

CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
JUNE 30, 2015



Dedicated to Excellence
Cherry Creek Schools

4700 SOUTH YOSEMITE STREET
GREENWOOD VILLAGE, CO 80111



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2015

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CHERRY CREEK SCHOOL DISTRICT NO. 5

ARAPAHOE COUNTY, COLORADO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2015

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ARAPAHOE COUNTY, COLORADO

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ARAPAHOE COUNTY, COLORADO

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CherryCreek
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INTRODUCTORY SECTION



Dedicated to Excellence
Cherry Creek Schools

CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO
BOARD OF EDUCATION
2014-2015



From Left to Right Standing
Randy Perlis, Vice President
Claudine R. McDonald, Secretary
Karen Fisher, Assistant Secretary/Treasurer

From Left to Right Sitting
James B. O'Brien, President
David Willman, Treasurer



Cherry Creek
Schools
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Our Mission

To inspire every student

to think,

to learn,

to achieve,

to care.

VISION, MISSION AND VALUES

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.



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Letter
of
Transmittal



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October 14, 2015

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, 2015. 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, 2015, 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*. 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. Statement No. 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, 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 Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*.

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.

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 619,000 residents, has the third largest population of the counties in Colorado. The District, with approximately 54,200 students projected for fiscal year 2015-2016, is currently the fourth largest of the 178 school districts in the state.

The following economic data was obtained from the September 2015 revenue forecast for the State of Colorado, prepared by the Governor's Office of State Planning and Budgeting.



Colorado's economy continues to show momentum, indicating its resilience in the face of slow global growth, the contraction in the oil and gas industry, and volatility in financial markets. This shows that the State continues to have many favorable ingredients for economic growth, most notably its diverse mix of industries producing goods and services in high demand in today's economy. However, the oil and gas industry's contraction is contributing to slower overall job and income growth in 2015 compared with the robust growth of 2014. Job growth for the State is forecast to be 2.8 percent in 2015, 0.7 percentage points less than 2014's 3.5 percent growth.

Recent indicators on the underlying health of the economy are mostly positive. New business activity in the State, a main source of job and economic growth, continued to expand through the first half of the year, the latest data available. Further, the most recent data on initial claims for unemployment insurance and income tax collections from wage withholding indicate a healthy job market.

Job growth in Colorado continues despite the oil and gas slowdown. Colorado added 64,900 new jobs from July 2014 to July 2015, a year-over-year increase of 2.6 percent. The leisure and hospitality sector led job growth by adding 14,800 jobs, while most other industries experienced more modest increases. The contraction in the oil and gas industry continued to result in job losses for the sector, although recent survey data suggests that employment losses are slowing.

Housing prices continue to rise at strong rates, another indicator of the State's economic growth. Housing prices continue to grow as high demand outpaces the supply of homes, especially in Front Range urban areas. Higher construction costs are also contributing to the strong appreciation. Rents are increasing at similarly fast rates. These sustained strong increases in housing costs, especially in Front Range urban areas, are acting as a constraint on growth and making affordable housing a challenge for some.

The national economy showed improvement heading into the second half of 2015. The latest annualized growth figures for real, or inflation-adjusted, gross domestic product (3.7 percent), consumer spending (3.1 percent), and business investment (3.2 percent) were all relatively strong during the second quarter. Additionally, the value of construction put in place in July hit its highest level since May 2008 with a growth rate of 13.7 percent over July 2014. Although continued growth is expected throughout the remainder of the year, the global economic environment and financial market volatility continue to present challenges.

The national job market continues to grow. The U.S. economy added 2.9 million jobs from August 2014 to August of this year, up from growth of 2.7 million in the previous one-year period.

The national unemployment rate has fallen to a new post-recession low. The official unemployment rate dipped to 5.1 percent in August, down 0.6 percentage points from January and a full percentage point from August 2014. In addition, a broader measure of unemployment suggests a continued slow but steady recovery in the labor market.



As oil and gas prices remain suppressed by robust supply and dampened demand, further contraction in the industry is expected. Based on more recent jobs data, and with the recent volatility and decrease in the price of oil, it is likely that oil and gas industry employment losses will be larger than the 10 percent drop estimated in prior forecasts. Direct employment in the oil and gas industry is now expected to decline by approximately 15 percent this year. As growth in the oil and gas industry over the previous few years contributed a large share of the overall growth in employment and income in Colorado, the slowdown in the industry has implications for the rest of the economy. However, expansion in other industries in Colorado continues to outweigh the slowdown in the oil and gas industry. Further, lower oil prices help households and businesses that consume oil-related products. Therefore, overall employment growth is expected to continue in 2015, albeit at a slower pace than in 2014. Job growth for the State is forecast to be 2.8 percent in 2015, 0.7 percentage points slower than 2014's 3.5 percent growth.

U.S. Gross Domestic Product (GDP) is a barometer for the economy's overall performance and reflects the value of final output in the U.S. The U.S. economy is expected to weather some global headwinds to achieve GDP growth of 2.4 percent in 2015 and slightly higher growth of 2.5 percent in 2016.

Personal income growth in Colorado will slow to 4.9 percent in 2015, largely as the result of the oil and gas slowdown. However, the State's healthy overall economy will result in a rebound in 2016 to 5.7 percent personal income growth. National data for the first two quarters of 2015 shows that personal income growth is on track to be 4.3 percent for the year, and continued improvements in the labor market will lead to 4.9 percent growth in 2016.

Per-capita income in Colorado will grow to \$50,441 in 2015 and \$52,407 in 2016. Nationally, per-capita income will increase to \$47,693 in 2015 and \$49,618 in 2016.

Wage and salary growth in Colorado will slow somewhat in 2015 from the 2014 increase of 6.3 percent, partly as the result of the oil and gas slowdown. The forecast growth rate for 2015 is 5.2 percent, with higher growth of 5.8 percent in 2016. Wage and salary income for the nation will increase 4.7 percent in 2015 and 5.5 percent in 2016.

Increasing net migration rates are expected to boost Colorado's population 5.1 percent from 2014 to 2017. The State's total population is expected to reach 5.63 million by the end of that period. The country as a whole is expected to grow about half as quickly on an annual basis, with population rising by only 2.6 percent between 2014 and 2017.

Colorado's unemployment rate fell to 4.2 percent in January of this year and has remained at or near that level despite a contraction in the oil and gas industry. The State will average 4.3 percent for 2015 and remain at that level through 2016. The national unemployment rate will remain higher than Colorado's at 5.4 percent in 2015, and drop to 5.0 percent in 2016.

Continued broad-based economic growth in the State will result in a 2.8 percent rise in nonfarm employment in 2015. Growth in 2016 should increase slightly to 2.9 percent. U.S. nonfarm payroll jobs will increase 2.0 percent in both 2015 and 2016.

After slow growth in 2014, Colorado residential construction permits will increase 7.9 percent in 2015 and 16.1 percent in 2016, when 35,900 permits will be issued. The increases will be driven by strong housing markets in metro areas in the State. Similarly, U.S. housing permits will rebound from slow 2014 growth to increase 15.6 percent in 2015 and 16.1 percent in 2016.

Following 2014, in which the value of nonresidential construction permits reached \$4.3 billion, growth will moderate in 2015 to 7.3 percent for a final value of \$4.6 billion.

Nationally, prices have remained essentially flat for the first seven months of 2015, largely due to falling gas prices. Zero growth in the nationwide Consumer Price Index (CPI) is forecast for the year. Prices are expected to rise 1.9 percent in 2016.

The national Producer Price Index will fall 7.1 percent in 2015, largely due to low fuel and commodity prices, but will grow 3.5 percent in 2016. The Denver-Boulder-Greeley CPI will grow 1.8 and 2.6 percent in 2015 and 2016, respectively, mostly due to continued rising housing costs.

Retail trade sales in Colorado will grow more slowly in 2015 than in the previous year, posting 4.8 percent growth. Sales will increase 5.5 percent in 2016. Nationwide retail trade will grow 2.3 percent in 2015 and 4.9 percent in 2016.

The State 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 money, policies enacted over the past few years have transferred other State general appropriations money to the State Education Fund. The State Education Fund plays an important role in the State's budget. Under the State constitution, the State Education Fund helps fund preschool through 12th grade education, the largest State program. Therefore, higher or lower spending from the State Education Fund generally affects general State appropriations in order to support the targeted level of school funding. Decisions in one year affect the range of choices in the next year because they impact the available balance in the State Education Fund for future spending and general appropriations availability for other programs.

Tax revenue to the State Education Fund will increase 4.0 percent in fiscal year 2015-2016 and 9.2 percent in fiscal year 2016-2017. Because this revenue is derived from taxable income, it follows the trends in individual income and corporate income tax revenue collections. The moderation in economic activity tied to the

contraction in the oil and gas industry and global economic headwinds, along with slower growth in investment income and weaker oil and gas royalty payments, is diminishing growth in revenue to the State Education Fund in FY 2015-2016. However, these factors will abate in FY 2016-2017, resulting in stronger revenue growth to the State Education Fund.

Transfers of excess reserves over the past few fiscal years have caused an increase in the balance of the State Education Fund. However, higher spending and lower revenue will put increasing strain on the State Education Fund's balance in the coming years. For example, spending from the State Education Fund in fiscal year 2015-2016 is 165 percent of new projected revenue to the State Education Fund. By the end of fiscal year 2015-2016, the balance is projected to fall nearly 55 percent to \$310.1 million from levels a year earlier. The trend is projected to continue into fiscal year 2016-2017, as the year-end balance drops by another 58 percent to \$130.4 million.

The State Education Fund is supporting a larger share of education funding than it has historically, which is drawing down its fund balance. State Education Fund expenditures for fiscal year 2014-2015 and fiscal year 2015-2016 reflect current law. The fiscal year 2016-2017 expenditures amount projects spending needed to keep the negative factor in the School Finance Act at the current dollar amount of \$855.2 million, while maintaining a balance of about \$130 million in the State Education Fund, which equates to about two percent of total program funding costs for education.



Changes in the overall 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, including higher education, Medicaid, and other human services. In times of weaker economic conditions, the use of government services increases as incomes decline, unemployment grows, and more people seek education and training to better their job prospects.

Although Colorado's economy is demonstrating momentum, economic conditions around the world exhibit some weakness, especially in China and other large developing economies. The recent turmoil in financial markets may also be cause for concern if the instability persists and leads to further tightening credit conditions or a material downgrade in expectations for economic growth. The slowdown in the oil and gas industry could hamper growth further, as well, especially if oil prices remain at low levels for an extended period of time. Even relatively small changes in the projected growth rate of revenue sources can materially impact the budget outlook.

The State's forecast projects TABOR revenue will exceed the State's revenue cap from fiscal year 2015-2016 through fiscal year 2017-2018. Higher-than-expected revenue collections would result in more revenue above the cap. In contrast, slower-than-expected revenue growth would result in future forecasts showing smaller amounts above the cap, or perhaps revenue being below the cap. These changes would have implications for critical components of the budget, such as the amount of the State's money available for spending and the amount required to be transferred to transportation and capital construction.

As an example, the forecast assumes that the amount of the TABOR rebate for fiscal year 2015-2016 will result in a transfer of \$101.8 million from the State's General Fund for transportation projects and an additional \$25.4 million to capital construction, as dictated by Senate Bill 09-228. However, a decrease of just 0.15 percentage points, or \$15.0 million, in revenue subject to TABOR would result in these transfers doubling. This amount is well within the amount of typical forecast error. Therefore, future revisions to the forecast could show the full transfers occurring. This would cause the amount of funds below the required reserve in fiscal year 2015-2016 to potentially decline by a further \$100 million from the current level of \$34.3 million, requiring larger budget balancing actions.

The budget implications of the current forecast are significant. In the current year, the enacted budget has a small shortfall that can be managed within existing flexibility and reserves.

The Colorado Legislative Council Staff also prepares a revenue forecast each quarter. In June, there was approximately a two percent difference between the two State General Fund revenue projections, with the Governor's Office of State Planning and Budgeting forecast being higher. Based on that difference and if it remains true, the current year shortfall is bigger and would carry forward to fiscal year 2016-17. As the impact of the TABOR limit is assessed, the potential transfers under Senate Bill 09-228, and the expected cost of maintaining the negative factor at its current level, the available new revenue for the State's General Fund are potentially severely limited.

Provisions of TABOR limit the growth of 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.

In November 2005, voters approved Referendum C, which allowed the State to retain all revenue through FY 2009-2010 during a five-year TABOR “time out.” Referendum C also set a new cap on revenue starting in FY 2010-2011. Starting with FY 2010-2011, the amount of revenue that the State may retain under Referendum C is calculated by multiplying the revenue limit between FY 2005-2006 and FY 2009-2010 associated with the highest TABOR revenue year (FY 2007-2008) by the allowable TABOR growth rates for each subsequent year.

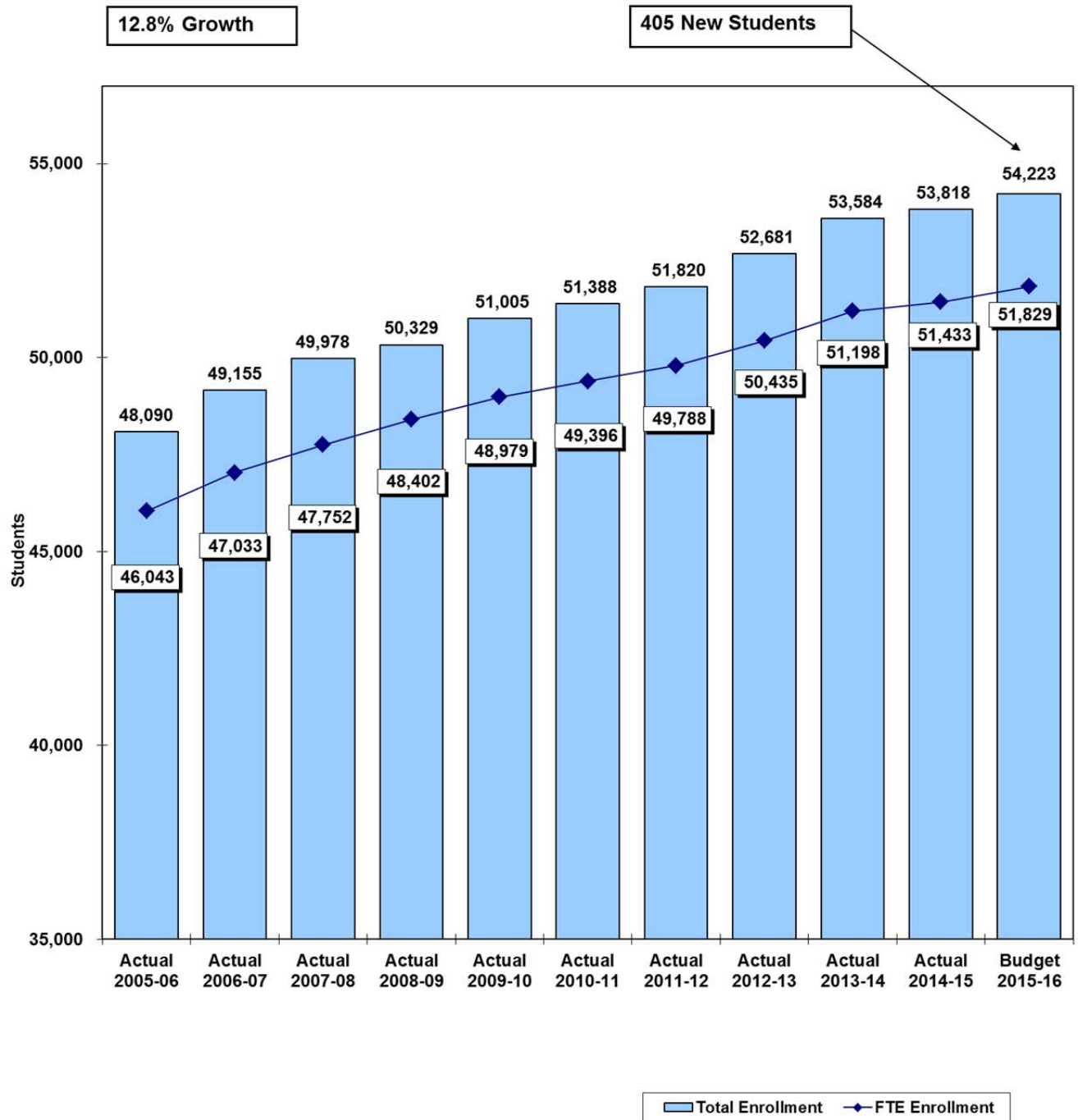
Most State General Fund revenue and a portion of the State’s Cash Fund revenue are included in calculating the revenue cap under Referendum C. Revenue that is not subject to TABOR includes revenue exempt by Colorado voters, federal money, and revenue received by

entities designated as enterprises, such as public universities and colleges.

TABOR revenue exceeded the Referendum C cap by \$150.0 million in FY 2014-2015. TABOR revenue is projected to exceed the cap by \$116.7 million in FY 2015-2016, \$398.0 million in FY 2016-2017, and \$474.5 million in FY 2017-2018. Consequently, a refund to taxpayers will occur for the next four years, unless voters allow the State to retain the revenue. Colorado law currently specifies three mechanisms by which revenue in excess of the cap is refunded to taxpayers: a sales tax refund to all taxpayers (“six-tier sales tax refund”), the Earned Income Tax Credit to qualified taxpayers, and a temporary income tax rate reduction. The refund amount determines which refund mechanisms are used.



CHERRY CREEK SCHOOLS
Enrollment Growth For Ten Years



Note: 2015-2016 enrollment numbers are projected.

Enrollment

District enrollment increased last fall by 234 students to put the District at 53,818 students for the 2014-2015 school year. The breakdown of those students includes 23,645 in elementary schools; 12,182 in middle schools; 15,747 in high schools; 568 in the District's charter school; 1,019 pre-school students and 47 special program students, and 610 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 235.2 FTE students to 51,432.7. 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. Since the 2008-2009 school year, the average growth is closer to 500 students. While enrollment for the 2015-2016 school year is budgeted to increase by 396 FTE, current projections indicate the enrollment increase may be closer to 250 FTE.

School Financial Issues

The primary revenue sources for the District are based on the current provisions of the Colorado Public School Finance Act of 1994, as amended annually. Funding provided under this Act, which is from local property taxes including voter

approved mill levy budget overrides of \$84.6 million, specific ownership taxes from vehicle registration, and state equalization aid is approximately 95% of the District's General Fund revenues for fiscal year 2014-2015.

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 improved during the last three 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.

In order to address reductions in funding while minimizing the use of District reserves, the Board placed a resolution before the voters to increase the mill levy budget override by \$25.0 million, which passed in November 2012. As a result of that additional funding the District was able to increase its level of reserves.

State economic forecasts indicated an increase in State revenues for fiscal year 2013-2014. The September 2013 Economic Forecast prepared by the Governor's Office of State Planning and Budgeting indicated that fiscal year 2012-2013 had increased revenues which caused a larger State fund balance going into fiscal year 2013-2014. As required by HB 12-1338, revenues above the statutory reserve requirements at the end of fiscal year 2012-2013 were transferred to the State Education Fund.

