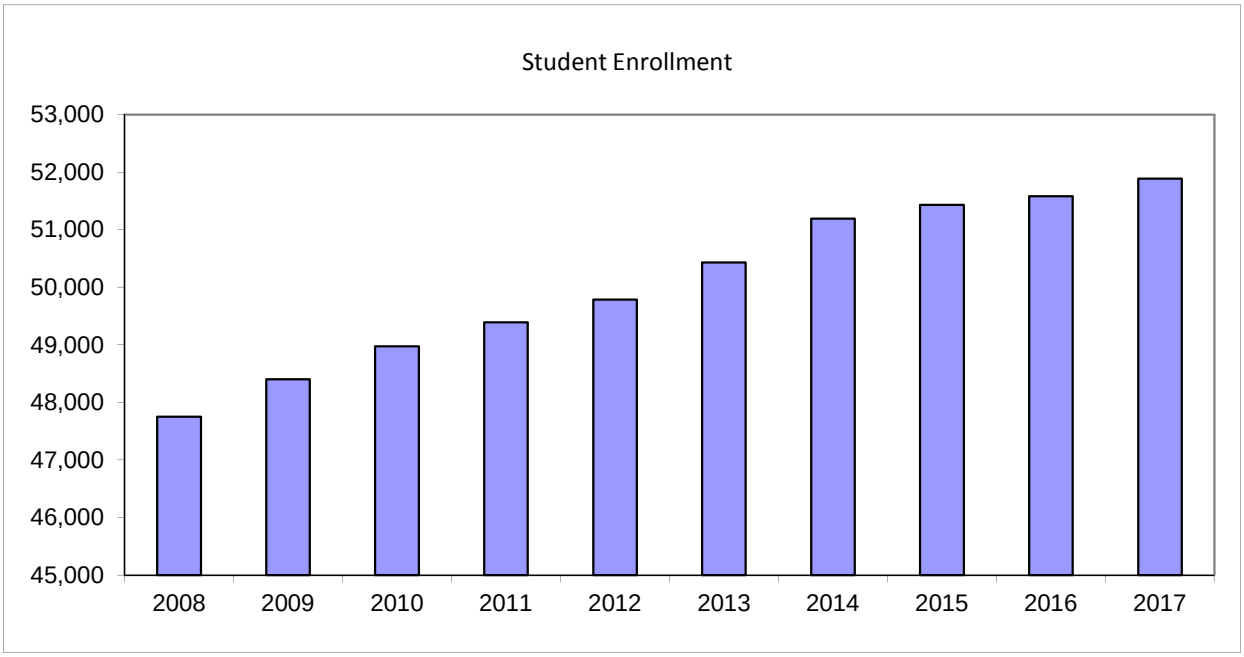
	Arapahoe County				Cherry Creek School District	
Fiscal Year	Population	Personal Income *(millions of dollars)*	Per Capita Personal Income	Unemployment Rate	Population	FTE Student Enrollment
2008	561,388	$ 28,122	$ 50,727	5.4%	264,600	47,752
2009	573,762	27,408	48,480	7.7%	270,000	48,402
2010	572,153	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	-	-	3.8%	300,600	51,582
2017	637,068	-	-	2.5%	302,623	51,889

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 2016 and 2017.

(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 .5 FTE for fiscal years 2008 and at .58 FTE for fiscal years 2009 to 2017. 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**

	2017			2008		
Employer	Employees	Rank	Percentage of Metro Denver Employment	Employees	Rank	Percentage of Metro Denver Employment
Cherry Creek School District	8,100	1	2.52%	8,600	1	3.04%
Comcast	8,000	2	2.49%	-		-
Adams Arapahoe Aurora Schools	4,700	3	1.46%	3,900	3	1.38%
CenturyLink (Qwest Corp)	5,400	4	1.68%	-		-
City of Aurora	3,600	5	1.12%	2,700	4	0.96%
Raytheon Company	2,500	6	0.78%	2,100	7	0.74%
Littleton School District	2,100	7	0.65%	2,500	6	0.88%
Columbia HCA Swedish	2,000	8	0.62%	1,700	9	0.60%
Arapahoe County	1,900	9	0.59%	1,800	8	0.64%
Arrow Electronics	1,900	10	0.59%	-		-
Great West Life & Annuity Insurance	-		-	2,600	5	0.92%
Columbia HCA Med Ctr Aurora	-		-	1,400	10	0.50%
EchoSphere	-		-	5,000	2	1.77%
Total	40,200		12.50%	32,300		11.43%