With the more favorable economic condition of the State, the School Finance Bill for the 2013-2014 fiscal year reflected a 1.9% increase 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. The per pupil funding for the District for the 2013-2014 fiscal year was \$6,581.05, compared to the fiscal year 2012-2013 funding of \$6,406.07. This additional funding, along with the 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 has continued to improve during the 2013-2014 fiscal year. The 2014 State legislative session created two bills related to school funding; HB 14-1298, School Finance Act and HB 14-1292, Student Success Act. The effect of both bills combined for the District is to increase per pupil funding to \$6,982.33 which is an increase of approximately \$401 for the 2014-2015 fiscal year. For the 2014-2015 fiscal year, the Student Success Act (HB 14-1292) provided a component of the revenue increase, resulting in a reduction of the District's Negative Factor in the School Finance formula from \$61.4 million in fiscal year 2013-2014 to \$53.5 million in fiscal year 2014-2015. At the State level, the Negative Factor was reduced by \$110 million from \$1.0 billion in fiscal year 2013-2014 to \$894 million in fiscal year 2014-2015.

The School Finance Act legislation for the 2014-2015 fiscal year reflected a 2.8% increase in base per pupil funding in accordance with the 2013 Consumer Price Index. The State also funded enrollment growth along with \$27 million of additional English Language Learner (ELL) funding statewide. The District's portion of this additional ELL funding was \$1.4 million.

The State did continue to provide partial funding of full day kindergarten for the 2014-2015 school year at an additional .08 FTE for each kindergartener enrolled. The District continues to provide full day kindergarten at six schools.

The FY 2015-2016 budget reflects a stable outlook for revenue. The School Finance Act legislation for the 2015-2016 fiscal year includes a 2.8% increase in base per pupil funding in accordance with the 2014 Consumer Price Index and funding for enrollment growth. Per pupil funding FY 2015-2016 is projected to be \$7,246.63, which is an increase of \$265 per pupil over the prior fiscal year.

The School Finance Act includes a reduction of the State's Negative Factor of \$25 million resulting in additional funding to the District of approximately \$1.6 Million. The District's share of the Statewide Negative Factor will decrease from an estimated \$53.5 million in fiscal year 2014-2015 to \$51.9 million in fiscal year 2015-2016. At the State level, the Negative Factor was reduced from \$880 million in fiscal year 2014-2015 to \$855 million in fiscal year 2015-2016.

The budget balancing plan for fiscal year 2015-2016 includes using \$10.9 million of General Fund reserves. 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. Future District planning may include the option for a local budget override election in the fall of 2016, along with assessing the long-range facility needs of the District and a possible bond election also in the fall of 2016.

Additional discussion of Economic Factors and Next Year's Budget can be found in the MD&A found 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 is 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.

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 math 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.

Colorado Measures of Academic Success

The Colorado State Board of Education adopted updated Colorado Academic Standards in 10 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, math, 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 math 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 results of elementary and middle school students' 2015 tests in science and social studies were released in July 2015. The results of students' 2015 tests in English language arts and math will be released in the fall of 2015.

In future years, the English language arts and math scores will be available before the beginning of the next school year. Science and social studies scores will continue to be available in July.

CMAS testing time is comparable to previous tests in Colorado. Overall, the estimated amount of testing time on CMAS is expected to be less than 1.5% of typical students' total instructional time.

In spring 2015, PARCC shortened the length of its math and English language arts tests and condensed the tests into one window. As a result, testing time will be reduced by approximately 90 minutes for all students 3rd through 9th grade.

The assessment system for the 2015-2016 school year will include the following tests:

- English language arts 3rd through 9th grade
- Math in grades 3rd through 9th grade
- Science in grades 5, 8 and 11
- Social studies in grades 4, 7 and 11 (Over the next three years, about one-third of elementary and middle schools will be selected each year to administer social studies assessments. In November, the Colorado Department of Education will share with districts their selected schools for this year. Social studies exams will not be administered to high school students in the 2015-16 school year. To meet the new law's requirement for a three-year sampling plan for social studies tests, these assessments will be administered at zero percent of high schools in 2016, approximately 50 percent of high schools in 2017, and the remaining 50 percent in 2018.)
- College preparatory exam in 10th grade
- College entrance exam in 11th grade

In the 2015-2016 school year, CMAS assessments for third through ninth graders will take place from April 11–29. However, the Colorado Department of Education will allow districts to begin testing one to three weeks early if they cannot complete testing within the allotted timeframe due to limitations on the number of computers or other devices needed for testing. The college entrance and preparatory exams taken by 11th and 10th graders, respectively, will be taken in the spring of 2016.

The new 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.

Because this is first year of the new tests in English language arts and math, the scores mark a new baseline for students. The scores are 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. Adjusting to these changes will take time but evidence in other states such as Kentucky, Massachusetts and Tennessee have proven that over time, students will achieve proficiency on more rigorous tests. Higher proficiency of higher standards means Colorado students will be better prepared for college and career success.

The test scores do not impact GPA, class ranking or college acceptance. The State legislature has made the decision not to tie this year's test scores to teacher or school rankings and evaluations. This will give students, teachers and schools more time to gain more experience with the standards and aligned assessments.

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.

There are five performance levels:

- Level 5: Student demonstrated a **distinguished command** of subject matter and is academically well prepared to engage successfully in further studies.
- Level 4: Student demonstrated a **strong command** of subject matter and is academically prepared to engage successfully in further studies.
- Level 3: Student demonstrated a **moderate command** of subject matter and will likely need academic support to engage successfully in further studies.
- Level 2: Student demonstrated a **partial command** of subject matter and will need academic support to engage successfully in further studies
- Level 1: Student demonstrated a **minimal command** of subject matter and will need extensive academic support to engage successfully in further studies.



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 2014-2015 fiscal year to help 1,553 students, and will be funded \$1.3 million for the 2015-2016 fiscal year to help 1,468 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 SB 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

In the 2014 legislative session, some adjustments were made to the State's accountability system to account for the transition from the Transitional Colorado Assessment Program (TCAP) assessments to the CMAS assessments in the spring of 2015. House Bill 14-1182 addresses the adjustments to school and district accountability frameworks during the assessment transition.

CMAS results will not be used for District accreditation ratings in 2015 or for educator evaluations during the 2014-2015 school year. This “time out” created by the State legislature will allow educators, schools and districts to gain more experience with the standards and aligned assessments before they are used for accountability purposes.

The Colorado Department of Education will not assign new school or district ratings during the fall of 2015, meaning schools and districts will retain the ratings they were assigned at the end of 2014. Ratings will be issued again in the fall of 2016.

For the last measurement period, most of the District's schools are included in the top two plans with 86% of Cherry Creek schools assigned to Performance Plans, 12% 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 become the first and only large, diverse school district in the State to be Accredited with Distinction.



Curriculum Overview

The Guaranteed and Viable Curriculum addresses the extent to which a school can “guarantee” that no matter who teaches a given course or a given grade level, certain content will be taught. The curriculum is “viable” in that teachers can adequately address the guaranteed content in the instructional time available to them. The process of developing the Guaranteed and Viable Curriculum requires the District to determine what standards are essential for students to learn and specifically list what students must know when graduating from Cherry Creek Schools so that they are prepared for success in college or other educational endeavors.

The District is committed to providing a “world class” curriculum for all students. Emphasis is placed on ensuring that every student will be prepared for college or other postsecondary options. 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

Cherry Creek's Framework for World Class Instruction



Dedicated to Excellence
Cherry Creek Schools

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 Cherry Creek Teaching/Learning Cycle 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 within each one separately and links them to specific aspects of the Cherry Creek Teacher Observation Record.

Excellence in Action

This District Performance Plan ensures that all District improvement efforts reflect the Vision, Mission and Values and support the District's long-term goals.

District Goals

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

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

The District Performance Plan was developed through a research-based, community engagement process in 2009-2010 and has been updated annually since then. It outlines the District Goals and the Major Improvement Strategies and Key Actions that will help the District accomplish those goals. The District Performance Plan is based on the Cherry Creek Schools Unified Improvement Plan which is required by the Colorado Department of Education. It is available at www.schoolview.org.

Progress toward those goals is demonstrated by increasing the number of schools that meet the District targets for the Key Performance Indicators including Academic Achievement, Academic Growth and College Readiness.

All of these components build on and support one another. Taken together, they form a comprehensive improvement plan that will guide the District into the foreseeable future. This plan is based on the District's vision *Dedicated to Excellence*, its mission *to inspire every student to think, to learn, to achieve, to care* and its 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.



District Strategic Goals and Objectives

Inclusive Excellence

Inclusive excellence goal: High academic performance and growth for every student.

Objective: Every school will meet or exceed District and State targets for academic performance and growth by 2015-2016.

Schools can meet these targets by increasing the percent of students who demonstrate sufficient growth to achieve or maintain Proficient or Advanced levels of performance on State assessments.

Inclusive excellence goal: Eliminate differences in academic performance and growth by race.

Objective: Every school will meet or exceed District and State targets for academic performance and growth for students of color by 2015-2016.

Schools can meet these targets by increasing the percent of students of color who demonstrate sufficient growth to achieve or maintain Proficient or Advanced levels of performance on State assessments.

College and Post-secondary Preparedness and Success

College and Post-secondary Preparedness and Success goal: Every student leaves high school ready for success in college and other post-secondary training.

Objective: Every school will meet District and State college readiness targets by 2015-2016.

Schools can meet these targets by increasing the percent of students who meet specified benchmarks on PARCC Reading at grade 3 and Colorado ACT tests at grade 11.

Objective: Every high school will meet or exceed District and State graduation rate targets by 2015-2016.

Schools can meet these targets by increasing the graduation rates for all racial groups.

Colorado Performance Frameworks

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

Schools can meet this target by achieving an overall rating of 80% or higher on the Colorado School Performance Framework.

District Improvement Strategies and Key Actions

Provide all students with the opportunity to learn rigorous academic concepts through interdisciplinary, real-world applications in Science, Technology, Engineering and Mathematics(STEM)

- Build the capacity of students and teachers in the use of STEM methodologies to teach, learn, and make connections to the real world.
- Expand opportunities and access to rigorous curriculum in STEM disciplines leading to concurrent enrollment and career pathways.
- Align STEM curriculum, instruction and assessments to the Colorado Academic Standards and support trans-disciplinary planning.



Provide all students the opportunity to learn rigorous academic content so that they are prepared for college and postsecondary success upon graduation from high school.

- Align all course offerings to the Colorado Academic Standards to promote success on the ACT college readiness benchmarks.
- Enroll students in a postsecondary experience (AP, IB, Concurrent Enrollment) prior to graduation.
- Require all students to complete a postsecondary and workforce readiness plan and are on track to meet their goals prior to graduation.
- Ensure all students have opportunity to read and understand complex texts, write for a variety of purposes and demonstrate effective use of academic vocabulary across all content areas.

Provide equitable academic experiences which include all students in excellence

- Implement co-teaching models to ensure successful access to content for all students.
- Implement structures of opportunity that support all students in excellence.
- Deliver ongoing training and support to all district staff in the Cherry Creek School District's Comprehensive Framework for Equity.
- Ensure English Language Learners and students with disabilities are afforded opportunities to participate in college preparatory content with necessary supports.

Establish strong positive relationships between parents of students of color and school and district staff

- Implement effective Partnerships for Academically Successful Students (P.A.S.S.) at the district level and in every school.
- Solicit student and parent feedback focused on the quality of the learning environment in every school.

Develop and implement a systemic plan for professional learning for all Cherry Creek School District Employees.

- Ensure that every classroom has a high quality, effective educator, supported by high-quality, effective leaders and support staff.
- Build the capacity of all staff to deliver culturally responsive and pedagogically sound instruction to meet the needs of all students.

Create/sustain supportive learning environments in which each student feels safe, respected as a learner, and connected with adult staff, other students, and the community.

- Promote effective partnerships among students, families and school staff to gain meaningful input and shared responsibility for student success.
- Support the physical, social and emotional well-being of every student and staff member.
- Ensure parents have information in a language and format that they understand.

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 (NIMS).

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

Student enrollment growth requires the District to construct new school facilities. Over the last ten years, enrollment has grown by 12.8% or over 6,000 students. Current projections show that enrollment will continue to increase, although at a slower rate than the past few years. Enrollment for the 2015-2016 school year is projected at over 54,200 students.

To meet future student housing needs, community and staff representatives of the District Long Range Facility Planning Committee completed a five year needs assessment, covering 2012 to 2017. The Committee developed and presented facility planning recommendations for the construction of additional school buildings and other capital improvements to the Board of Education for their approval.

Among other factors, the committee considers the age and condition of the school buildings in determining projects to include in the bond issue. A detail of each school's size, capacity, enrollment and year of opening is included in Schedule 19 of the Statistical Section on pages 142 to 146.

The committee recommended expansions to Grandview and Cherokee Trail high schools, along with STEM focused programming at the remaining high schools instead of building a new high school at an estimated cost of \$125.0 million. Recommendations for renovations and facility upgrades include such items as architectural redesign, electrical, mechanical, and plumbing upgrades for facilities with extensive needs, and enhancement of the learning environment to better meet the needs of students and teachers. Renovations include items such as middle schools that were originally constructed in the 1970's and 1980's with an open classroom concept. Classrooms have since been divided with temporary walls that do not contain electricity or data to support a 21st century education. In addition, every high school will receive a complete review and enhancement of STEM programming. This will allow all current and future students the opportunity to engage in an education that will prepare them for post-secondary and workforce readiness and success in the 21st century.

The District Long Range Facility Planning Committee has started discussions to develop a new five year needs assessment and the possibility of asking District voters to approve a bond election in the fall of 2016.

On November 6, 2012, the District's voters approved a bond and mill levy budget override. The mill levy budget override provides \$25.0 million for operating expenses to:

- Maintain class size in the kindergarten through twelfth grades.
- Provide students with the curriculum and instruction necessary for success in college and the workplace.
- Continue the District's commitment to academic excellence and provide an educational program of the highest quality and standards.
- Utilize technology and computer applications to ensure student success in the 21st century.

The bond election provides \$125.0 million for long-term costs, including:

- Provide facilities and equipment to increase student learning opportunities in STEM focused classrooms.
- Repair, renovations and building additions across the District including modernizing wiring, fire protection, heat and air conditioning systems and plumbing.
- New technology including internet and network equipment.
- Safety and security.

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 are 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, 2015, 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 65-96, 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 2014-2015 fiscal year related to District accounting policies.

However, effective for the 2014-2015 fiscal year, the District was required to apply the Governmental Accounting Standards Board Statement No. 68 Accounting and Financial Reporting for Pensions. This new GASB pronouncement has a significant impact on the District's Government-Wide financial position, while the District's Fund level statements are not impacted. This pronouncement is discussed in more detail in the MD&A on pages 41 to 56.

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, 2015. In addition to meeting the requirements of the Colorado statutes, the audit was also designed to meet the requirements of the Single Audit Act Amendments of 1996 and related OMB Circular A-133. 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, 2014. 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 two 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 2014-2015 budget document. In addition, the ASBO awarded its Meritorious Budget Award to the District for the fiscal year 2014-2015 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/

Guy G. Bellville
Chief Financial Officer

Association of School Business Officials International



*The Certificate of Excellence in Financial Reporting Award
is presented to*

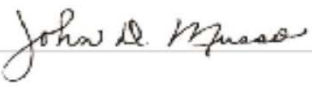
Cherry Creek School District No. 5

*For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2014*

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




Mark C. Pepera, MBA, RSBO, SFO
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, 2014



Jeffrey R. Emer

Executive Director/CEO

**CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO**

**List of Elected and Appointed Officials
as of July 1, 2015**

Elected Officials

Board of Education

District A	James B. O'Brien
District B	Claudine R. McDonald
District C	David Willman
District D	Randy Perlis
District E	Karen Fisher

Appointed Officials

District Leadership Team

Superintendent	Dr. Harry C. Bull, Jr.
Associate Superintendent	Dr. Scott Siegfried
Assistant Superintendent	Sheila Graham
Assistant Superintendent	Dr. Judy Skupa
Assistant Superintendent	Brooke Gregory
Chief Financial Officer	Guy G. Bellville
General Counsel	Sonja McKenzie

ADMINISTRATIVE ORGANIZATIONAL CHART as of July 1, 2015



**CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO**

**ADMINISTRATIVE FUNCTIONS
as of July 1, 2015**

**Associate Superintendent
Educational Operations
Scott Siegfried**

Supervision of Schools

Elementary

Principals
Challenge School
Cherry Creek Academy
Extended Child Services

Middle School

Principals

High School

Principals
North Area Achievement Support
Endeavor Academy
Options Program
Concurrent Enrollment

Athletics and Activities

Career and Technical Education

Student Achievement Services

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

Health Services

School Nurses
Pandemic Planning

Wellness

Comprehensive Wellness Strategy
Physical Wellness
Psychological Wellness
Environment Wellness

Prevention/Bully-Prevention

Security

Security Teams
Crisis Response

**Assistant Superintendent
Performance Improvement
Judy Skupa**

Curriculum and Instruction

Content & Instructional
Technology Coordinators &
Coaches
Professional Learning
Gifted & Talented
Media Services
On-line Learning
S.T.A.R. Mentor Program

**Science, Technology, Engineering
& Mathematics (STEM)**

STEM Coaches
Career & Technical Education

Inclusive Excellence

District P.A.S.S & Equity Teams
AVID
English Language Acquisition
Cultural Liaison

Funded Projects

Federal/State/Local Grants

Assessment and Evaluation

Districtwide Testing
District & School Performance
Improvement Report
District Accountability
Committees

**Chief Financial Officer
Guy Bellville**

Fiscal Services

Accounting

Accounts Payable
Accounting/Reporting
Capital Assets
Investments
Payroll
Financial Systems
Foundation Accounting & Reporting

Budget

Budget Preparation
Financial Planning/Projections

Legislative Liaison

Risk Management

Property & Casualty Insurance
Workers' Compensation Claims
Risk Assessment

Printing Services

**Assistant Superintendent
Educational Support Services
Sheila Graham**

Facilities Maintenance

Construction/Renovation
Custodial Maintenance
Facility Planning
Grounds/Carpentry

Facility Support

Utilities/Energy Conservation

Food and Nutrition Services

Catering
Food Services Operations

Transportation

**Planning and Interagency
Relationships**

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

Information Systems

Business Information Systems
Data Processing
Student Information Systems
Technology Customer Service

**Assistant Superintendent
Human Resources
Brooke Gregory**

Administrative Leadership Academy

Background Checks
Benefits-Health Insurance
Educator Effectiveness
Employee Negotiations/Relations
Licensure/NCLB Liaison
Personnel Investigations
Post-Employment Certified
Relations
Pre-Employment Recruitment
Student-Teacher Placement
Substitutes
Teacher & Administrator
Recruitment
Teacher & Classified Evaluations

**General Legal Counsel
Sonja McKenzie**

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



CherryCreek
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FINANCIAL SECTION



Dedicated to Excellence
Cherry Creek Schools

INDEPENDENT AUDITORS' REPORT

Board of Directors
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 discretely presented component unit, 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, 2015, 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, which represent 100 percent of the assets, net position, and revenues of the discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Cherry Creek Academy, is based solely on the report 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 were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal controls over financial reporting or reportable noncompliance associated with Cherry Creek Academy.

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 report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the District as of June 30, 2015, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

Adoption of New Accounting Standard

As described in Note 19 to the financial statements, the District adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and the related GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, an amendment of GASB Statement No. 68. As a result of the implementation of GASB Statement No. 68, the District reported a restatement for the change in accounting principle. Our opinions were not modified with respect to the restatement.

Additionally, as described in Note 19 to the financial statements, the District has recognized the Food Services Fund as a special revenue fund as of July 1, 2014 as required by the Colorado Department of Education. As a result of this change, the District reported a restatement for the change from a proprietary fund to a special revenue fund. Our opinions were not modified with respect to the restatement.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 41 – 56 and pension information on pages 107 – 108 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 and other auditors 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 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 U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, 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 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 was derived from and relates 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 by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and individual nonmajor fund financial statements and schedules, 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 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 14, 2015, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on 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.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Greenwood Village, Colorado
October 14, 2015



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Management's Discussion and Analysis



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Management's Discussion and Analysis

Cherry Creek School District No. 5

Arapahoe County, Colorado

June 30, 2015

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, 2015. 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 5-30.

Financial Highlights

- Effective July 1, 2014, the District is required to apply the Governmental Accounting Standards Board (GASB) Statement No. 68 *Accounting and Financial Reporting for Pensions* (GASB 68). This new GASB pronouncement is discussed in more detail under New Accounting Pronouncements on page 44.
- GASB 68 revises and establishes 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 now 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 \$1,064.7 million as of June 30, 2015. 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.
- Due to the effect of GASB 68, the District has a negative net position. The governmental liabilities and deferred inflows of resources exceed its assets and deferred outflows of resources by \$714.6 million.
- The net position of the District governmental activities includes \$170.5 million net investment in capital assets; net position of \$73.9 million restricted for debt service payments, required emergency reserves, restricted cash and food service operations; and an unrestricted net position balance of negative \$(959.1) 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.
- In prior years, the District reported its Food Services operations as a business-type activity separate from governmental activities. Due to a change in State regulations, the Food Services Fund is now 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 \$24.1 million during fiscal year 2014-2015. 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. If not for the effect of GASB 68, the District would show an increase in net position. Other than the spend down of funds in Capital Projects - Building Fund, the District's operations increased net position. Revenues exceeded expenses in the General Fund and the other governmental funds.
- The primary difference between the increase on a government-wide basis (exclusive of the effect of GASB 68) and the decrease in the governmental fund basis is the treatment of the spending of funds in the Capital Projects - Building Fund related to the \$125.0 million bond election approved by voters in 2012. On a governmental fund basis, the capital outlays associated with those 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. 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 \$14.2 million increase in net position and the net effect of debt related activity is an increase of \$27.9 million in net position.
- Fund balance of the District's governmental funds decreased by \$31.8 million resulting in an ending fund balance of \$169.3 million. The Capital Projects - Building Fund had a decrease in fund balance of \$47.4 million while the General Fund and all other governmental funds had an increase in fund balance. Voters approved a \$125.0 million bond election in November 2012 to provide facilities and equipment to increase student learning opportunities in Science, Technology, Engineering, and Math (STEM) focused classrooms; repair, renovations and building additions across the District including modernizing wiring, fire protection, heat and air conditioning systems and plumbing; new technology including internet and network equipment; and safety and security. These bonds were issued in December 2012. The remaining proceeds from that bond issue 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 decrease in fund balance from the Capital Projects – Building Fund of \$47.4 million is partially offset by an increase in Fund balance of \$5.0 million in the General Fund and an increase of \$10.5 million in the other governmental funds for a total net decrease in governmental funds of \$31.8 million.
- During the current fiscal year, the fund balance in the General Fund increased by \$5.0 million. The positive State economic trend continued in the 2014-2015 fiscal year and was reflected in school funding. The per pupil funding for the District for the 2014-2015 fiscal year was \$6,982.33, compared to the fiscal year 2013-2014 funding of \$6,581.05, an increase of \$401.28. The State was able to decrease the amount of the Negative Factor in the school funding formula and State funding included a 2.8% increase in base per pupil funding in accordance with the annual increase in the 2013 Consumer Price Index. The State also funded enrollment growth along with additional English Language Learner funding. This additional funding, along with strong property tax collections and specific ownership taxes and containment of expenditures enabled the District to have positive financial results for the 2014-2015 fiscal year.

- Total actual revenue received in the General Fund was positive to the revised budgeted revenue by \$5.4 million due to higher than projected property and specific ownership tax collections. The District was also able to reduce actual expenditures by \$9.8 million against budget. The positive expenditure variances include utilities, plant operations, general supplies, and benefits. Transportation expenditures were greater than anticipated.
- The District's long-term obligations decreased by \$27.9 million to \$531.7 million. The decrease is the net result of refinancing \$43.5 million of debt issued in 2005 at a lower interest rate, a capital lease entered into during the year for the purchase of computer equipment and 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 57-96 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). In prior years, the District reported its Food Services operations as a Business-type activity separate from governmental activities. Due to a change in State regulations, the Food Services Fund is now reported as a governmental fund and its operations are included in governmental activities. Governmental activities consolidate governmental funds including the General Fund, Debt Service Fund, Capital Projects Funds, and Special Revenue Funds.

The government-wide financial statements can be found on pages 57-59 of this report.

New 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. The actuarial valuation for accounting purposes emphasizes the obligation an employer incurs to employees through the employment-exchange process. The primary purpose of the valuation for accounting purposes is to provide a consistent, standardized methodology that allows comparability of amounts and increased transparency of the pension liability. 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 7.5%). An ADC deficiency arises when contributions are less than the ADC. For 2014, the School Division's ADC deficiency was \$125.4 million; over the past ten years, the ADC cumulative shortfall in School Division funding (without adjustment for investment earnings) has been \$1,896.6 million.

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 is required to apply GASB 68. GASB 68 significantly changes pension accounting and financial reporting by separating pension accounting methodologies from pension funding methodologies and 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.

GASB 68 establishes standards for a more comprehensive measure of pension expense. It has changed pension expense variables by identifying the method and assumptions that should be used to project and discount benefit payments, as well as how to attribute the actuarial present value to periods of employee service.

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 86-91 in the Notes to Basic Financial Statements for the full disclosure related to PERA.

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 types presented here are governmental funds. The District currently does not use 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, reconciliation is 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 65-96 of this report.

Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also contains supplemental information concerning the District's non-major governmental funds and schedules required as part of the Colorado Public School Finance Act and new GASB 68 required schedules. Combining and individual fund statements and schedules can be found on pages 98-106 of this report. The additional schedules required as part of the Colorado Public School Finance Act can be found on pages 111 of this report. The new GASB 68 schedules can be found on pages 107-108 of this report.



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 95% of the annual property tax assessment by the end of June.

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

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

Current and long-term liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, accrued salaries and benefits, unearned revenues, and current debt obligations. The liquidation of current liabilities is anticipated to be either from currently available resources, current assets or new resources that become available during fiscal year 2015-2016. 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 2015-2016.

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 financial 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 \$714.6 million. Total net position of the primary government does not include internal balances.

A net investment of \$170.5 million in land, improvements, buildings, equipment, and vehicles, provide services to the District's 53,818 public school students. Net position of \$50.0 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 District entered into a lease agreement to purchase school buses and the funding of \$4.2 million is reflected as restricted cash until the purchases of the buses are completed in fiscal year 2015-2016. The net position of Food Services operations of \$4.2 million is restricted for that funds use only. The required emergency reserves of \$15.6 million have also been restricted.

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 \$28.9 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 net pension liability is reported in the same manner as compensated absences and is \$1,065 million.

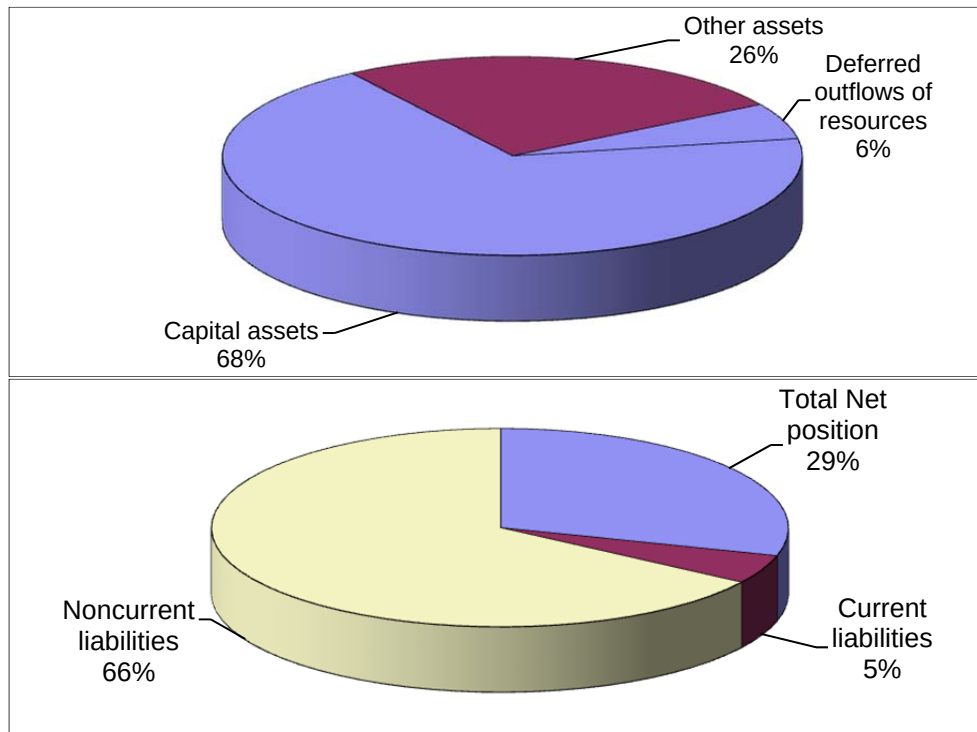


Cherry Creek School District No. 5
Comparative Summary of Net Position
as of June 30, 2015 and 2014
(in millions)

	Primary Government					
	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Assets:						
Capital assets	\$ 676.4	\$ 660.1	\$ -	\$ 2.2	\$ 676.4	\$ 662.3
Other assets	254.0	279.5	-	6.4	254.0	285.9
Total assets	930.4	939.6	-	8.6	930.4	948.2
Deferred outflows of resources:	58.2	1.6	-	-	58.2	1.6
Liabilities:						
Current liabilities	113.7	113.6	-	1.4	113.7	115.0
Noncurrent liabilities	1,589.5	553.8	-	-	1,589.5	553.8
Total liabilities	1,703.2	667.4	-	1.4	1,703.2	668.8
Net position:						
Net investment in capital assets	170.5	173.7	-	2.2	170.5	175.9
Restricted	73.9	60.3	-	0.2	73.9	60.5
Unrestricted	(959.0)	39.8	-	4.8	(959.0)	44.6
Total Net position	\$ (714.6)	\$ 273.8	\$ -	\$ 7.2	\$ (714.6)	\$ 281.0

Net position for 2014 was not restated as presented above for the implementation of GASB 68 and changing the Food Services Fund from a business-type activity to a governmental activity.

**Government-wide Total Assets as compared to Total Liabilities and Total Net Position
as of June 30, 2015:**



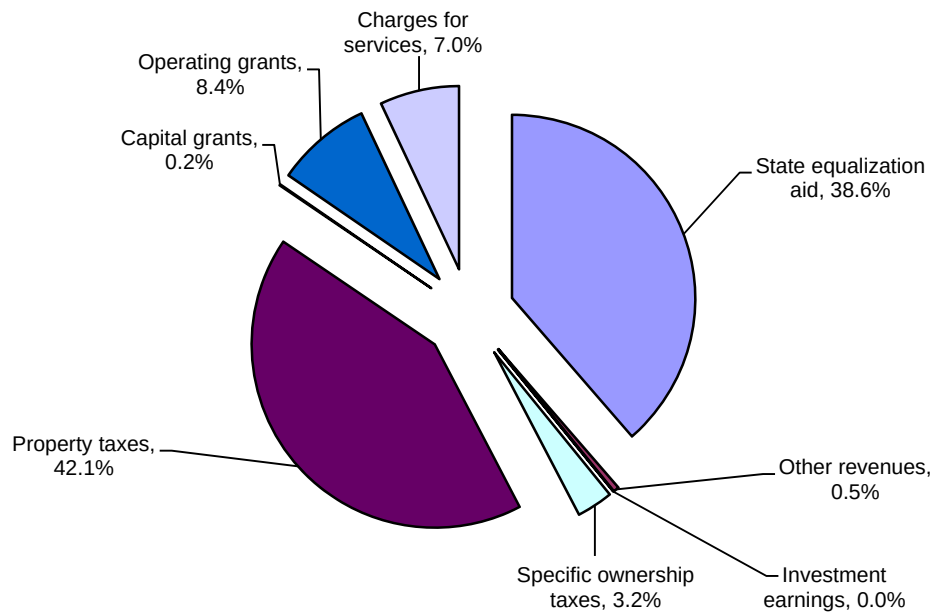
Government-wide Activities

Governmental activities decreased the net position of the District by \$24.1 million.

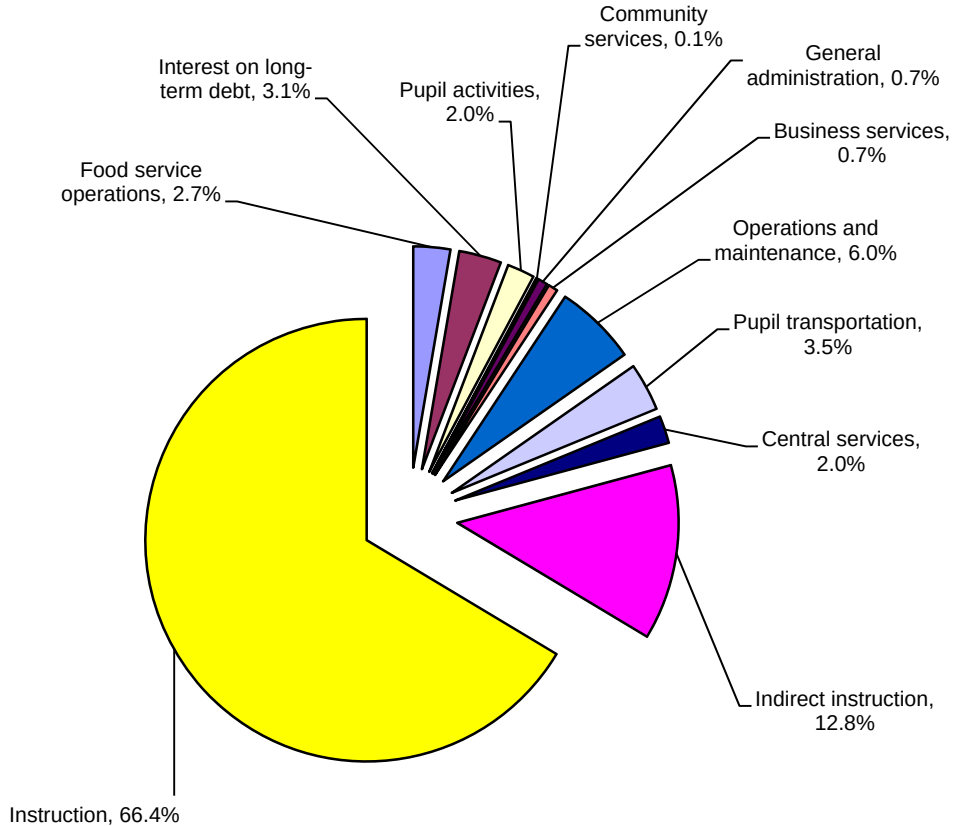
Cherry Creek School District No. 5 Comparative Schedule of Changes in Net Position as of and for the fiscal year ended June 30, 2015 and 2014 (in millions)						
	Governmental		Primary Government		Total	
	Activities		Business-type			
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Revenues:						
Program revenues						
Charges for services	\$ 42.0	\$ 31.3	\$ -	\$ 8.0	\$ 42.0	\$ 39.3
Operating grants and contributions	50.5	37.4	-	8.0	50.5	45.4
Capital grants and contributions	0.8	1.1	-	-	0.8	1.1
General unrestricted revenues						
Property taxes	253.0	251.0	-	-	253.0	251.0
Specific ownership taxes	19.1	17.6	-	-	19.1	17.6
Investment earnings	0.3	0.8	-	-	0.3	0.8
Other revenues	2.9	2.7	-	-	2.9	2.7
State equalization aid	232.1	211.6	-	-	232.1	211.6
Total revenues	<u>600.7</u>	<u>553.5</u>	<u>-</u>	<u>16.0</u>	<u>600.7</u>	<u>569.5</u>
Expenses:						
Governmental activities						
Instruction	414.3	365.2	-	-	414.3	365.2
Indirect instruction	79.8	68.1	-	-	79.8	68.1
Supporting services	81.2	78.2	-	-	81.2	78.2
Community services	0.7	0.8	-	-	0.7	0.8
Pupil activities	12.3	12.4	-	-	12.3	12.4
Interest on long-term debt	19.6	21.3	-	-	19.6	21.3
Food services operations	16.9	-	-	15.3	16.9	15.3
Total expenses	<u>624.8</u>	<u>546.0</u>	<u>-</u>	<u>15.3</u>	<u>624.8</u>	<u>561.3</u>
Increase (decrease) in net position before transfers	(24.1)	7.5	-	0.7	(24.1)	8.2
Transfers	<u>-</u>	<u>(0.9)</u>	<u>-</u>	<u>0.9</u>	<u>-</u>	<u>-</u>
Changes in net position	(24.1)	6.6	-	1.6	(24.1)	8.2
Net position beginning of year	<u>(690.5)</u> *	<u>267.2</u>	<u>-</u>	<u>5.6</u>	<u>(690.5)</u>	<u>272.8</u>
Net position end of year	<u>\$ (714.6)</u>	<u>\$ 273.8</u>	<u>\$ -</u>	<u>\$ 7.2</u>	<u>\$ (714.6)</u>	<u>\$ 281.0</u>

* The prior year net position is restated by \$(971.5) million from the implementation of GASB 68 and by \$7.2 million for the change of the Food Service Fund to a governmental activity.