Source:
Employer data was obtained from Arapahoe County's 2016 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**

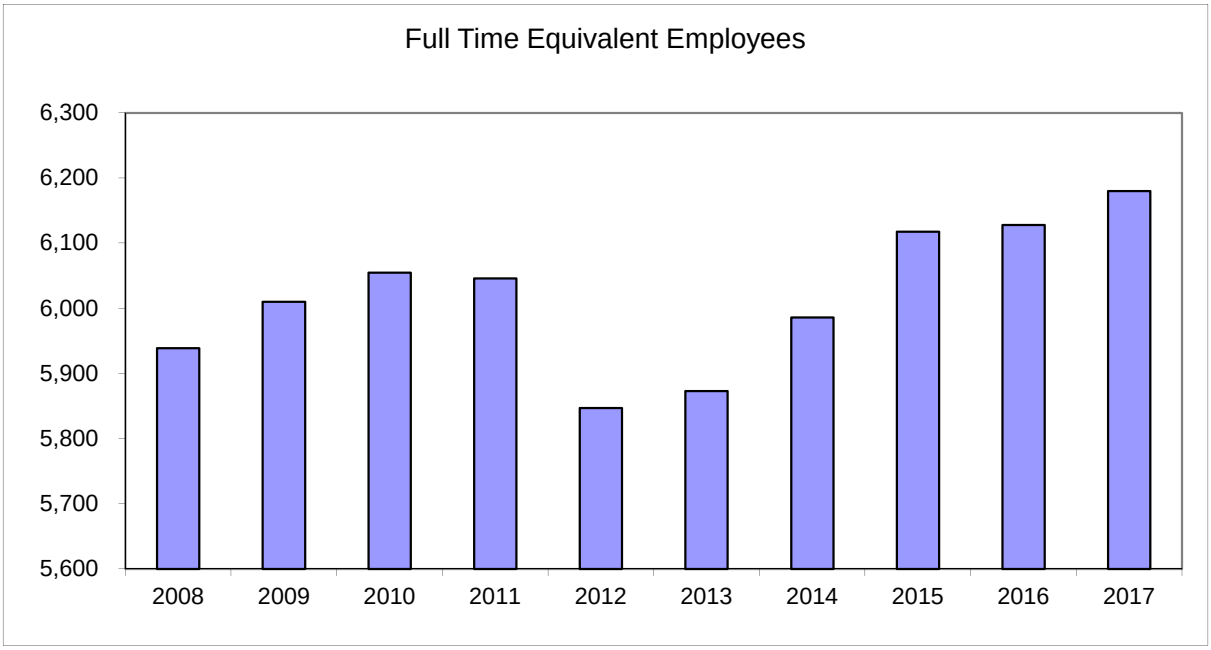
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund										
Administrators	138	140	139	141	143	146	148	159	162	164
Teachers	3,241	3,262	3,262	3,285	3,188	3,219	3,285	3,335	3,332	3,345
Teacher Assistants & Aides	179	179	189	192	187	185	184	207	207	208
Staff Support	388	391	389	333	336	365	368	390	398	405
Secretarial	382	385	379	380	349	327	333	343	344	344
Maintenance	70	71	70	70	66	66	69	71	71	76
Custodians	91	92	94	90	89	93	94	86	86	88
Bus Drivers	241	252	259	222	222	222	243	245	233	235
Mechanics	21	21	22	22	22	22	22	22	22	22
Mental Health	94	95	96	96	95	98	106	109	112	114
Nurses	59	60	60	59	58	61	62	61	62	62
Bus Aides	80	81	101	88	87	88	89	118	118	118
Designated purpose grants	192	202	212	175	181	156	162	152	154	159
Extended child services	514	532	532	532	565	566	560	560	565	567
Other governmental funds	21	11	18	15	16	7	7	7	7	7
Food services operations	228	236	233	346	243	253	254	252	255	266
Total	5,939	6,010	6,055	6,046	5,847	5,873	5,986	6,118	6,128	6,180

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.