Government-Wide Revenues fiscal year ended June 30, 2015



Government-Wide Expenses fiscal year ended June 30, 2015



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 \$20.5 million during the fiscal year, with property taxes increasing by \$2.0 million during the year. The economic condition of the State continued to improve during the 2013-2014 fiscal year which enabled the State Legislature to increase school funding for the 2014-2015 fiscal year. The State was able to decrease the amount of the Negative Factor in the school funding formula and State funding included a 2.8% increase in base per pupil funding in accordance with the annual increase in the 2013 Consumer Price Index. The State also funded enrollment growth along with additional English Language Learner funding. The per pupil funding for the District for the 2014-2015 fiscal year was \$6,982.33, compared to the fiscal year 2013-2014 funding of \$6,581.05, an increase of \$401.28. State equalization aid also increased from increased enrollment of 235.2 FTE. This additional funding, along with strong property tax collections and specific ownership taxes account for the increase in revenues.
- The State did continue to provide partial funding of full day kindergarten for the 2014-2015 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 5-30.
- Total governmental activities expenses increased by \$78.8 million. Approximately \$36.1 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. Exclusive of the impact of GASB 68 and the reclassification of Food Service operations from a business-type activity to a governmental activity total governmental activities expenses increased by 4.7%. Instructional expenses increased as a result of increased enrollment and related staffing and direct expenses related to those students. Teachers received a 2.8% increase on the salary schedule, an experience step increase and education attainment. Other employee groups received a 2.8% salary increase. Health insurance contributions were maintained at existing levels. Expenses also increased due to employer's retirement cost increases.



Financial Analysis of the Government's Funds

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

Governmental Funds. 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 \$169.3 million, a decrease of \$31.8 million in comparison with the prior year. Activity related to the Capital Projects – Building Fund from spending the proceeds of a \$125.0 million bond election approved by voters in November 2012 accounts for a decrease in governmental fund balance of \$47.4 million. The General Fund had an increase in fund balance of \$5.0 million to partially offset the decrease in fund balance from the Capital Projects – Building Fund. Further discussion is also found on page 42. Other governmental funds show an increase in fund balance primarily from increases in fund balance reserves in the Pupil Activities, Extended Child Services, Food Services and the Capital Reserve Fund.

The unassigned fund balance for the District at the end of the fiscal year includes \$41.2 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, \$3.2 million; 2) restricted for construction, \$25.8 million; restricted to pay debt service, \$50.9 million; restricted for investments in trust, \$4.2 million; restricted for food service operations, \$4.2 million; and restricted for emergency reserves, \$15.6 million; 3) committed for next year expenditures and future year commitments, \$11.9 million; committed to specific Extended Child Services activities, \$4.0 million; and committed to Pupil Activity activities, \$5.0 million; and 4) for a variety of other assigned purposes, \$3.3 million.

The Debt Service - Bond Redemption Fund has adequate resources accumulated to make the December 2015 principal and interest payments. The mill levy to accumulate resources for the June 2016 and December 2016 principal and interest payments will be certified in December 2015.

The Capital Projects - Building Fund is used to record the proceeds, interest earnings, and corresponding construction expenditures for voter approved bond issues. As noted on page 42, the District voters approved a \$125.0 million bond election in November 2012. This fund holds the remaining funding of that bond issue. Fund balance decreased by \$47.4 million due to spending capital projects from the 2012 bond issue.



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. The budget was also increased to include encumbrances at June 30, 2014 in the amount of \$661,069 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, 2014. Another supplemental budget appropriation was approved for the Bridges Math curriculum implementation in the amount of \$3,317,000.

The General Fund had an increase in fund balance of \$5.0 million. Per pupil funding from the State increased approximately \$401 and student enrollment increased by 235.2 FTE. This additional funding, along with strong property tax collections and specific ownership taxes and containment of expenditures enabled the District to have positive financial results for the 2014-2015 fiscal year. Further discussion is also found on page 42 and 43.

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 \$471.6 million. Unassigned fund balance represents 8.7% of expenditures while total fund balance represents 14.8% 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, 2015 and 2014 (in millions)			
	General Fund		
	<u>2015</u>	<u>2014</u>	
Nonspendable for:			
Prepayments and deposits	\$ 160,524	\$ 430,971	
Inventories	1,636,053	1,803,461	
Restricted for:			
Emergency reserve	14,148,000	13,383,000	
Committed for:			
Multiple year commitments	1,052,911	583,540	
Future year expenditures	10,866,300	2,949,900	
Assigned for:			
Future year purchases and curriculum	594,664	3,978,069	
Unassigned	<u>41,231,173</u>	<u>41,520,546</u>	
Total fund balance	<u>\$ 69,689,625</u>	<u>\$ 64,649,487</u>	

Capital Assets and Long-term Debt

Capital Assets

The District's investment in capital assets for its governmental activities as of June 30, 2015, amounts to \$676.4 million (net of accumulated depreciation). This investment in capital assets includes land, improvements, buildings, equipment and vehicles, and projects in progress. The total increase in the District's investment in capital assets for the current fiscal year was \$16.3 million, or a 2.5% increase. This increase is the result of the District voter's approval of a \$125.0 million bond election in November 2012. The District has been using those funds to make capital improvements as reflected in an increase in buildings.

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 \$26.1 million.
- Major projects included work on multiple school and facility renovations as outlined in the \$125 million bond issue approved by voters in 2012.

Cherry Creek School District No. 5 Capital Assets (net of accumulated depreciation) June 30, 2015 and 2014 (in millions)						
	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 19.9	\$ 19.4	\$ -	\$ -	\$ 19.9	\$ 19.4
Improvements	4.2	5.0	-	-	4.2	5.0
Buildings	615.2	575.3	-	-	615.2	575.3
Projects in progress	26.1	47.6	-	-	26.1	47.6
Equipment and vehicles	11.0	12.8	-	2.2	11.0	15.0
Total capital assets	<u>\$ 676.4</u>	<u>\$ 660.1</u>	<u>\$ -</u>	<u>\$ 2.2</u>	<u>\$ 676.4</u>	<u>\$ 662.3</u>

Additional information on the District's capital assets can be found in Note 6 on pages 78-79.



Long-term Debt

At June 30, 2015, the District had total bonded debt outstanding of \$519.8 million backed by the full faith and credit of the District.

The District's general obligation bonds decreased by \$31.1 million to \$519.8 million, which is the net result of a debt refinancing and the scheduled current year payments on existing debt.

In October 2014, the District refinanced \$43.5 million of the Series 2005 Bonds reducing the outstanding debt by almost \$6.0 million and lowering the average interest rate from 4.2% to 1.7%. This results in saving the District's taxpayers an average of \$558,000 per year from 2015 through 2024.

The District executed a master lease purchase agreement between the District and JPMorgan Chase Bank for the acquisition of computer equipment on August 16, 2013. The District may draw up to \$12.0 million. Total purchases in the prior fiscal year were \$9.9 million. Purchases in the current fiscal year were

\$1.7 million and resulted in a second draw on the lease purchase agreement.

The District also entered into a master lease purchase agreement with JPMorgan Chase Bank on March 24, 2015 in an amount not to exceed \$18.5 million for acquisition of buses. The District expects to purchase 178 school buses based on a replacement plan over five years. The District ordered 41 buses during the 2015-2016 fiscal year in the amount of \$4,178,571. This funding has been placed in escrow pending the receipt of the buses in early fiscal year 2015-2016.

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 \$889.2 million and the legal debt margin was \$444.6 million.

Cherry Creek School District No. 5 General Obligation Bonds and Capital Leases June 30, 2015 and 2014 (in millions)						
	Governmental Activities		Business-type Activities		Total	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
General obligation bonds	\$ 519.8	\$ 550.9	\$ -	\$ -	\$ 519.8	\$ 550.9
Capital leases	<u>11.9</u>	<u>8.7</u>	<u>-</u>	<u>-</u>	<u>11.9</u>	<u>8.7</u>
Total	<u><u>\$ 531.7</u></u>	<u><u>\$ 559.6</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 531.7</u></u>	<u><u>\$ 559.6</u></u>

Additional information on the District's long-term obligations can be found in Notes 9 and 10 on pages 81-85 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 improved during the last three fiscal years.

The State economy heading into the 2015-2016 reflects a stable outlook for revenue. The effect of the School Finance Act for the District is anticipated to increase Net Total Program Funding from an estimated \$358.2 million in the 2014-2015 fiscal year to \$373.6 million in the 2015-2016 fiscal year, an increase of \$15.4 million. Per pupil funding for the District for the 2015-2016 fiscal year is projected to be \$7,230, which is an increase of \$265 per pupil over the prior fiscal year.

For the 2015-2016 fiscal year, the School Finance Act (SB 15-267) provides a component of the revenue increase, resulting in a reduction of the District's Negative Factor by \$1.6 million in the School Finance formula from an estimated \$53.5 million in 2014-2015 to \$51.9 million in fiscal year 2015-2016. At the State level, the Negative Factor was reduced by \$25 million from \$880 million in fiscal year 2014-2015 to \$855 million in fiscal year 2015-2016. The Negative Factor is an approximate 12.13% reduction from Total Program Funding prescribed in the School Finance formula for the District.

The School Finance legislation for the 2015-2016 fiscal year reflects a 2.8% increase in base per pupil funding in accordance with the 2014 Consumer Price Index(CPI) and funding for enrollment growth. State Equalization Aid is anticipated to increase \$11.1 million from \$235.8 million in the 2014-2015 fiscal year to \$246.9 million in the 2015-2016 fiscal year. The component of the School Finance formula from the State base mill levy is projected to increase \$3.7 million, which uses a TABOR limit increase of 3.3%,

based on the 2.8% increase in the CPI, plus a revised estimate of a 0.5% increase in current funded enrollment growth. Cherry Creek pupil counts for funding purposes are based on an October 1, 2015 count date. Funded pupil count is now projected to be an estimated increase from 51,432.7 full-time equivalent(FTE) pupils to 51,682.7 full-time equivalent pupils, a revised estimated increase of 250 pupils, slightly less than the 396 FTE increase used in the budget, which was 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.

The State continues to provide partial funding of full day kindergarten. The State is funding all kindergarten students at a .58 full time equivalent. This additional funding of .08 FTE per kindergarten student has allowed the District to provide full day kindergarten at 6 elementary schools. Originally, the legislature intended to increase this funding level each year to enable school districts to expand full day kindergarten. However, due to the economic downturn and State funding issues, the funding level of .58 will remain for the 2015-2016 fiscal year.

The District preserved instructional programs for the 2015-2016 fiscal year by maintaining 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.

All employees enrolled in District medical benefits as of October 2015 will receive a \$400 stipend to offset the increasing cost of medical benefits. For the 2015-2016 fiscal year, employee groups other than teachers received a 2.8% increase to base pay. Employee groups other than teachers and administrators will also receive a lump sum payment in November 2015 equivalent to 2% of their pro-rated annual salary for the 2015-2016 fiscal year. Administrators will receive a lump sum payment in November 2015 equivalent to 1% of their pro-rated annual salary for the 2015-2016 fiscal year.

The District has entered into a Memorandum of Understanding with the teachers, mental health professionals and nurses for a two year agreement. For the 2015-2016 fiscal year, the District will provide teachers with a 2.9% increase to the salary schedule and a 0.5% lump sum payment to employees who have reached maximum salary along with providing experience step increases and additional education attainment increases. For the 2016-2017 fiscal year, the District plans to provide teachers with a cost of living increase, as determined by State legislature, to the salary schedule along with providing experience step increases and additional education attainment increases and a \$400 benefit off-set for those taking medical 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 18.35% of salary. This rate increases to 19.15% on January 1, 2016, then to 19.65% on January 1, 2017 and then caps out at 20.15% starting January 1, 2018.

The budget balancing plan for fiscal year 2015-2016 includes using \$10.9 million of General Fund reserves. 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.

District officials are reviewing options for a local budget override election in the fall of 2016, and assessing the long-range facility needs of the District through a committee process. There may be consideration given to a local election, given the uncertainty in the State legislative funding environment. Recent State developments are a matter of concern, regarding possible TABOR refunds and the perception that there may be less flexibility in the legislature regarding improvements in K-12 funding from State sources.

Recent State economic forecasts indicate an increase in State revenues. Information from the September 2015 Economic Forecast prepared by the Governor's Office of State Planning and Budgeting is included in the Letter of Transmittal on pages 6-11. While the economy in Colorado continues to improve, the State is limited to the amount of revenue that can be retained due to Provisions in 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. The State forecast expects the 2015-2016 fiscal year and the foreseeable future years to be above the TABOR limits, requiring refunds to taxpayers, which will impact the amount of State funds available to fund education.

Funding for the 2016-2017 fiscal year generally takes into consideration recent quarterly economic forecasts, primarily the March 2016 economic forecast. The School Finance Act is considered during the 2016 Legislative Session, which convenes in January 2016 and adjourns in May 2016.

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



CherryCreek
Schools
Dedicated to Excellence



CherryCreek
Schools
Dedicated to Excellence

CHERRY CREEK SCHOOL DISTRICT NO. 5

ARAPAHOE COUNTY, COLORADO

STATEMENT OF NET POSITION

June 30, 2015

	Primary Government	Component Unit
	Governmental	Charter
	Activities	School
ASSETS		
Cash	\$ 8,115,989	\$ 1,958,921
Cash held by county treasurer	2,558,791	-
Equity in pooled cash	108,284,750	-
Investments	58,080,947	421,314
Investments with escrow agent	49,934,129	-
Investments in trust	4,178,571	-
Receivables, net		
Property taxes	13,975,370	-
Other governments	4,321,974	-
Other	1,343,241	-
Prepayments and deposits	826,343	-
Inventories	2,400,242	-
Capital Assets		
Land	19,850,598	1,028,597
Improvements	24,499,250	599,221
Buildings	934,093,667	6,597,353
Equipment and vehicles	68,091,036	237,758
Projects in progress	26,096,182	-
Less accumulated depreciation	(396,193,614)	(1,569,488)
Total Capital Assets	676,437,119	6,893,441
Total Assets	930,457,466	9,273,676
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources related to pensions	57,184,811	1,079,340
Deferred outflows on refunding	966,546	95,599
	58,151,357	1,174,939
LIABILITIES		
Current Liabilities		
Accounts and other current payables	18,911,307	202,983
Accrued interest payable	884,955	34,372
Accrued salaries and benefits	45,384,822	206,484
Unearned revenues	7,037,906	79,750
General obligation bonds	32,660,000	135,000
Capital lease obligations	3,278,282	-
Compensated absences payable	5,552,541	-
Total Current Liabilities	113,709,813	658,589
Noncurrent Liabilities		
General obligation bonds	487,173,620	2,912,167
Capital lease payable	8,638,944	-
Compensated absences payable	28,907,223	-
Net pension liability	1,064,745,350	6,474,881
Total Noncurrent Liabilities	1,589,465,137	9,387,048
Total Liabilities	1,703,174,950	10,045,637
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources related to pensions	79,502	483
NET POSITION		
Net investment in capital assets	170,518,596	3,846,274
Restricted for:		
Debt service	49,975,958	333,253
Emergency reserve	15,575,000	138,199
Restricted investments in trust	4,178,571	-
Food service	4,157,168	-
Working capital	-	232,524
Repair and replacement	-	50,140
Unrestricted	(959,050,922)	(4,197,895)
Total Net Position	\$ (714,645,629)	\$ 402,495

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, 2015

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
Instruction	\$ 414,304,861	\$ 19,071,710	\$ 33,052,577	\$ 789,202
Indirect instruction	79,788,781	355,217	4,796,254	-
Support services				
General administration	4,493,078	-	-	-
Business services	4,398,011	207,183	-	-
Operations and maintenance	37,381,807	261,217	-	-
Pupil transportation	22,109,735	150,911	4,444,837	-
Central services	12,764,162	-	-	-
Community services	714,396	624,109	-	-
Pupil activities	12,352,432	12,529,479	-	-
Food service operations	16,856,380	8,833,988	8,236,816	-
Interest on long-term debt, unallocated	19,611,220	-	-	-
Total governmental activities	<u>624,774,863</u>	<u>42,033,814</u>	<u>50,530,484</u>	<u>789,202</u>
 Total primary government	 <u>\$ 624,774,863</u>	 <u>\$ 42,033,814</u>	 <u>\$ 50,530,484</u>	 <u>\$ 789,202</u>
 Component unit - Charter School	 <u>\$ 4,735,564</u>	 <u>\$ 279,643</u>	 <u>\$ 68,204</u>	 <u>\$ 90,605</u>

General unrestricted revenues

Taxes:

Property taxes

Specific ownership taxes

Investment earnings

Other revenues

State equalization aid

Sale of assets

Total general unrestricted revenues

Changes in net position

Net position, Beginning (restated)

Net position, Ending

See accompanying notes to basic financial statements.

Net (Expenses) Revenue and Changes in Net Position	
Primary Government	Component Unit
Governmental	
Activities	Charter School
\$ (361,391,372)	\$ (2,951,495)
(74,637,310)	-
(4,493,078)	(1,197,897)
(4,190,828)	-
(37,120,590)	-
(17,513,987)	-
(12,764,162)	-
(90,287)	-
177,047	-
214,424	-
(19,611,220)	(147,720)
<u>(531,421,363)</u>	<u>(4,297,112)</u>
\$ <u>(531,421,363)</u>	<u>-</u>
-	<u>(4,297,112)</u>
252,956,067	-
19,097,032	-
330,635	5,339
2,167,466	91,153
232,119,104	4,102,651
642,594	-
<u>507,312,898</u>	<u>4,199,143</u>
(24,108,465)	(97,969)
<u>(690,537,164)</u>	<u>500,464</u>
\$ <u>(714,645,629)</u>	<u>\$ 402,495</u>

**CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO**

**BALANCE SHEET
GOVERNMENTAL FUNDS**

June 30, 2015

	General Fund	Debt Service - Bond Redemption Fund	Capital Projects - Building Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash	\$ 20,379	\$ -	\$ -	\$ 8,095,610	\$ 8,115,989
Cash held by county treasurer	2,367,638	191,153	-	-	2,558,791
Equity in pooled cash	98,776,064	-	-	9,508,686	108,284,750
Investments	5,559,358	-	45,532,680	6,988,909	58,080,947
Investments - escrow agent	-	49,934,129	-	-	49,934,129
Investments in trust	-	-	-	4,178,571	4,178,571
Receivables, net					
Property taxes	11,670,255	2,305,115	-	-	13,975,370
Other governments	-	-	-	4,321,974	4,321,974
Other	1,303,702	16,106	8,393	15,040	1,343,241
Interfund receivables	9,565,275	-	-	-	9,565,275
Prepayments and deposits	160,524	-	4,207	661,612	826,343
Inventories	1,636,053	-	-	764,189	2,400,242
Total Assets	<u>\$ 131,059,248</u>	<u>\$ 52,446,503</u>	<u>\$ 45,545,280</u>	<u>\$ 34,534,591</u>	<u>\$ 263,585,622</u>
LIABILITIES					
Accounts payable	\$ 7,006,659	\$ -	\$ 10,681,534	\$ 1,216,587	\$ 18,904,780
Other payables	6,527	-	-	-	6,527
Interfund payables	-	-	9,031,423	533,852	9,565,275
Accrued salaries and benefits	42,794,571	-	-	2,590,251	45,384,822
Unearned revenues	-	-	-	7,037,906	7,037,906
Compensated absences	2,731,182	-	-	271,359	3,002,541
Total Liabilities	<u>52,538,939</u>	<u>-</u>	<u>19,712,957</u>	<u>11,649,955</u>	<u>83,901,851</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable property tax revenues	<u>8,830,684</u>	<u>1,585,590</u>	<u>-</u>	<u>-</u>	<u>10,416,274</u>
FUND BALANCES					
Nonspendable for:					
Prepayments and deposits	160,524	-	4,207	661,612	826,343
Inventories	1,636,053	-	-	764,189	2,400,242
Restricted for:					
Construction	-	-	25,828,116	-	25,828,116
Debt service	-	50,860,913	-	-	50,860,913
Investments in trust	-	-	-	4,178,571	4,178,571
Emergency reserve	14,148,000	-	-	1,427,000	15,575,000
Food service operations	-	-	-	4,157,168	4,157,168
Committed for:					
Multiple year commitments	1,052,911	-	-	-	1,052,911
Future year expenditures	10,866,300	-	-	-	10,866,300
Extended Child Services Fund activities	-	-	-	4,014,055	4,014,055
Pupil Activities Fund activities	-	-	-	4,953,013	4,953,013
Assigned for:					
Future year purchases and curriculum	594,664	-	-	-	594,664
Future year transfers	-	-	-	1,839,930	1,839,930
Capital Reserve Fund activities	-	-	-	889,098	889,098
Unassigned	<u>41,231,173</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>41,231,173</u>
Total Fund balances	<u>69,689,625</u>	<u>50,860,913</u>	<u>25,832,323</u>	<u>22,884,636</u>	<u>169,267,497</u>
Total Liabilities, Deferred inflows of resources and Fund balances	<u>\$ 131,059,248</u>	<u>\$ 52,446,503</u>	<u>\$ 45,545,280</u>	<u>\$ 34,534,591</u>	<u>\$ 263,585,622</u>