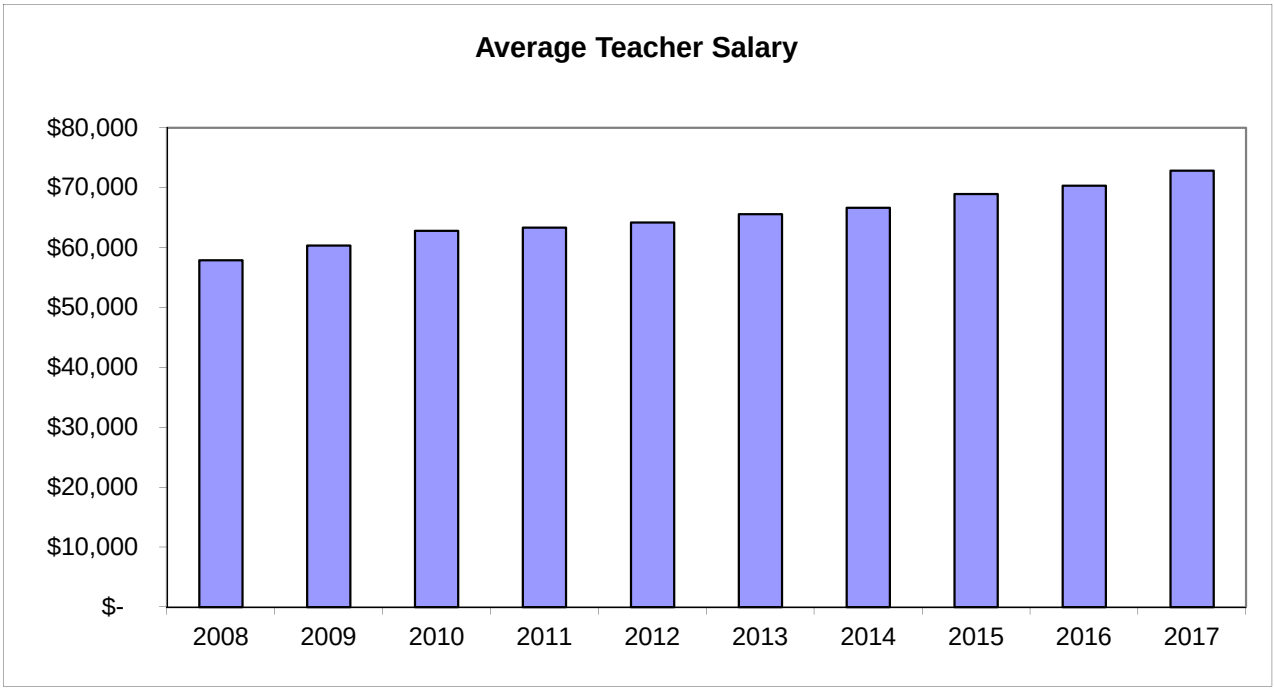
CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO

Teacher Salary,
Last Ten Fiscal Years

Schedule 17

Fiscal Year	Contract Length	Salary: Beginning Teacher	Salary: Maximum Teacher	Salary: Average Teacher
2008	185	$ 34,044	$ 77,299	$ 57,884
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

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
2008	$ 469,575	47,752	$ 9,834	4.19%	3,241	14.7	10,608	22.2%	86.8%	2.9%
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	16,336	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 .5 FTE for fiscal year 2008 and at .58 FTE for fiscal years 2009 to 2017. 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.