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, 2015

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

Total fund balance - governmental funds		\$ 169,267,497
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	\$ 1,072,630,733	
Accumulated depreciation is	<u>(396,193,614)</u>	676,437,119
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.		10,416,274
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	519,833,620	
Capital leases payable	11,917,226	
Compensated absences payable	31,457,223	
Net pension liability	<u>1,064,745,350</u>	(1,627,953,419)
Deferred outflows from refunding debt are not considered current financial resources and not reported in the governmental funds		966,546
Deferred inflows related to pensions are applicable to future periods and, therefore, are not reported in the funds.		57,184,811
Deferred outflows related to pensions are applicable to future periods and, therefore, are not reported in the funds.		(79,502)
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.		<u>(884,955)</u>
Total Net Position - governmental activities		<u><u>\$ (714,645,629)</u></u>

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, 2015

	General Fund	Debt Service - Bond Redemption Fund	Capital Projects - Building Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Taxes					
Property taxes	\$ 198,076,317	\$ 50,101,006	\$ -	\$ -	\$ 248,177,323
Specific ownership taxes	19,097,032	-	-	-	19,097,032
Intergovernmental					
Federal - grants	1,457,699	-	-	25,019,286	26,476,985
State - grants	-	-	-	1,966,537	1,966,537
State equalization aid	232,119,104	-	-	-	232,119,104
State transportation	4,444,837	-	-	-	4,444,837
State education of handicapped	10,674,340	-	-	-	10,674,340
State vocational education	1,944,188	-	-	-	1,944,188
Other state	2,769,410	-	-	-	2,769,410
Earnings on investments	43,925	41,692	226,904	18,114	330,635
Other					
Tuition	511,958	-	-	17,304,319	17,816,277
Fees and fines	1,253,755	-	-	-	1,253,755
Pupil activities	-	-	-	12,529,479	12,529,479
Donations	-	-	-	3,043,389	3,043,389
Food services sales	-	-	-	8,833,988	8,833,988
Miscellaneous	3,038,315	-	-	729,394	3,767,709
Total revenues	475,430,880	50,142,698	226,904	69,444,506	595,244,988
EXPENDITURES					
Current					
Instruction	318,763,895	-	-	30,918,391	349,682,286
Indirect instructional					
Pupil services	28,068,803	-	-	2,185,786	30,254,589
Instructional staff services	16,340,973	-	-	2,864,021	19,204,994
School administration	24,249,082	-	-	206,079	24,455,161
Support services					
General administration	4,184,892	-	-	-	4,184,892
Business services	3,678,923	-	-	242,024	3,920,947
Operations and maintenance	35,301,454	-	-	-	35,301,454
Pupil transportation	20,228,156	-	-	-	20,228,156
Central services	12,381,765	-	-	-	12,381,765
Community services	346,670	-	-	274,298	620,968
Pupil activities	-	-	-	12,352,432	12,352,432
Food service operations	-	-	-	16,051,226	16,051,226
Non-departmental	495,287	-	-	-	495,287
Capital outlay	209,325	-	43,482,489	8,029,718	51,721,532
Debt service					
Principal	-	29,890,000	-	2,661,624	32,551,624
Interest and fiscal charges	-	20,298,206	-	96,605	20,394,811
Total expenditures	464,249,225	50,188,206	43,482,489	75,882,204	633,802,124
Excess of revenues over (under) expenditures	11,181,655	(45,508)	(43,255,585)	(6,437,698)	(38,557,136)
OTHER FINANCING SOURCES (USES)					
Transfers in	1,204,033	4,110,647	-	7,345,550	12,660,230
Transfers out	(7,345,550)	-	(4,110,647)	(1,204,033)	(12,660,230)
Capital lease proceeds	-	-	-	5,873,383	5,873,383
Premium on bonds	-	7,077,043	-	-	7,077,043
Refunding bond proceeds	-	37,585,000	-	-	37,585,000
Bond refunding escrow agent	-	(44,431,763)	-	-	(44,431,763)
Sale of assets	-	-	-	642,594	642,594
Total other financing sources (uses)	(6,141,517)	4,340,927	(4,110,647)	12,657,494	6,746,257
Net change in fund balances	5,040,138	4,295,419	(47,366,232)	6,219,796	(31,810,879)
Fund balances, Beginning	64,649,487	46,565,494	73,198,555	16,664,840	201,078,376
Fund balances, Ending	\$ 69,689,625	\$ 50,860,913	\$ 25,832,323	\$ 22,884,636	\$ 169,267,497

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, 2015

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

Total net change in fund balances - governmental funds	\$ (31,810,879)
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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 capital outlays exceeds depreciation in the period.

Capital outlay	\$ 45,382,142	
Depreciation expense	<u>(31,193,889)</u>	14,188,253

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.

10,416,274

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.

(5,637,530)

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.

(2,408,293)

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.

32,551,624

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.

(6,995,355)

Premiums, discounts and deferred outflows on refunding are amortized in the governmental activities, but are recognized as expenditures in the governmental funds.

1,672,818

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.

2,537

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, 2014 and not reflected as expenses on the statement of activities. These consist of:

Employer contribution expense	27,020,596
Contributions subsequent to the measurement date	30,089,780

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	(92,231,859)
Amortization of contribution difference	(41,958)
Amortization of change in proportionate share	(924,473)

Total change in net position - governmental activities	<u>\$ (24,108,465)</u>
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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, 2015

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Taxes				
Property taxes	\$ 198,847,451	\$ 194,881,775	\$ 198,076,317	\$ 3,194,542
Specific ownership taxes	16,452,900	17,781,300	19,097,032	1,315,732
Intergovernmental - State				
State equalization aid	234,499,213	232,943,855	232,119,104	(824,751)
Transportation	4,357,000	4,354,385	4,444,837	90,452
Education of handicapped	10,704,100	10,691,756	10,674,340	(17,416)
Vocational education	1,842,000	1,944,188	1,944,188	-
Other state	2,108,250	2,769,410	2,769,410	-
Intergovernmental - Federal	1,453,374	1,457,699	1,457,699	-
Earnings on investments	232,700	50,000	43,925	(6,075)
Other				
Tuition	496,259	451,859	511,958	60,099
Fees and fines	1,203,800	1,178,500	1,253,755	75,255
Miscellaneous	1,625,801	1,547,032	3,038,315	1,491,283
Total revenues	<u>473,822,848</u>	<u>470,051,759</u>	<u>475,430,880</u>	<u>5,379,121</u>
EXPENDITURES				
Current				
Instruction	322,401,442	323,252,504	318,763,895	4,488,609
Indirect instructional				
Pupil services	29,112,018	29,179,901	28,068,803	1,111,098
Instructional staff services	13,869,093	16,684,349	16,340,973	343,376
School administration	24,728,388	24,900,775	24,249,082	651,693
Support services				
General administration	4,330,222	4,456,292	4,184,892	271,400
Business services	3,526,532	3,691,607	3,678,923	12,684
Operations and maintenance	37,051,911	37,112,158	35,301,454	1,810,704
Pupil transportation	20,143,028	19,902,383	20,228,156	(325,773)
Central services	14,445,642	13,745,307	12,381,765	1,363,542
Community services	402,322	402,322	346,670	55,652
County treasury fees	517,500	517,500	495,287	22,213
Facilities construction services	213,650	213,650	209,325	4,325
Total expenditures	<u>470,741,748</u>	<u>474,058,748</u>	<u>464,249,225</u>	<u>9,809,523</u>
Excess of revenues over expenditures	3,081,100	(4,006,989)	11,181,655	15,188,644
OTHER FINANCING SOURCES (USES)				
Transfers in	1,309,400	1,309,400	1,204,033	(105,367)
Transfers out	(7,340,400)	(7,340,400)	(7,345,550)	(5,150)
Total other financing sources (uses)	<u>(6,031,000)</u>	<u>(6,031,000)</u>	<u>(6,141,517)</u>	<u>(110,517)</u>
Net change in fund balance	(2,949,900)	(10,037,989)	5,040,138	15,078,127
Fund balance, Beginning	<u>50,433,753</u>	<u>64,649,487</u>	<u>64,649,487</u>	<u>-</u>
Fund balance, Ending	<u>\$ 47,483,853</u>	<u>\$ 54,611,498</u>	<u>\$ 69,689,625</u>	<u>\$ 15,078,127</u>

See accompanying notes to basic financial statements.

Notes to
Basic
Financial
Statements



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Notes to Basic Financial Statements

Cherry Creek School District No. 5

Arapahoe County, Colorado

June 30, 2015

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-one elementary schools, ten middle schools, six high schools, two K-8 schools (the Challenge School and Cherry Creek Academy Charter School, a discretely presented component unit), four alternative school programs (Endeavor Academy, 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 almost 54,000 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 unit discussed in Note 1(B) has 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 Unit- Charter School

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 one Charter School in operation, Cherry Creek Academy. The Charter School is a discretely presented component unit 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 School has issued separate financial statements for the fiscal year ended June 30, 2015. Complete financial statements may be obtained at the school's administrative offices:
Cherry Creek Academy, 6260 S. Dayton St.,
Greenwood Village, CO 80111.

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 unit. 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 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 and proprietary 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, liabilities, deferred inflows, 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 the pooled cash. The District is allowed to invest in the following types of investments: short-term certificates of deposit, repurchase agreements, money market deposit accounts, government pools, U.S. Agencies, and U.S. Treasury Obligations. The District records nonparticipating interest-earning investment contracts at cost. All other securities are recorded at fair value. It is the intention of the investment pool to maximize interest income, and securities are selected according to their risk, marketability, and diversification. Income earned or losses arising from the investment of pooled cash balances are allocated to individual funds based on their proportional equity in investments purchased. For purposes of the statements of cash flows, 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 2014 but not yet collected in 2015 are identified as property taxes receivable and deferred inflows of resources in the governmental funds balance sheet at June 30, 2015, and are presented in the amount of \$10,416,274.

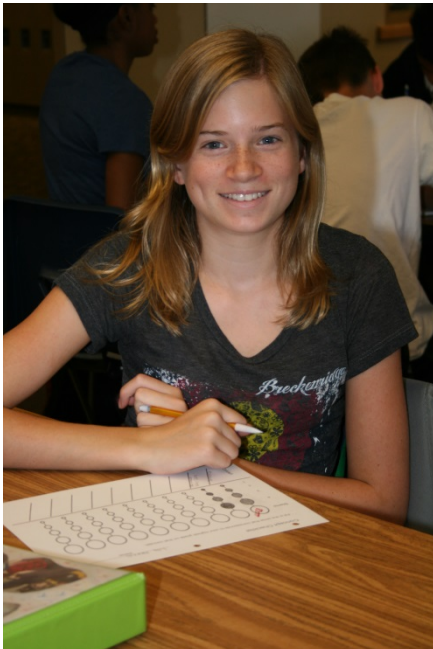
Intergovernmental receivable of \$4,321,974 includes amounts due from grantors for specific program grants. Program grants are recorded as receivable and revenues at the time reimbursable project costs are incurred.

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 \$2,400,242.

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 \$160,524 in the General Fund, \$4,207 in the Building Fund, \$598,158 in the Capital Reserve Fund, \$46,492 in the Food Services Fund and \$16,962 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 estimated fair 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 the 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 \$966,546 for governmental activities and \$95,599 for component units.

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 2015 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, 2015, in the amount of \$10,416,274. 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, 2015.

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, 2015, was \$9,909,213 with a current portion due within one year of \$1,005,153. 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) Fund Equity

As of June 30, 2015, 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.

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.



Q) 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, 2015, 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, 2015, the District had bank deposits of \$118,923,434 and a carrying balance of \$116,400,739, the difference is checks issued but not yet cashed. The District had cash of \$2,558,791 held by the county treasurer.

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

Cash	\$ 8,115,989
Equity in pooled cash	<u>108,284,750</u>
Total	<u>\$ 116,400,739</u>

Component unit:

As of June 30, 2015, the charter school had bank deposits of \$2,021,164 and a carrying balance of \$1,958,621 and cash on hand of \$300. At June 30, 2015, 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, 2015, are classified in the accompanying financial statements as follows:

Investments held by the District	\$ 58,080,947
Investments held by an escrow agent	\$ 49,934,129
Investments in trust	<u>4,178,571</u>
Total	<u>\$ 112,193,647</u>

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.

<u>Investment Type</u>	<u>Total</u>	<u>% of Total</u>	<u>Minimum Legal Rating</u>	<u>Rating as of Year end Not Rated</u>
Federal Home Loan Bank	\$ 2,302,006	2%	N/A	\$ 2,302,006
Freddie Mac	10,237,947	9%	N/A	10,237,947
Repurchase Agreement	43,533,502	39%	N/A	43,533,502
Money Market Funds	54,112,700	48%	N/A	54,112,700
Fannie Mae	<u>2,007,492</u>	<u>2%</u>	N/A	<u>2,007,492</u>
Total	<u>\$ 112,193,647</u>	<u>100%</u>		<u>\$ 112,193,647</u>

Federal Home Loan Bank, Farmer Mac, Federal Farm Credit Bank, and Federal National Mortgage Association typically are government backed issues with an AA+ rating. Due to the short term nature of the specific investments held by the District at June 30, 2015, the issuer chose not to have these securities rated. If the issuer had

chosen to have the specific investments rated, the District believes these securities would warrant a rating of AA+.

The money market funds are not rated. They are invested in U.S. Government and government backed securities.

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)
		12 Months Or Less
<u>Investment Type</u>		
Federal Home Loan Bank	\$ 2,302,006	\$ 2,302,006
Freddie Mac	10,237,947	10,237,947
Repurchase Agreement	43,533,502	43,533,502
Money Market Funds	54,112,700	54,112,700
Fannie Mae	2,007,492	2,007,492
Total	<u>\$ 112,193,647</u>	<u>\$ 112,193,647</u>

Component Unit:

At June 30, 2015, the charter school had invested \$421,314 in Colorado Government Liquid Asset Trust (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.

6) CAPITAL ASSETS

A summary of changes in capital assets is as follows:

<u>Governmental activities</u>				
	<u>Balance July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2015</u>
Non-depreciable assets:				
Land	\$ 19,396,597	\$ 454,001	\$ -	\$ 19,850,598
Projects in progress	47,559,894	41,570,624	63,034,336	26,096,182
Total non-depreciable assets	<u>66,956,491</u>	<u>42,024,625</u>	<u>63,034,336</u>	<u>45,946,780</u>
Depreciable assets:				
Land improvements	24,498,331	919	-	24,499,250
Buildings	870,978,319	63,115,348	-	934,093,667
Equipment & vehicles	<u>88,802,431</u>	<u>3,275,586</u>	<u>23,986,981</u>	<u>68,091,036</u>
Total depreciable assets	<u>984,279,081</u>	<u>66,391,853</u>	<u>23,986,981</u>	<u>1,026,683,953</u>
Less accumulated depreciation for:				
Land improvements	19,480,165	763,839	-	20,244,004
Buildings	295,443,707	23,406,373	-	318,850,080
Equipment & vehicles	<u>74,062,834</u>	<u>7,023,677</u>	<u>23,986,981</u>	<u>57,099,530</u>
Total accumulated depreciation	<u>388,986,706</u>	<u>31,193,889</u>	<u>23,986,981</u>	<u>396,193,614</u>
Total capital assets being depreciated, net	<u>595,292,375</u>	<u>35,197,964</u>	<u>-</u>	<u>630,490,339</u>
Net capital assets	<u>\$ 662,248,866</u>	<u>\$ 77,222,589</u>	<u>\$ 63,034,336</u>	<u>\$ 676,437,119</u>



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

Governmental activities:	
Instruction	\$ 29,075,018
Indirect instruction	122,344
General administration	3,867
School administration	4,395
Business services	95,961
Operations and maintenance	801,591
Pupil transportation	462,091
Central services	307,907
Food service operations	303,596
Other support services	17,119
Total depreciation expense - governmental activities	<u>\$ 31,193,889</u>

Component unit activities

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
Governmental activities:				
Land	\$ 744,711	\$ 283,886	\$ -	\$ 1,028,597
Projects in progress	274,378	-	274,378	-
Buildings	6,483,825	113,528	-	6,597,353
Building improvements	540,653	58,568	-	599,221
Furniture and equipment	107,861	129,897	-	237,758
Accumulated depreciation	<u>(1,406,962)</u>	<u>(162,526)</u>	<u>-</u>	<u>(1,569,488)</u>
Total Capital Assets, net	<u>\$ 6,744,466</u>	<u>\$ 423,353</u>	<u>\$ 274,378</u>	<u>\$ 6,893,441</u>

Construction commitments: The District has active construction projects as of June 30, 2015. The projects include renovation, new construction, and site improvements.

A list of significant commitments as of June 30, 2015, is as follows:

	Commitment Total	Completed to Date	Remaining Commitment
Holly Ridge Elementary Renovation	\$ 5,094,000	\$ 3,210,242	\$ 1,883,758
Thunder Ridge Middle School Renovation	5,621,675	3,963,671	1,658,004
Prairie Middle School Renovation	5,535,900	3,645,354	1,890,546
High School Renovations	525,894	149,079	376,815
Elementary School Renovations	6,760,776	3,677,972	3,082,804
			<u>\$ 8,891,927</u>

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 2014 - 2015 fiscal year were as follows:

	Transfers In			
	Nonmajor Funds			
<u>Transfers Out</u>	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Food Services Fund</u>	<u>Capital Reserve Fund</u>
General Fund	\$ -	\$ -	\$ 5,150	\$ 7,340,400
Building Fund	-	4,110,647	-	-
Nonmajor Funds:				
Extended Child Services Fund	1,204,033	-	-	-
Total	<u>\$ 1,204,033</u>	<u>\$ 4,110,647</u>	<u>\$ 5,150</u>	<u>\$ 7,340,400</u>

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/from funds at year-end were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	
General Fund	Nonmajor Fund: Pupil Activities Fund	\$ 224,805
General Fund	Nonmajor Fund: Food Services Fund	\$ 309,047
General Fund	Building Fund	9,031,423
Total		<u>\$ 9,565,275</u>

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, 2015, are estimated to be \$42,794,571 for the General Fund. Additional accrued salaries and benefits earned by non-contracted employees, including other hourly employees, are \$2,590,251 at June 30, 2015.

9) COMPENSATED ABSENCES PAYABLE

As of June 30, 2015, compensated absences payable are as follows:

	<u>Current</u>	<u>Long-term</u>	<u>Total</u>
Governmental activities	\$ 5,552,541	\$ 28,907,223	\$ 34,459,764
Total	<u>\$ 5,552,541</u>	<u>\$ 28,907,223</u>	<u>\$ 34,459,764</u>

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 \$3,002,541. 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:

	<u>Balance July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2015</u>
Governmental funds, restated	\$ 33,030,367	\$ 7,960,834	\$ 6,531,437	\$ 34,459,764

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, 2015, are as follows:

<u>Description, Interest Rates, and Maturity Dates</u>	<u>Principal Balance</u>
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
Refunding bonds in the original amount of \$132,215,000 (Series 2005B) due in varying installments through December 15, 2019, interest at 3.5% - 7.0%	55,765,000
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%	92,050,000
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%	14,285,000
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%	44,940,000
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%	125,000,000
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%	25,640,000
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%	<u>37,585,000</u>
Total general obligation bonds payable	<u>\$ 495,520,000</u>

Long-term debt maturities for all general obligation bonds outstanding at June 30, 2015, including interest, are as follows:

<u>Fiscal year ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 32,660,000	\$ 19,400,018	\$ 52,060,018
2017	33,585,000	18,196,348	51,781,348
2018	34,705,000	16,997,408	51,702,408
2019	28,780,000	15,831,388	44,611,388
2020	29,860,000	14,592,363	44,452,363
2021-2025	154,495,000	53,715,888	208,210,888
2026-2030	137,470,000	22,220,345	159,690,345
2031-2033	<u>43,965,000</u>	<u>2,004,375</u>	<u>45,969,375</u>
Total	<u>\$ 495,520,000</u>	<u>\$ 162,958,133</u>	<u>\$ 658,478,133</u>

Capital Lease Obligations

Capital lease obligations at June 30, 2015, are as follows:

<u>Description, Interest Rates, and Maturity Dates</u>	<u>Balance</u>
Technology lease in the original amount of \$9,923,440 (2013) due in varying installments through August 16, 2017, interest at 1.046%	\$ 6,250,593
Technology lease in the original amount of \$1,694,812 (2014) due in varying installments through September 30, 2018, interest at 1.410%	1,488,133
Bus lease in the original amount of \$4,178,500 (2015) due in varying installments through March 24, 2025, interest at 2.090%	<u>4,178,500</u>
Total capital lease obligations payable	<u>\$ 11,917,226</u>

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

<u>Fiscal year ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 3,278,282	\$ 163,783	\$ 3,442,065
2017	3,318,189	123,876	3,442,065
2018	2,088,819	83,444	2,172,263
2019	621,395	62,439	683,834
2020	412,792	52,415	465,207
2021-2025	<u>2,197,749</u>	<u>128,285</u>	<u>2,326,034</u>
Total	<u>\$ 11,917,226</u>	<u>\$ 614,242</u>	<u>\$ 12,531,468</u>

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, 2015, are \$889,227,535 and \$444,568,448, respectively. As of June 30, 2015, the management of the District is of the opinion that it is in compliance with all significant limitations and restrictions in the bond indentures.

Bond Refunding

On October 14, 2014 the District refunded \$43.54 million of the 2005 Series general obligation bonds with the proceeds from the issuance of 2014 Series refunding general obligation bonds. Total debt service on the 2014 refunding bonds will be \$48,929,496 through December 15, 2024. This refunding decreases total debt service and will result in a savings to taxpayers of \$6.1 million over the life of the new debt.

10) LONG-TERM DEBT (Continued)

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 \$1,457,699 from the United States Treasury for the fiscal year ended June 30, 2015, 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, 2015, the following changes occurred in long-term debt:

	Balance July 1, 2014	Additions	Deletions	Outstanding June 30, 2015
Governmental Activities:				
General obligation bonds payable	\$ 531,365,000	\$ 37,585,000	\$ 73,430,000	\$ 495,520,000
Unamortized premiums	<u>19,547,657</u>	<u>7,077,043</u>	<u>2,311,080</u>	<u>24,313,620</u>
Total bonds payable	550,912,657	44,662,043	75,741,080	519,833,620
Capital lease	8,705,538	5,873,312	2,661,624	11,917,226
Compensated absences, restated	<u>33,030,367</u>	<u>7,960,834</u>	<u>6,531,437</u>	<u>34,459,764</u>
Total	<u>\$ 592,648,562</u>	<u>\$ 58,496,189</u>	<u>\$ 84,934,141</u>	<u>\$ 566,210,610</u>

Due within one year:	
Governmental activities:	
General obligation bonds payable	\$ 32,660,000
Capital lease	3,278,282
Compensated absences	<u>5,552,541</u>
Total	<u>\$ 41,490,823</u>

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

Component Unit Debt

Building lease

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:

<u>Fiscal year ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 135,000	\$ 137,488	\$ 272,488
2017	140,000	132,088	272,088
2018	150,000	126,487	276,487
2019	155,000	120,487	275,487
2020	160,000	114,287	274,287
2021-2025	910,000	465,914	1,375,914
2026-2030	<u>1,415,000</u>	<u>233,699</u>	<u>1,648,699</u>
Totals	<u>\$ 3,065,000</u>	<u>\$ 1,330,450</u>	<u>\$ 4,395,450</u>

During the year ended June 30, 2015, the following changes occurred in the charter school's long-term debt:

	<u>Balance July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2015</u>
Building Lease, Series 2012	\$ 3,200,000	\$ -	\$ 135,000	\$ 3,065,000
Lease Discount	<u>(19,042)</u>	<u>-</u>	<u>(1,209)</u>	<u>(17,833)</u>
Total	<u>\$ 3,180,958</u>	<u>\$ -</u>	<u>\$ 133,791</u>	<u>\$ 3,047,167</u>
Due within one year: Building Lease				<u>\$ 135,000</u>

11) SHORT-TERM DEBT

During the year ended June 30, 2015, the District borrowed \$31,330,620 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, 2015. The

amount borrowed was paid in full by the maturity date June 25, 2015.

12) OPERATING LEASE

The District has entered into an operating lease for GPS equipment installed in District transportation vehicles. Payments made during fiscal year 2015 totaled \$40,800.

Future payments on the operating lease are as follows:

<u>Fiscal year ended June 30,</u>	<u>Annual Lease Payments</u>
2016	\$ 122,400
2017	122,400
2018	122,400
2019	122,400
2020	<u>81,600</u>
Total	<u>\$ 571,200</u>

13) DEFINED BENEFIT PENSION PLAN

Plan Description

The District contributes to the School Division Trust Fund (SDTF), a cost sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). The SDTF provides retirement and disability, post-retirement annual increases, and death benefits for members or their beneficiaries. All employees of the District are members of the SDTF. Title 24, Article 51 of the Colorado Revised Statutes (CRS), as amended, assigns the authority to establish benefit provisions to the State Legislature. 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 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).

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.

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 (COLAs), 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 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:

	<u>For the year ended</u>	
	<u>December 31, 2014</u>	<u>December 31, 2015</u>
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	3.80%	4.20%
Supplemental amortization equalization disbursement (SAED) as specified in C.R.S § 24-51-411	3.50%	4.00%
Total employer contribution rate to the SCHDTF	16.43%	17.33%
Note: Rates are expressed as a percentage of salary as defined in C.R.S § 24-51-101 (42)		

13) DEFINED BENEFIT PENSION PLAN (Continued)

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 \$60,495,002 for the year ended June 30, 2015.

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

At June 30, 2015, the District reported a liability of \$1,064,745,351 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2013. Standard update procedures were used to roll forward the total pension liability to December 31, 2014. The District's proportion of the net

pension liability was based on District's contributions to the SCHDTF for the calendar year 2014 relative to the total contributions of participating employers to the SCHDTF.

At December 31, 2014, The District's proportion was 7.8559518021 percent, which was an increase of 0.0268173942 percent from its proportion measured as of December 31, 2013.

For the year ended June 30, 2015, the District recognized pension expense of \$93,198,290. At June 30, 2014, 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	\$ -	\$ 79,502
Changes of assumptions or other inputs	113,287	-
Net difference between projected and actual earnings on pension plan investments	24,485,666	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	2,496,078	-
Contributions subsequent to the measurement date	30,089,780	-
Total	<u>\$ 57,184,811</u>	<u>\$ 79,502</u>

\$30,089,780 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, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal year ended June 30,</u>	<u>Total</u>
2016	\$ 7,058,403
2017	7,058,403
2018	6,777,307
2019	6,121,416
Totals	<u>\$ 27,015,529</u>

Actuarial assumptions

The total pension liability in the December 31, 2013 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Price inflation	2.80 percent
Real wage growth	1.10 percent
Wage inflation	3.90 percent
Salary increases, including wage inflation	3.90 – 10.10 percent
Long-term investment Rate of Return, net of pension plan investment expenses, including price inflation	7.50 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 1 year, and Females set back 2 years. The actuarial assumptions used in the December 31, 2013 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.

The SCHDTF's long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

As of the most recent analysis of the long-term expected rate of return, presented to the PERA Board on November 15, 2013, the target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

	Target <u>allocation</u>	10 year expected geometric real <u>rate of return</u>
U.S. Equity - large cap	26.76%	5.00%
U.S. Equity - small cap	4.40%	5.19%
Non U.S. Equity - developed	22.06%	5.29%
Non U.S. Equity - emerging	6.24%	6.76%
Core fixed income	24.05%	0.98%
High yield	1.53%	2.64%
Long duration gov't/credit	0.53%	1.57%
Emerging market bonds	0.43%	3.04%
Real estate	7.00%	5.09%
Private equity	<u>7.00%</u>	7.15%
Total	<u>100.00%</u>	

* 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 7.50%.

13) DEFINED BENEFIT PENSION PLAN (Continued)

Discount rate

The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the fixed statutory rates specified in law, including current and future AED and SAED, until the Actuarial Value Funding Ratio reaches 103 percent, at which point, the AED and SAED will each drop 0.50 percent every

year until they are zero. Based on those assumptions, the SCHDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the Municipal Bond Index Rate. There was no change in the discount rate from the prior 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 7.50 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 (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Proportionate share of the net pension liability	\$ 1,403,964,014	\$ 1,064,745,351	\$ 780,813,577

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 Unit:

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the charter school is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the charter school were \$381,546 for the year ended June 30, 2015.

At June 30, 2015, the charter school reported a liability of \$6,474,881 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial

valuation as of December 31, 2013. Standard update procedures were used to roll forward the total pension liability to December 31, 2014. The charter school's proportion of the net pension liability was based on charter school's contributions to the SCHDTF for the calendar year 2014 relative to the total contributions of participating employers to the SCHDTF.

At December 31, 2014, the charter school's proportion was 0.0477732603 percent, which was an increase of 0.0077008347 percent from its proportion measured as of December 31, 2013.

For the year ended June 30, 2015, the charter school recognized pension expense of \$832,807. At June 30, 2014, 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	\$ -	\$ 483
Net difference between projected and actual earnings on pension plan investments	148,901	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	731,665	-
Contributions subsequent to the measurement date	198,774	-
Total	<u>\$ 1,079,340</u>	<u>\$ 483</u>

\$198,774 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, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal year ended June 30,</u>	<u>Total</u>
2016	\$ 308,033
2017	308,033
2018	226,791
2019	37,226
Totals	<u>\$ 880,083</u>

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

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Proportionate share of the net pension liability	<u>\$ 8,537,723</u>	<u>\$ 6,474,881</u>	<u>\$ 4,748,248</u>

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, 2015, 2014, and 2013, was \$3,446,253, \$3,276,818, and \$3,177,170, 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 \$500,000 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 \$1,000,000 per occurrence.

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, 2015, the amount of workers compensation liability was \$0. Changes in the reported liability for the years ended June 30, 2015, and 2014, were as follows:

	<u>2015</u>	<u>2014</u>
Beginning of fiscal year liability	\$ 550,494	\$ 639,433
Current-year claims and changes in estimate	2,883,782	3,107,567
Claim payments	<u>(3,434,276)</u>	<u>(3,196,506)</u>
Balance at fiscal year-end liability	<u>\$ -</u>	<u>\$ 550,494</u>

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 \$8,891,927 for capital projects at June 30, 2015, of which \$8,891,927 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.

17) CONTINGENCIES (Continued)

EMERGENCY RESERVE (Continued)

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

interpretations, and there is still a divergence of opinions about the interpretation of some provisions of the amendment.

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

As of June 30, 2015, the District has restricted 3 percent of its fiscal year 2014-2015 spending as follows:

Governmental Activities:	
General Fund	\$ 14,148,000
Capital Projects Fund: Capital Reserve Fund	298,000
Special Revenue Funds:	
Extended Child Services Fund	490,000
Food Services Fund	268,000
Pupil Activities Fund	<u>371,000</u>
Total	<u>\$ 15,575,000</u>

18) RELATED PARTY TRANSACTIONS

The District provides administrative and other services to its charter school, shown as a component unit. The amount of charges for services, in accordance with governing State statutes, for the fiscal year ended June 30, 2015, was \$271,912.



19) RESTATEMENT OF NET POSITION

The District participates in the cost-sharing multiple-employer defined benefit pension plan administered by PERA (see Note 13). The District adopted GASB Statement No. 68 *Accounting and Financial Reporting for Pensions* (Statement No. 68) for the year ended June 30, 2015. Statement No. 68 requires the District to record their proportionate share of the unfunded pension liability of the pension plan. The District has no legal obligation to fund this shortfall nor does it have any ability to influence the funding, benefits or annual required contributions made by PERA.

The District has restated beginning net position of the government-wide financial statements, by decreasing the amount as of July 1, 2014 by \$971,552,127.

The District also restated beginning net position by recognizing the Food Services Fund as a Special Revenue fund and Governmental activity as of July 1, 2014 as required by the Colorado Department of Education. This restated the beginning net position of the government-wide governmental activities financial statements by increasing the amount as of July 1, 2014 by \$7,226,622.

Beginning Net Position, as previously reported at July 1, 2014	\$ 273,788,341
Business-type activities now presented as Governmental activities	7,226,622
GASB Statement No. 68 Implementation:	
Deferred Outflows of Resources - District contributions made January 1, 2014 through June 30, 2014	27,051,853
Net Pension Liability, at December 31, 2013 (measurement date)	<u>(998,603,980)</u>
Net Position, July 1, 2014, as restated	<u>\$ (690,537,164)</u>

The restatement of the Food Services Fund from an Enterprise fund to a Special Revenue fund as of July 1, 2014 also affected the fund financial statements fund balance. Below is a reconciliation of that restatement:

	<u>Food Service Fund</u>	<u>Nonmajor Governmental Funds</u>
Beginning fund balance, as previously reported at July 1, 2014	\$ 7,226,622	\$ 11,608,663
Capital assets, net of accumulated depreciation	(2,170,445)	-
Food Service fund balance, as restated	<u>-</u>	<u>5,056,177</u>
Fund balance, July 1, 2014, as restated	<u>\$ 5,056,177</u>	<u>\$ 16,664,840</u>

Supplementary Information

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



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Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

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

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

Capital Project Fund

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

Major Governmental Funds

Debt Service - Bond Redemption Fund

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

Capital Projects - Building Fund

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

CHERRY CREEK SCHOOL DISTRICT NO. 5

ARAPAHOE COUNTY, COLORADO

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

June 30, 2015

	Capital Reserve Fund	Designated Purpose Grants Fund	Extended Child Services Fund	Food Services Fund	Pupil Activities Fund	Total Nonmajor Governmental Funds
ASSETS						
Cash	\$ -	\$ 250	\$ 1,242,904	\$ 1,308,088	\$ 5,544,368	\$ 8,095,610
Equity in pooled cash	1,461,705	3,465,241	4,581,740	-	-	9,508,686
Investments	-	-	2,971,887	4,017,022	-	6,988,909
Investments in trust	4,178,571	-	-	-	-	4,178,571
Receivables, net						
Other governments	-	3,493,393	-	828,581	-	4,321,974
Other	-	-	1,598	7,765	5,677	15,040
Interfund receivables	-	-	-	-	-	-
Prepayments and deposits	598,158	-	16,962	46,492	-	661,612
Inventories	-	-	-	764,189	-	764,189
Total Assets	<u>\$ 6,238,434</u>	<u>\$ 6,958,884</u>	<u>\$ 8,815,091</u>	<u>\$ 6,972,137</u>	<u>\$ 5,550,045</u>	<u>\$ 34,534,591</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 274,607	\$ 291,930	\$ 108,689	\$ 540,853	\$ 508	\$ 1,216,587
Accrued salaries and benefits	-	1,240,545	1,028,699	320,288	719	2,590,251
Interfund payables	-	-	-	309,047	224,805	533,852
Unearned revenues	-	5,426,409	1,148,218	463,279	-	7,037,906
Compensated absences	-	-	168,538	102,821	-	271,359
Total Liabilities	<u>274,607</u>	<u>6,958,884</u>	<u>2,454,144</u>	<u>1,736,288</u>	<u>226,032</u>	<u>11,649,955</u>
Fund balances						
Nonspendable for:						
Prepayments and deposits	598,158	-	16,962	46,492	-	661,612
Inventories	-	-	-	764,189	-	764,189
Restricted for:						
Investments in trust	4,178,571	-	-	-	-	4,178,571
Emergency reserve	298,000	-	490,000	268,000	371,000	1,427,000
Food service operations	-	-	-	4,157,168	-	4,157,168
Committed for:						
Extended Child Services Fund activities	-	-	4,014,055	-	-	4,014,055
Pupil Activities Fund activities	-	-	-	-	4,953,013	4,953,013
Assigned for:						
Future year transfers	-	-	1,839,930	-	-	1,839,930
Capital Reserve Fund activities	889,098	-	-	-	-	889,098
Total Fund balances	<u>5,963,827</u>	<u>-</u>	<u>6,360,947</u>	<u>5,235,849</u>	<u>5,324,013</u>	<u>22,884,636</u>
Total Liabilities and Fund balances	<u>\$ 6,238,434</u>	<u>\$ 6,958,884</u>	<u>\$ 8,815,091</u>	<u>\$ 6,972,137</u>	<u>\$ 5,550,045</u>	<u>\$ 34,534,591</u>