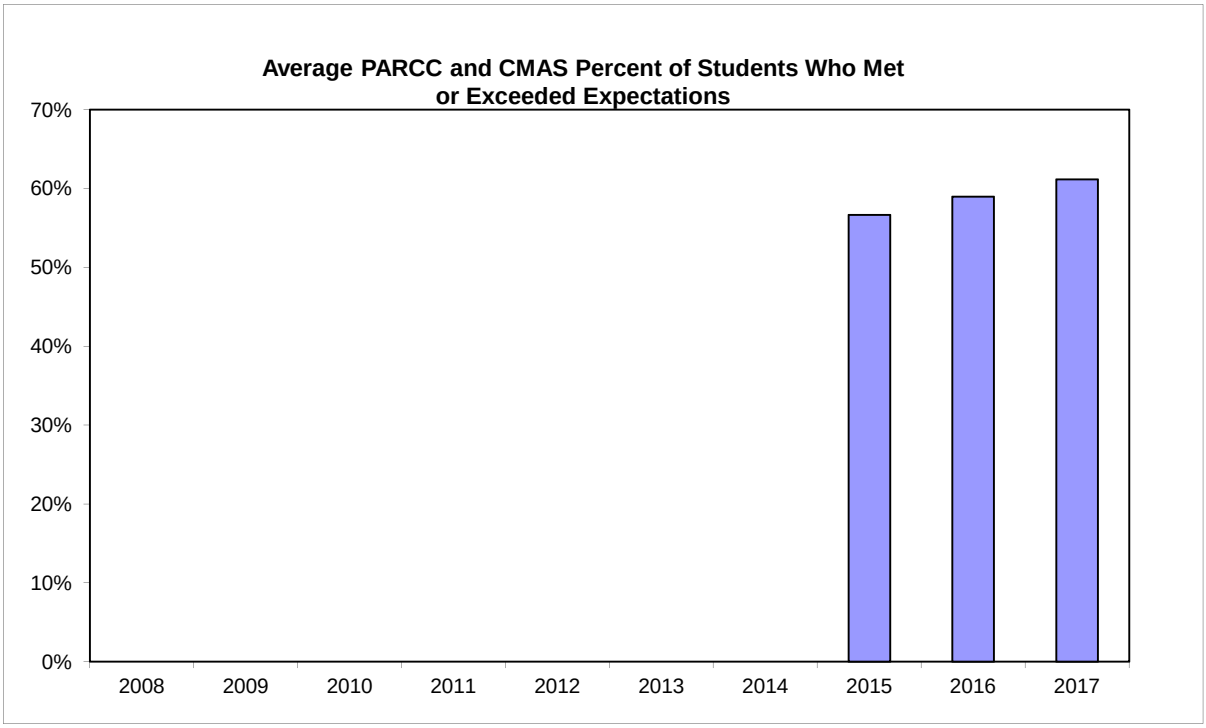
(4) Starting with fiscal year 2010, the Colorado Department of Education instituted the Colorado School Performance Framework (SPF). Results are released by the Colorado Department of Education annually for the prior fiscal year. The ratings are: Performance, Improvement, Priority Improvement, and Turnaround. 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 2017 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 2017 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	Algebra I	Geometry	Algebra II	Science	
-	-	-	-	-	-	-	-	-	-	21.5
-	-	-	-	-	-	-	-	-	-	21.5
54.00	4.00	-	-	-	-	-	-	-	-	21.3
56.00	3.00	-	-	-	-	-	-	-	-	21.3
55.00	4.00	-	-	-	-	-	-	-	-	21.4
58.00	1.00	-	-	-	-	-	-	-	-	21.6
51.00	7.00	-	1.00	-	-	-	-	-	-	21.9
51.00	7.00	-	1.00	50%	40%	47%	71%	86%	46%	21.8
56.00	3.00	1.00	-	51%	43%	50%	83%	87%	40%	22.2
49.00	9.00	2.00	-	51%	43%	48%	85%	98%	42%	21.5



CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO

School Building Information,
Last Ten Fiscal Years

Schedule 19

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
High Schools										
Cherokee Trail (2004)										
Square feet	362,000	362,000	362,000	362,000	362,000	362,000	362,000	362,000	391,000	391,000
Capacity (students)	2,347	2,347	2,347	2,347	2,347	2,347	2,647	2,647	2,880	3,211
Enrollment	1,901	2,131	2,293	2,354	2,414	2,499	2,588	2,676	2,797	2,978
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	3,659	3,490	3,437	3,379	3,387	3,417	3,461	3,452	3,486	3,566
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	2,533	2,833	2,833
Enrollment	2,389	2,363	2,290	2,311	2,256	2,341	2,450	2,479	2,590	2,655
Grandview (1999)										
Square feet	353,024	353,024	353,024	353,024	353,024	353,024	353,024	353,024	368,500	368,500
Capacity (students)	2,316	2,316	2,316	2,316	2,316	2,316	2,616	2,616	2,730	2,730
Enrollment	2,693	2,580	2,539	2,528	2,541	2,537	2,534	2,512	2,610	2,623
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	2,173	2,423	2,423	2,423	2,423
Enrollment	2,084	1,995	2,088	2,139	2,193	2,139	2,235	2,279	2,222	2,301
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	2,422	2,329	2,307	2,261	2,124	2,027	2,093	2,036	2,031	2,074
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	396	461	460	461	461	370	280	283	269	255
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	1,348	1,443	1,408	1,421	1,400	1,434	1,409	1,420	1,441	1,392
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	1,118	1,127	1,075	1,060	1,014	1,051	1,026	1,018	927	940
Fox Ridge (2009)										
Square feet		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
Enrollment		531	734	812	913	989	1,123	1,197	1,338	1,435
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	1,130	1,038	1,000	947	950	984	997	970	993	945
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	1,227	1,207	1,168	1,163	1,155	1,128	1,118	1,124	1,136	1,118
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	1,140	1,332
Enrollment	1,211	964	951	1,046	1,055	1,082	1,073	1,088	1,119	1,144
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	1,440	1,740	1,740	1,740	1,990
Enrollment	1,568	1,507	1,530	1,552	1,692	1,687	1,697	1,693	1,718	1,763
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	838	785	784	820	830	867	886	876	851	824
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	1,159	1,137	1,197	1,172	1,214	1,258	1,291	1,316	1,316	1,291
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	1,170	1,174	1,120	1,113	1,093	1,135	1,208	1,220	1,224	1,256

(continued)

CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO

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

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
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	682	698	699	700	647	585	579	610	581	592
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	587	597	597	593	577	578	542	576	551	520
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	367	447	454	481	478	504	534	498	489	507
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	592	880
Enrollment	531	528	563	537	543	506	516	546	562	596
Black Forest Hills (2012)										
Square feet						68,866	68,866	68,866	68,866	68,866
Capacity (students)						648	648	648	648	648
Enrollment						308	455	479	501	529
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	337	504	620	420	501	529	578	609	605	632
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	810	648	648	648	648	648	648	648
Enrollment	653	659	672	604	583	303	587	536	539	499
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	493	507	527	566	567	568	563	542	536	518
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	490	495	476	465	451	439	477	449	453	451
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	550	564	582	609	595	594	579	578	570	570
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	444	549	629	718	781	572	595	620	616	627
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	671	701	701	701	701
Enrollment	586	610	648	652	656	677	673	650	600	605
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	750	747	754	741	748	751	742	612	566	526
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	356	369	397	391	386	384	380	370	380	370
Eastridge (1964)										
Square feet	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000
Capacity (students)	868	868	868	868	868	868	868	868	868	868
Enrollment	725	662	697	716	720	723	736	733	688	700
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	700	722	723	776	769	710	653	620	600	574
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	384	380	376	364	390	388	394	403	408	405

(continued)

CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO

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

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
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	234	237	261	276	273	270	259	262	261	288
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	403	444	499	481	482	476	489	496	518	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	539	564	566	550	564	567	593	555	525	494
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	262	273	221	236	324	276	286	272	273	252
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	214	256	289	292	263	282	314	334	298	305
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	484	480	479	481	495	513	502	499	499	465
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	457	475	471	440	429	447	440	461	473	469
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	549	534	540	531	516	490	476	457	463	467
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	513	502	451	404	374	397	405	107	425	451
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	637	604	606	584	579	623	598	574	556	514
Mountain Vista (2014)										
Square feet								68,866	68,866	68,866
Capacity (students)								704	704	704
Enrollment								248	339	390
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	576	581	557	535	518	549	525	526	509	514
Pine Ridge (2011)										
Square feet				68,866	68,866	68,866	68,866	68,866	68,866	68,866
Capacity (students)				648	648	648	758	758	758	758
Enrollment				451	575	726	744	708	751	722
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	397	379	366	390	427	408	405	416	434	436
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	661	711	711	711	711
Enrollment	545	585	601	627	649	683	694	717	695	655
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	508	504	542	609	629	640	624	633	578	563
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	723	683	657	625	619	615	603	607	590	564