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, 2015

	Capital Reserve Fund	Designated Purpose Grants Fund	Extended Child Services Fund	Food Services Fund	Pupil Activities Fund	Total Nonmajor Governmental Funds
REVENUES						
Intergovernmental						
Federal - grants	\$ -	\$ 17,043,121	\$ -	\$ 7,976,165	\$ -	\$ 25,019,286
State - grants	-	1,705,886	-	260,651	-	1,966,537
Tuition	-	-	17,304,319	-	-	17,304,319
Earnings on investments	17	-	3,866	11,927	2,304	18,114
Pupil activities	-	-	-	-	12,529,479	12,529,479
Food services sales	-	-	-	8,833,988	-	8,833,988
Cash in lieu of land	215,813	-	-	-	-	215,813
Donations	-	2,827,576	-	-	-	2,827,576
Other	729,394	-	-	-	-	729,394
Total revenues	945,224	21,576,583	17,308,185	17,082,731	12,531,783	69,444,506
EXPENDITURES						
Current						
Instruction	-	16,780,329	14,138,062	-	-	30,918,391
Pupil services	-	2,185,786	-	-	-	2,185,786
Instructional staff services	-	2,404,389	459,632	-	-	2,864,021
School administration	-	206,079	-	-	-	206,079
Business services	-	-	242,024	-	-	242,024
Community services	-	-	274,298	-	-	274,298
Pupil activities	-	-	-	-	12,352,432	12,352,432
Food service operations	-	-	-	16,051,226	-	16,051,226
Capital outlay	7,172,735	-	-	856,983	-	8,029,718
Debt service						
Principal	2,661,624	-	-	-	-	2,661,624
Interest and fiscal charges	96,605	-	-	-	-	96,605
Total expenditures	9,930,964	21,576,583	15,114,016	16,908,209	12,352,432	75,882,204
Excess of revenues over (under) expenditures	(8,985,740)	-	2,194,169	174,522	179,351	(6,437,698)
OTHER FINANCING SOURCES (USES)						
Transfers in	7,340,400	-	-	5,150	-	7,345,550
Transfers out	-	-	(1,204,033)	-	-	(1,204,033)
Capital lease proceeds	5,873,383	-	-	-	-	5,873,383
Sale of assets	642,594	-	-	-	-	642,594
Total other financing sources (uses)	13,856,377	-	(1,204,033)	5,150	-	12,657,494
Excess of revenues and other sources over (under) expenditures and other uses	4,870,637	-	990,136	179,672	179,351	6,219,796
Fund balances, Beginning (restated)	1,093,190	-	5,370,811	5,056,177	5,144,662	16,664,840
Fund balances, Ending	\$ 5,963,827	\$ -	\$ 6,360,947	\$ 5,235,849	\$ 5,324,013	\$ 22,884,636

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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes				
Property	\$ 52,134,662	\$ 49,612,354	\$ 50,101,006	\$ 488,652
Earnings on investments	27,000	27,000	41,692	14,692
Premium on bonds	-	7,077,043	7,077,043	-
Refunding bond proceeds	-	37,585,000	37,585,000	-
Total revenues	<u>52,161,662</u>	<u>94,301,397</u>	<u>94,804,741</u>	<u>503,344</u>
EXPENDITURES				
Debt service				
Principal	29,890,000	29,890,000	29,890,000	-
Interest	20,632,243	20,066,738	20,066,738	-
Fiscal charges	10,000	231,468	231,468	-
Transfer to escrow agent	-	44,431,763	44,431,763	-
Total expenditures	<u>50,532,243</u>	<u>94,619,969</u>	<u>94,619,969</u>	<u>-</u>
Excess of revenues (under) expenditures	1,629,419	(318,572)	184,772	503,344
OTHER FINANCING SOURCES				
Transfers in	-	4,110,647	4,110,647	-
Total other financing sources	<u>-</u>	<u>4,110,647</u>	<u>4,110,647</u>	<u>-</u>
Net change in fund balance	1,629,419	3,792,075	4,295,419	503,344
Fund balance, Beginning	<u>46,336,942</u>	<u>46,565,494</u>	<u>46,565,494</u>	<u>-</u>
Fund balance, Ending	<u>\$ 47,966,361</u>	<u>\$ 50,357,569</u>	<u>\$ 50,860,913</u>	<u>\$ 503,344</u>

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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Earnings on investments	\$ 263,000	\$ 263,000	\$ 226,904	\$ (36,096)
Total revenues	263,000	263,000	226,904	(36,096)
EXPENDITURES				
Capital outlay				
Building and improvements	49,413,943	45,103,296	39,983,187	5,120,109
Furniture and equipment	8,847,491	8,847,491	2,852,669	5,994,822
Other	515,066	715,066	646,633	68,433
Total expenditures	58,776,500	54,665,853	43,482,489	11,183,364
Excess of revenues over (under) expenditures	(58,513,500)	(54,402,853)	(43,255,585)	11,147,268
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(4,110,647)	(4,110,647)	-
Total other financing sources (uses)	-	(4,110,647)	(4,110,647)	-
Net change in fund balance	(58,513,500)	(58,513,500)	(47,366,232)	11,147,268
Fund balance, Beginning	78,142,034	73,198,555	73,198,555	-
Fund balance, Ending	<u>\$ 19,628,534</u>	<u>\$ 14,685,055</u>	<u>\$ 25,832,323</u>	<u>\$ 11,147,268</u>

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, 2015

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Earnings on investments	\$ 500	\$ 500	\$ 17	\$ (483)
Cash in lieu of land	38,000	38,000	215,813	177,813
Other	-	729,394	729,394	-
Total revenues	38,500	767,894	945,224	177,330
EXPENDITURES				
Capital outlay				
Building and improvements	4,518,000	6,015,944	5,009,102	1,006,842
Furniture and equipment	350,000	6,603,126	2,163,633	4,439,493
Debt service				
Principal	2,959,946	2,661,624	2,661,624	-
Interest	114,754	96,605	96,605	-
Total expenditures	7,942,700	15,377,300	9,930,964	5,446,336
Excess of revenues over (under) expenditures	(7,904,200)	(14,609,406)	(8,985,740)	5,623,666
OTHER FINANCING SOURCES				
Transfers in	7,340,400	7,340,400	7,340,400	-
Capital lease proceeds	-	5,862,410	5,873,383	10,973
Sale of assets	-	642,594	642,594	-
Total other financing sources	7,340,400	13,845,404	13,856,377	10,973
Net change in fund balances	(563,800)	(764,002)	4,870,637	5,634,639
Fund balance, Beginning	1,173,415	1,093,190	1,093,190	-
Fund balance, Ending	\$ 609,615	\$ 329,188	\$ 5,963,827	\$ 5,634,639

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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental				
Federal - Grants	\$ 20,248,600	\$ 20,248,600	\$ 17,043,121	\$ (3,205,479)
State - Grants	955,000	1,630,800	1,705,886	75,086
Donations	2,709,900	2,709,900	2,827,576	117,676
Total revenues	<u>23,913,500</u>	<u>24,589,300</u>	<u>21,576,583</u>	<u>(3,012,717)</u>
EXPENDITURES				
Current				
Instruction	18,886,541	18,712,341	16,780,329	1,932,012
Pupil services	1,569,339	2,219,339	2,185,786	33,553
Instructional staff services	3,446,822	3,446,822	2,404,389	1,042,433
School administration	10,798	210,798	206,079	4,719
Total expenditures	<u>23,913,500</u>	<u>24,589,300</u>	<u>21,576,583</u>	<u>3,012,717</u>
Net change in fund balances	-	-	-	-
Fund balance, Beginning	-	-	-	-
Fund balance, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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, 2015

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Tuition	\$ 16,533,200	\$ 17,016,200	\$ 17,304,319	\$ 288,119
Earnings on investments	5,000	5,000	3,866	(1,134)
Total revenues	16,538,200	17,021,200	17,308,185	286,985
EXPENDITURES				
Current				
Instruction	13,999,998	14,182,998	14,138,062	44,936
Instructional staff services	230,902	480,902	459,632	21,270
Business services	223,080	293,080	242,024	51,056
Community services	338,220	318,220	274,298	43,922
Total expenditures	14,792,200	15,275,200	15,114,016	161,184
Excess of revenues over expenditures	1,746,000	1,746,000	2,194,169	448,169
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,309,400)	(1,309,400)	(1,204,033)	105,367
Total other financing sources (uses)	(1,309,400)	(1,309,400)	(1,204,033)	105,367
Net change in fund balances	436,600	436,600	990,136	553,536
Fund balance, Beginning	5,225,335	5,370,811	5,370,811	-
Fund balance, Ending	\$ 5,661,935	\$ 5,807,411	\$ 6,360,947	\$ 553,536

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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental				
Federal - Grants	\$ 7,672,187	\$ 7,672,187	\$ 7,976,165	\$ 303,978
State - Grants	182,839	182,839	260,651	77,812
Food sales	8,515,270	8,515,270	8,639,320	124,050
Earnings on Investments	3,000	3,000	11,927	8,927
Other	50,704	50,704	194,668	143,964
Total revenues	16,424,000	16,424,000	17,082,731	658,731
EXPENDITURES				
Current				
Food service operations	15,921,700	16,096,700	16,051,226	45,474
Capital outlay	200,000	1,526,000	856,983	669,017
Total expenditures	16,121,700	17,622,700	16,908,209	714,491
Excess of revenues over (under) expenditures	302,300	(1,198,700)	174,522	1,373,222
OTHER FINANCING SOURCES				
Transfers in	-	-	5,150	5,150
Total other financing sources	-	-	5,150	5,150
Net change in fund balances	302,300	(1,198,700)	179,672	1,378,372
Fund balance, Beginning (restated)	6,670,562	5,056,177	5,056,177	-
Fund balance, Ending	\$ 6,972,862	\$ 3,857,477	\$ 5,235,849	\$ 1,378,372

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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Earnings on investments	\$ -	\$ -	\$ 2,304	\$ 2,304
Pupil activities	12,080,100	12,925,700	12,529,479	(396,221)
Total revenues	12,080,100	12,925,700	12,531,783	(393,917)
EXPENDITURES				
Current				
Pupil activities	12,080,100	12,925,700	12,352,432	573,268
Net change in fund balances	-	-	179,351	179,351
Fund balance, Beginning	5,001,077	5,144,662	5,144,662	-
Fund balance, Ending	<u>\$ 5,001,077</u>	<u>\$ 5,144,662</u>	<u>\$ 5,324,013</u>	<u>\$ 179,351</u>

Defined Benefit

Pension

Plan Schedules



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CHERRY CREEK SCHOOL DISTRICT NO. 5

ARAPAHOE COUNTY, COLORADO

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

PERA PENSION PLAN

Last Ten Years*

(In Thousands of Dollars)

	<u>2015</u>	<u>2014</u>
Proportion of the Net Pension Liability (Asset)	7.856%	7.829%
Proportionate share of the Net Pension Liability (Asset)	\$ 1,064,745	\$ 998,604
Covered employee payroll	\$ 328,886	\$ 315,627
Proportionate share of Net Pension Liability as a percentage of its covered employee payroll	323.743%	316.387%
Plan Fiduciary Net Position as a percentage of Total Pension Liability	62.84%	64.07%
Total Pension Liability	\$ 36,473,966	\$ 35,494,976
Plan Fiduciary Net Position	<u>22,920,607</u>	<u>22,740,003</u>
Net Pension Liability	<u>\$ 13,553,359</u>	<u>\$ 12,754,973</u>

* The amounts presented for each fiscal year were determined as of 12/31

* Information for the prior eight years was not available to report

**CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO**

**SCHEDULE OF CONTRIBUTIONS
PERA PENSION PLAN
Last Ten Fiscal Years**

	Fiscal Year			
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Contractually required contribution	\$ 25,899,458	\$ 28,944,950	\$ 33,454,931	\$ 37,474,844
Contributions in relation to the contractually required contribution	<u>25,899,458</u>	<u>28,944,950</u>	<u>33,454,931</u>	<u>37,474,844</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 248,931,328	\$ 265,036,567	\$ 280,640,509	\$ 291,329,486
Contributions as a percentage of covered employee payroll	10.40%	10.92%	11.92%	12.86%



Fiscal Year					
<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$ 41,591,754	\$ 44,407,372	\$ 47,116,084	\$ 50,154,263	\$ 54,626,043	\$ 60,495,002
<u>41,591,754</u>	<u>44,407,372</u>	<u>47,116,084</u>	<u>50,154,263</u>	<u>54,626,043</u>	<u>60,495,002</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 304,124,170	\$ 303,562,438	\$ 304,532,687	\$ 303,792,273	\$ 315,179,891	\$ 331,327,747
13.68%	14.63%	15.47%	16.51%	17.33%	18.26%



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State Required Schedules

Other Information:

Fiscal Year Spending Under Section 20 of Article X of the State Constitution (TABOR) Worksheet - The TABOR worksheet is a fiscal year report to calculate compliance with the state constitution.

Article 29 of the Colorado Revised Statutes requires that the audit report of each district contain this information.



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CHERRY CREEK SCHOOL DISTRICT NO. 5

ARAPAHOE COUNTY, COLORADO

FISCAL YEAR SPENDING UNDER SECTION 20 OF
ARTICLE X OF THE STATE CONSTITUTION
(TABOR) WORKSHEET (Cash Basis)

For The Year Ended June 30, 2015

Fiscal year spending

General Fund	\$ 466,728,670	
Designated-Purpose Grants Fund	23,924,969	
Capital Reserve Fund	1,680,686	
Extended Child Services Fund	17,336,360	
Pupil Activities Fund	12,526,106	
Other Special Revenue Funds	N/A	
Building Fund	N/A	
Bond Redemption Fund	50,249,890	
Food Service Fund	16,302,734	

Total fiscal year spending		\$ 588,749,415
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Deduct the following expenditures included in totals above:

Expenditures from Gifts/Foundations	2,827,576	
Expenditures from Federal Grants	27,367,672	
Amendment No. 23, November 2000	146,422,457	
Repayment of Voter-Approved Debt	50,249,890	
Post 1991 Voter-Approved Referendum	67,500,000	

Total Deductions		<u>295,739,583</u>
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Total Spending Subject to TABOR for Current Year		<u>293,009,832</u>
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Total Spending Subject to TABOR Prior Year		291,685,821
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% Change in Denver/Boulder Consumer Price Index for Prior Year	2.80	
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% Change in Student Enrollment	<u>0.37</u>	
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Total % Change	<u><u>3.17</u></u>	
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Change in Spending Permitted		<u>9,246,441</u>
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Maximum Spending Subject to TABOR Allowed for Current Year		<u>300,932,262</u>
--	--	--------------------

Spending Over (Under) Allowable Amount		<u><u>\$ (7,922,430)</u></u>
--	--	------------------------------



CherryCreek
Schools
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STATISTICAL SECTION



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Cherry Creek Schools

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

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

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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			
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Governmental activities				
Net investment in capital assets	\$ 157,731,564	\$ 165,944,054	\$ 180,282,382	\$ 184,821,149
Restricted	45,912,121	50,528,449	56,904,127	58,044,822
Unrestricted	5,701,242	6,758,344	(6,849,551)	2,478,303
Total governmental activities net position	<u>\$ 209,344,927</u>	<u>\$ 223,230,847</u>	<u>\$ 230,336,958</u>	<u>\$ 245,344,274</u>
Business-type activities				
Net investment in capital assets	\$ 1,012,102	\$ 959,849	\$ 944,783	\$ 1,131,800
Restricted	252,000	255,000	257,000	259,000
Unrestricted	3,945,411	4,289,231	4,834,411	4,704,388
Total business-type activities net position	<u>\$ 5,209,513</u>	<u>\$ 5,504,080</u>	<u>\$ 6,036,194</u>	<u>\$ 6,095,188</u>
Primary government				
Net investment in capital assets	\$ 158,743,666	\$ 166,903,903	\$ 181,227,165	\$ 185,952,949
Restricted	46,164,121	50,783,449	57,161,127	58,303,822
Unrestricted	9,646,653	11,047,575	(2,015,140)	7,182,691
Total primary government net position	<u>\$ 214,554,440</u>	<u>\$ 228,734,927</u>	<u>\$ 236,373,152</u>	<u>\$ 251,439,462</u>

Notes:

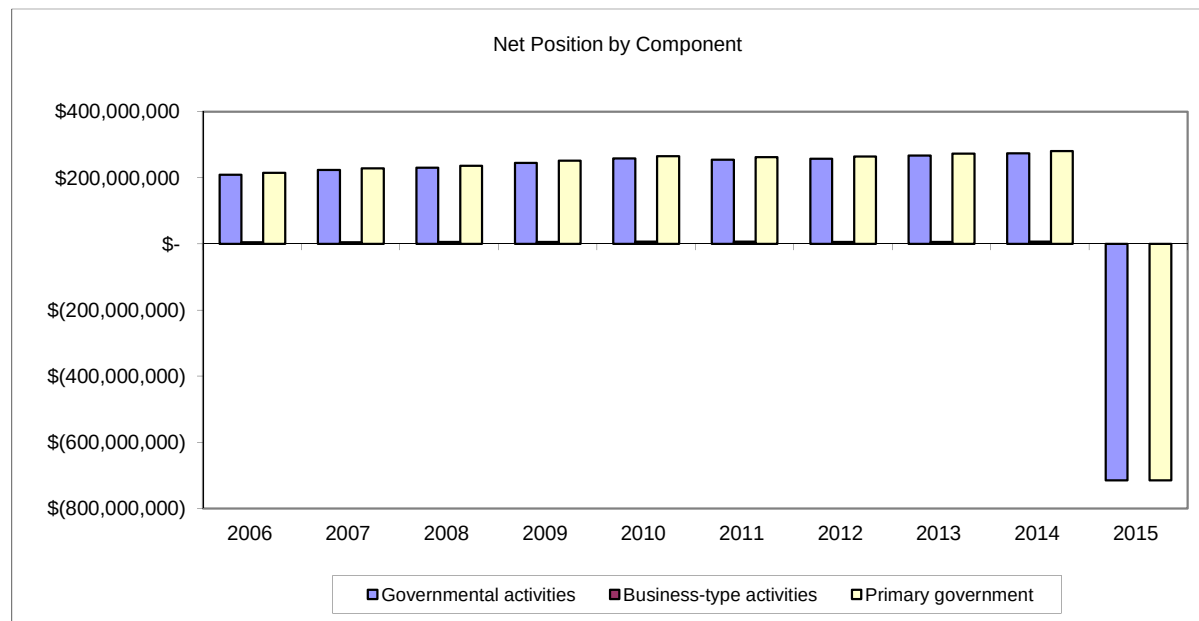
(1) Includes all funds. (GAAP Basis)