(continued)

CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO

School Building Information,
Last Ten Fiscal Years

Schedule 19 (continued)

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
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	550	576	558	524	524	500	519	490	490	426
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	489	479	445	428	421	370	352	312	312	319
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	623	618	595	583	597	581	570	574	574	538
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	590	609	607	578	576	573	551	549	550	550
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	499	490	492	500	542	500	466	450	415	369
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	605	653	739	755	733	714	763	722	671	676
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	373	370	338	350	338	319	321	326	289	266
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	492	494	513	508	499	507	501	526	507	500
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	523	525	526	524	523	525	522	522	522	521
Cherry Creek Academy (1998)										
Square feet	44,500	44,500	44,500	44,500	57,130	57,130	57,130	57,130	57,130	57,130
Capacity (students)	450	450	450	450	588	588	588	588	588	588
Enrollment	430	437	449	451	461	466	476	529	543	0
I-Teams - 3 facilities										
Square feet	39,568	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	30	41	33	23	26	51	45	57	35	49
Administrative and Support										
10 Current Facilities										
Square feet	220,089	220,089	220,089	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

Dedicated to Excellence

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	0305-16-00003	"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	07-01-16 to 07-01-17
Joint School Districts Workers' Compensation Self Insurance Pool	31-C	Statutory Workers' Compensation Insurance	07-01-16 to 07-01-17
ACE American Insurance Co	PHFD38406097004	Foreign Liability Insurance	07-01-16 to 07-01-17
QBE Insurance Corporation	AHH 007253	Travel Accident Insurance	07-01-16 to 07-01-17

Limits		Deductible	
Per Occurrence	$ 1,000,000,000	(Pool limit)	
		$ 100,000	per occurrence
	$ 1,115,650,681		
	$ 165,731,148		
	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	(Pool limit)	
Reported value		$ 25,000	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	$ 2,000,000	$ 50,000	per occurrence
Aggregate	$ 5,000,000		
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	$ 1,000,000	$ 50,000	liability deductible per occurrence
Pool Aggregate	$ 10,000,000	$ 100,000	remediation expense deductible per occurrence
Per occurrence	$ 1,000,000	$ 50,000	per occurrence
Pool Aggregate	$ 10,000,000		
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		

Cherry Creek Schools

Dedicated to Excellence

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

Dedicated to Excellence

Cherry Creek Schools

Dedicated to Excellence

CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
for the year ended June 30, 2017

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	$ 5,190,001
Special Education--Grants to States (IDEA, Part B)	84.027	4027	9,084,410
Special Education--Preschool Grants (IDEA Preschool)	84.173	4173	148,679
subtotal IDEA Cluster			9,233,089
Special Education -- IDEA Part D , Preschool Pyramid	84.323	6323	1,913
English Language Acquisition Grants (Title III)	84.365	4365	331,017
English Language Acquisition Grants (Title III, Set Aside)	84.365	7365	52,538
Improving Teacher Quality State Grants (Title IIA)	84.367	4367	738,484
Title I, Part G, Advanced Placement for Disadvantaged Students	84.330	5330	13,643
Race to the Top - Early Childhood Readiness Assessment	84.412	5412	5,000
Passed through Colorado Community College and Occupational Education System			
Vocational Education - Basic Grants To States (Perkins III)	84.048	4048	263,447
Passed through State Department of Education			
Rehabilitation Services - Vocational Rehabilitation Grants To States	84.126	6126	161,916
Total U.S. Department of Education			15,991,048
U.S. DEPARTMENT OF AGRICULTURE			
Passed through State Department of Education			
School Breakfast Program	10.553	4553	1,368,404
Fresh Fruit and Vegetable Program	10.582	4582	31,451
National School Lunch Program	10.555	4555	5,634,654
Passed through State Department of Human Services			
USDA Commodities	10.555	4555	1,231,930
subtotal Child Nutrition Cluster			8,266,439
Total U.S. Department of Agriculture			8,266,439
Passed through U.S. Department of Health and Human Services			
Through Sheridan School District No. 2			
Head Start	93.600	8600	284,280
Total U.S. Department of Health and Human Services			284,280
Total Federal Awards			$ 24,541,767

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For The Year Ended June 30, 2017

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 $1,231,930, 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.

CliftonLarsonAllen LLP
CLAconnect.com

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
Arapahoe County, 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, 2017, 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 16, 2017. 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 Districts' 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.

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 result 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 16, 2017

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
Arapahoe County, 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, 2017. 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.

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.

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, 2017.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2017-001. Our opinion on each major federal program is not modified with respect to these matters.

Cherry Creek School District No. 5's response to the noncompliance 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.

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 identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2017-001, 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 are described in the accompanying chedule 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 16, 2017

CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2017

Section I—Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ yes ☒ no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? ☐ yes ☒ none reported

Noncompliance material to financial statements noted? ☐ yes ☒ no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ☐ yes ☒ no
- Significant deficiency(ies) identified? ☒ yes ☐ none reported

Type of auditor's report issued on compliance for major program: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ☒ yes ☐ no

Identification of major program:

CFDA Number(s)	Name of Federal Program or Cluster
84.027 and 84.173	Special Education Cluster

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

Auditee qualified as low-risk auditee? ☒ 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

2017-001

Federal agency: U.S. Department of Education

Federal program title: Special Education Cluster

CFDA Number: 84.027 and 84.173

Pass-Through Agency: Colorado Department of Education

Pass-Through Numbers: 4027 and 4173

Award Period: July 1, 2016 through June 30, 2017

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

Criteria or specific requirement: Per the Office of Management and Budget (OMB)'s Uniform Guidance 2017 Compliance Supplement for CFDA 84.027 and 84.173, organizations are required to have procedures for verifying that an entity with which it plans to enter into a covered transaction is not debarred, suspended, or otherwise excluded.

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.

Questioned Costs: None.

Context: We noted the District does have policies and procedures in place for compliance with suspension and debarment requirements, however those controls were not effective for these instances most likely due to these transactions being moved from the District's general fund to its grants fund due to availability of grant funding and allowability under the grant.

Cause: There are no suspension or debarment procedures in place for activity originally recorded in the General Fund.

Effect: The District could not be in compliance with suspension and debarment requirements for its federal programs.

Repeat Finding: No.

Recommendation: The District should implement policies for verifying suspension and debarment compliance for all transactions or for those transactions that are moved from non-federal sources to federal sources.

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, 2017

Dedicated to Excellence

Cherry Creek School District No. 5 respectfully submits the following corrective action plan for the year ended June 30, 2017.

Audit period: July 1, 2016 - June 30, 2017

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

2017 – 001

Federal agency: U.S. Department of Education

Federal program title: Special Education Cluster

CFDA Number: 84.027 and 84.173

Pass-Through Agency: Colorado Department of Education

Pass-Through Number(s): 4027 and 4173

Award Period: July 1, 2016 through June 30, 2017

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

Recommendation: The District should implement policies for verifying suspension and debarment compliance for all transactions or for those transactions that are moved from non-federal sources to federal sources. .

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

Action taken in response to finding: The District has developed a protocol to identify transactions being moved from the District's General Fund or other funds to its Designated Purpose Grants Fund due to availability of grant funding and allowability under the grant. Those transactions will then be subject to a review by the District's purchasing department to verify the vendor associated with the transaction is not currently suspended or debarred through verification per SAM.gov.

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

Planned completion date for corrective action plan: October 1, 2017.

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

Dedicated to Excellence

CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2017

CherryCreekSchools

Cherry Creek School District No. 5 respectfully submits the following summary schedule of prior audit findings for the year ended June 30, 2017.

Audit period: July 1, 2016 - June 30, 2017

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 AUDITS

There were no federal award program audit findings in the prior year.

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

Dedicated to Excellence

Cherry Creek Schools

4700 SOUTH YOSEMITE STREET, GREENWOOD VILLAGE, CO 80111