(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					
2010	2011	2012	2013	2014	2015
\$ 187,845,000	\$ 175,535,480	\$ 172,640,583	\$ 178,096,324	\$ 173,658,780	\$ 170,518,596
54,983,140	56,639,073	60,204,062	59,368,003	60,360,003	73,886,697
16,035,640	22,929,078	24,837,243	29,717,319	39,769,558	(959,050,922)
<u>\$ 258,863,780</u>	<u>\$ 255,103,631</u>	<u>\$ 257,681,888</u>	<u>\$ 267,181,646</u>	<u>\$ 273,788,341</u>	<u>\$ (714,645,629)</u>
\$ 964,686	\$ 1,113,297	\$ 1,293,612	\$ 1,905,120	\$ 2,170,445	\$ -
236,000	243,000	274,000	282,000	229,000	-
5,623,665	5,977,288	4,849,788	3,455,122	4,827,177	-
<u>\$ 6,824,351</u>	<u>\$ 7,333,585</u>	<u>\$ 6,417,400</u>	<u>\$ 5,642,242</u>	<u>\$ 7,226,622</u>	<u>\$ -</u>
\$ 188,809,686	\$ 176,648,777	\$ 173,934,195	\$ 180,001,444	\$ 175,829,225	\$ 170,518,596
55,219,140	56,882,073	60,478,062	59,650,003	60,589,003	73,886,697
21,659,305	28,906,366	29,687,031	33,172,441	44,596,735	(959,050,922)
<u>\$ 265,688,131</u>	<u>\$ 262,437,216</u>	<u>\$ 264,099,288</u>	<u>\$ 272,823,888</u>	<u>\$ 281,014,963</u>	<u>\$ (714,645,629)</u>



CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO

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

	Fiscal Year			
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Expenses:				
Governmental activities:				
Instruction	\$ 264,844,642	\$ 288,668,360	\$ 306,386,804	\$ 320,917,408
Indirect instruction				
Pupil services	21,568,550	23,019,380	25,204,203	25,445,100
Instructional staff services	13,843,270	14,409,001	14,552,126	14,713,440
School administration	19,962,085	20,817,498	21,640,585	22,569,955
Support services				
General administration	2,806,143	3,169,042	3,281,998	3,242,318
Business services	3,066,894	3,504,958	3,636,338	3,741,106
Operations and maintenance	32,809,665	33,002,853	34,244,558	36,145,126
Pupil transportation	13,093,193	15,598,597	17,433,438	19,158,870
Central services	9,965,888	9,535,413	11,725,014	12,123,792
Community services	875,268	1,044,669	1,241,794	877,783
Pupil activities	11,189,035	11,501,773	11,852,886	11,520,567
Food services operations	-	-	-	-
Non-departmental	595,535	603,777	600,163	628,921
Assets conveyed to other governments	-	-	-	-
Interest on long-term debt	20,111,698	19,023,785	17,775,387	17,770,954
Total governmental activities expenses	<u>414,731,866</u>	<u>443,899,106</u>	<u>469,575,294</u>	<u>488,855,340</u>
Business-type activities:				
Food services operations	12,658,997	13,207,896	13,841,369	14,387,086
Total business-type activities expenses	<u>12,658,997</u>	<u>13,207,896</u>	<u>13,841,369</u>	<u>14,387,086</u>
Total primary government expenses	<u>\$ 427,390,863</u>	<u>\$ 457,107,002</u>	<u>\$ 483,416,663</u>	<u>\$ 503,242,426</u>

Notes:

(1) Includes all funds. (GAAP Basis)

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

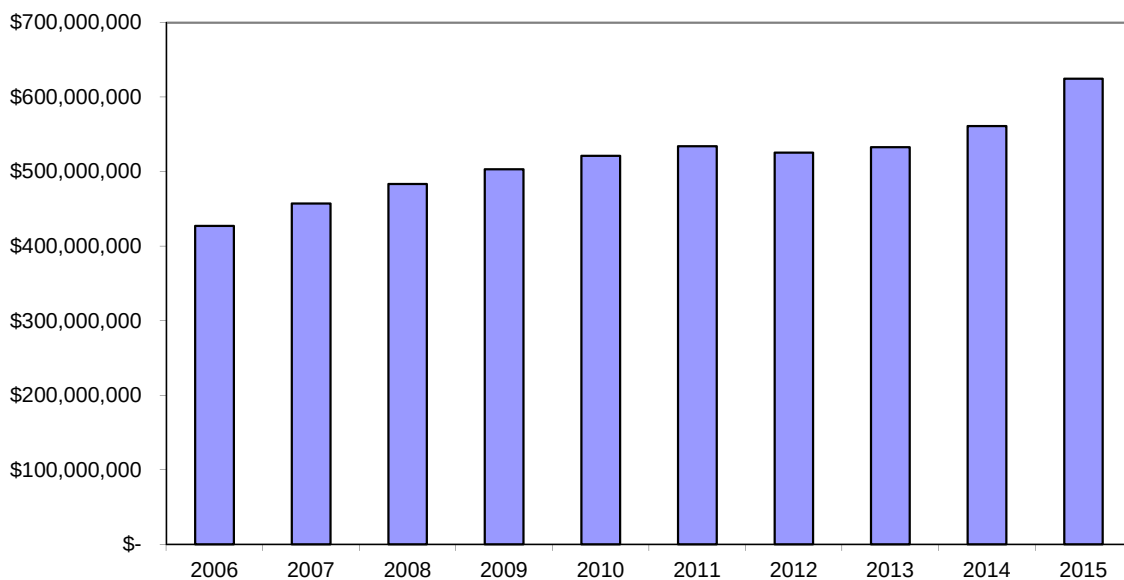
(3) Beginning with fiscal year 2010, Non-departmental expenses are allocated to other functional expenses.

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

Schedule 2

Fiscal Year					
<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$ 335,698,599	\$ 344,545,552	\$ 336,630,175	\$ 346,453,219	\$ 365,185,697	\$ 414,304,861
29,282,610	28,659,690	28,729,476	29,536,406	31,021,527	32,854,486
14,917,608	13,703,092	13,149,405	12,675,181	13,857,314	20,795,098
22,568,207	22,348,882	21,859,294	21,952,033	23,204,153	26,139,197
3,247,376	2,745,940	3,226,398	3,620,491	4,054,572	4,493,078
3,933,573	4,177,634	3,773,499	3,947,340	3,901,097	4,398,011
35,331,594	35,131,333	34,177,502	35,008,799	36,209,203	37,381,807
19,858,334	19,458,476	19,693,624	20,458,952	20,472,241	22,109,735
10,086,142	10,191,118	11,533,499	12,766,547	13,600,777	12,764,162
968,945	1,195,266	1,202,570	872,855	786,233	714,396
10,983,274	10,665,631	10,807,898	11,751,012	12,391,480	12,352,432
-	-	-	-	-	16,856,380
-	-	-	-	-	-
-	2,781,306	-	-	-	-
19,969,292	23,104,156	24,622,384	17,009,979	21,314,671	19,611,220
506,845,554	518,708,076	509,405,724	516,052,814	545,998,965	624,774,863
14,563,755	15,252,619	16,270,439	16,944,341	15,355,789	-
14,563,755	15,252,619	16,270,439	16,944,341	15,355,789	-
<u>\$ 521,409,309</u>	<u>\$ 533,960,695</u>	<u>\$ 525,676,163</u>	<u>\$ 532,997,155</u>	<u>\$ 561,354,754</u>	<u>\$ 624,774,863</u>

Total Primary Government Expenses



CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO

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

	Fiscal Year			
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Program Revenues				
Governmental activities:				
Charges for services:				
Instruction	\$ 15,579,084	\$ 17,022,126	\$ 18,118,834	\$ 17,672,587
Pupil activities	11,300,849	11,571,481	11,571,446	11,464,290
Food services operations	-	-	-	-
Other activities	861,208	1,151,383	1,476,045	1,385,941
Operating grants and contributions	28,047,976	27,846,901	28,940,825	29,333,487
Capital grants and contributions	619,349	538,520	541,869	280,737
Total governmental activities program revenues	<u>56,408,466</u>	<u>58,130,411</u>	<u>60,649,019</u>	<u>60,137,042</u>
Business-type activities:				
Charges for services:				
Food services operations	8,264,051	8,353,484	8,631,867	8,269,413
Operating grants and contributions	4,447,409	4,907,235	5,518,150	6,027,800
Total business-type activities program revenues	<u>12,711,460</u>	<u>13,260,719</u>	<u>14,150,017</u>	<u>14,297,213</u>
Total primary government program revenues	<u>\$ 69,119,926</u>	<u>\$ 71,391,130</u>	<u>\$ 74,799,036</u>	<u>\$ 74,434,255</u>
Net (Expense)/Revenue				
Governmental activities	\$ (358,323,400)	\$ (385,768,695)	\$ (408,926,275)	\$ (428,718,298)
Business-type activities	52,463	52,823	308,648	(89,873)
Total primary government net expense	<u>\$ (358,270,937)</u>	<u>\$ (385,715,872)</u>	<u>\$ (408,617,627)</u>	<u>\$ (428,808,171)</u>

Notes:

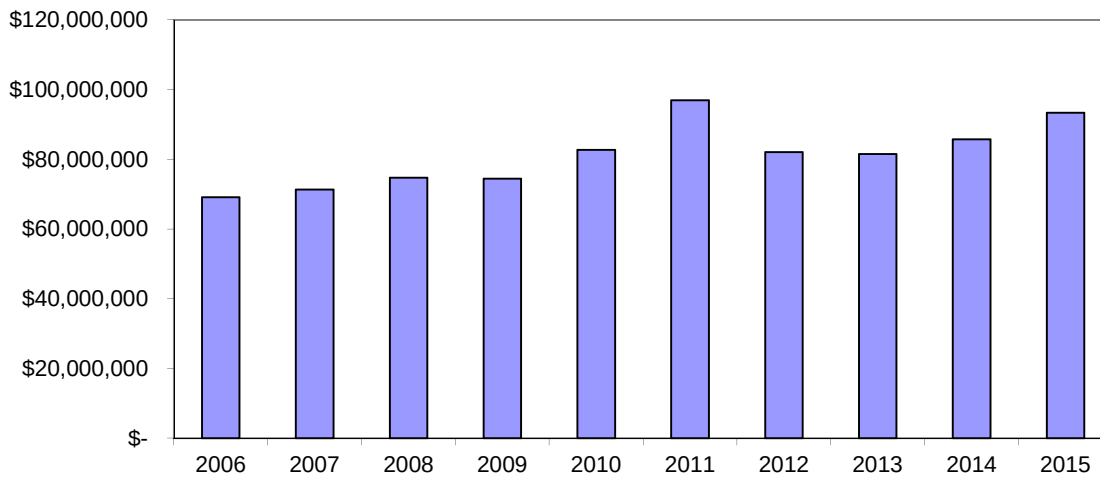
(1) Includes all funds. (GAAP Basis)

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

Schedule 2 (continued)

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ 18,117,416	\$ 17,306,277	\$ 17,887,323	\$ 17,907,531	\$ 18,256,500	\$ 19,071,710
11,217,970	10,744,849	11,002,470	11,554,515	12,528,299	12,529,479
-	-	-	-	-	8,833,988
1,576,975	1,466,473	1,334,298	1,058,037	550,790	1,598,637
35,984,390	50,919,702	35,338,499	34,657,536	37,404,200	50,530,484
575,230	866,172	1,212,331	460,861	1,055,175	789,202
<u>67,471,981</u>	<u>81,303,473</u>	<u>66,774,921</u>	<u>65,638,480</u>	<u>69,794,964</u>	<u>93,353,500</u>
8,344,224	8,266,385	7,975,985	8,105,311	8,033,410	-
<u>6,948,094</u>	<u>7,390,992</u>	<u>7,376,254</u>	<u>7,781,614</u>	<u>7,967,900</u>	-
<u>15,292,318</u>	<u>15,657,377</u>	<u>15,352,239</u>	<u>15,886,925</u>	<u>16,001,310</u>	-
<u>\$ 82,764,299</u>	<u>\$ 96,960,850</u>	<u>\$ 82,127,160</u>	<u>\$ 81,525,405</u>	<u>\$ 85,796,274</u>	<u>\$ 93,353,500</u>
\$ (439,373,573)	\$ (437,404,603)	\$ (442,630,803)	\$ (450,414,334)	\$ (476,204,001)	\$ (531,421,363)
728,563	404,758	(918,200)	(1,057,416)	645,521	-
<u>\$ (438,645,010)</u>	<u>\$ (436,999,845)</u>	<u>\$ (443,549,003)</u>	<u>\$ (451,471,750)</u>	<u>\$ (475,558,480)</u>	<u>\$ (531,421,363)</u>

Total Primary Government Program Revenues



CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO

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

	Fiscal Year			
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes:				
Property taxes	\$ 191,435,995	\$ 200,318,318	\$ 206,915,772	\$ 222,411,349
Specific ownership taxes	17,658,917	17,450,360	16,768,029	15,903,660
Investment earnings	4,374,881	4,740,873	2,895,107	1,745,780
Other revenues	2,083,166	2,151,510	1,776,439	3,596,646
State equalization aid	159,224,806	175,076,405	187,758,523	200,186,015
Sale of assets	-	-	-	-
Transfers	(178,352)	(82,851)	(81,484)	(117,836)
Total governmental activities	<u>374,599,413</u>	<u>399,654,615</u>	<u>416,032,386</u>	<u>443,725,614</u>
Business-type activities:				
Investment earnings	98,384	158,893	141,982	31,031
Transfers	178,352	82,851	81,484	117,836
Total business-type activities	<u>276,736</u>	<u>241,744</u>	<u>223,466</u>	<u>148,867</u>
Total primary government	<u>\$ 374,876,149</u>	<u>\$ 399,896,359</u>	<u>\$ 416,255,852</u>	<u>\$ 443,874,481</u>
 Change in Net Position				
Governmental activities	\$ 16,276,013	\$ 13,885,920	\$ 7,106,111	\$ 15,007,316
Business-type activities	329,199	294,567	532,114	58,994
Total primary government	<u>\$ 16,605,212</u>	<u>\$ 14,180,487</u>	<u>\$ 7,638,225</u>	<u>\$ 15,066,310</u>

Notes:

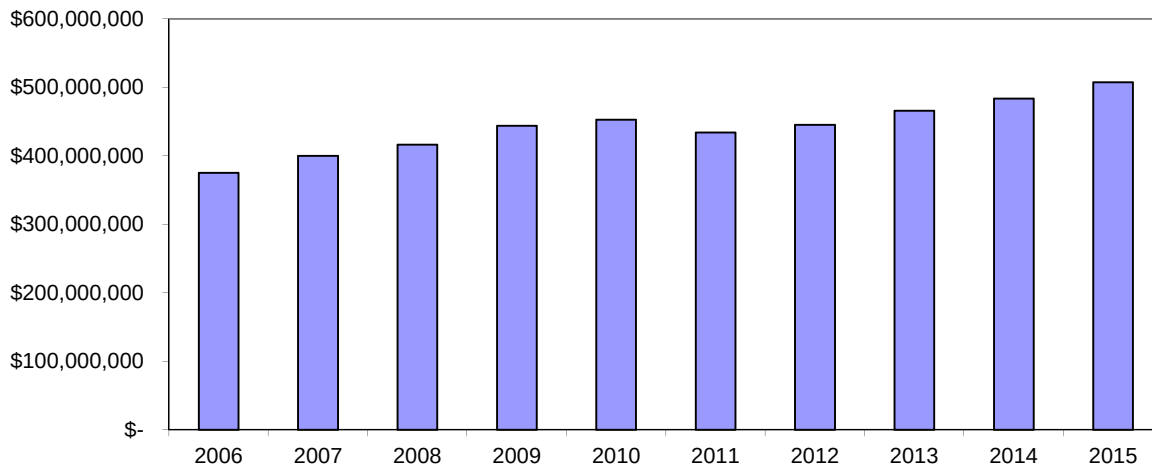
(1) Includes all funds. (GAAP Basis)

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

Schedule 2 (continued)

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ 223,752,825	\$ 229,323,293	\$ 229,771,527	\$ 244,443,241	\$ 250,991,310	\$ 252,956,067
15,360,501	14,449,208	14,509,101	16,057,777	17,605,225	19,097,032
1,687,500	751,113	440,924	633,081	825,024	330,635
2,908,257	2,960,316	3,179,402	2,695,837	2,690,670	2,167,466
209,183,996	186,263,975	197,308,106	201,778,792	211,633,340	232,119,104
-	-	-	-	-	642,594
-	(103,451)	-	(275,560)	(934,873)	-
452,893,079	433,644,454	445,209,060	465,333,168	482,810,696	507,312,898
600	1,025	2,015	6,698	3,986	-
-	103,451	-	275,560	934,873	-
600	104,476	2,015	282,258	938,859	-
\$ 452,893,679	\$ 433,748,930	\$ 445,211,075	\$ 465,615,426	\$ 483,749,555	\$ 507,312,898
\$ 13,519,506	\$ (3,760,149)	\$ 2,578,257	\$ 14,918,834	\$ 6,606,695	\$ (24,108,465)
729,163	509,234	(916,185)	(775,158)	1,584,380	-
\$ 14,248,669	\$ (3,250,915)	\$ 1,662,072	\$ 14,143,676	\$ 8,191,075	\$ (24,108,465)

Total Primary Government General Revenues



**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
2006	\$ 993,960	\$ 9,835,000	\$ 1,125,627	\$ 1,809,428	\$ 6,708,700	\$ 20,472,715
2007	951,031	10,583,000	884,229	1,626,099	8,262,903	22,307,262
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

All Other Governmental Funds						
Fiscal Year	Nonspendable	Restricted	Committed	Assigned	Unassigned	Total
2006	\$ -	\$ 97,425,380	\$ 8,045,178	\$ 2,492,704	\$ -	\$ 107,963,262
2007	-	70,451,576	8,697,324	2,828,239	-	81,977,139
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

Notes:

(1) Other governmental funds from fiscal year 2006 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.



CherryCreek
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			
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Revenues				
Local sources				
Property taxes	\$ 194,339,986	\$ 199,571,172	\$ 207,013,865	\$ 220,133,193
Specific ownership taxes	17,658,917	17,450,360	16,768,029	15,903,660
Tuition	13,713,445	15,247,271	16,373,319	15,912,029
Earnings on investments	4,374,881	4,740,873	2,895,107	1,745,780
Pupil activities	11,300,849	11,571,481	11,571,446	11,464,290
Food service operations	-	-	-	-
Other	7,322,820	6,920,467	8,687,906	9,402,234
State sources				
Equalization aid	159,224,806	175,076,405	187,758,523	200,186,015
Vocational education	2,002,053	723,110	1,491,395	1,078,451
Education of handicapped	7,149,487	7,587,737	7,507,649	7,778,024
Transportation	2,570,702	2,612,078	3,086,331	3,576,970
Other	1,090,670	2,017,101	665,442	753,524
Federal sources	13,350,891	13,657,343	13,956,561	13,795,224
Total revenues	<u>434,099,507</u>	<u>457,175,398</u>	<u>477,775,573</u>	<u>501,729,394</u>
Expenditures				
Instruction	240,390,990	260,993,962	277,624,127	291,739,767
Pupil services	21,549,955	22,955,861	24,991,634	25,393,727
Instructional staff services	13,431,218	14,186,080	14,376,166	14,452,430
School administration	20,189,689	20,883,529	21,766,883	22,483,945
General administration	2,774,131	3,231,813	3,192,004	3,160,948
Business services	2,979,475	3,159,154	3,428,093	3,555,377
Operations & maintenance	31,893,410	32,998,360	34,454,985	34,861,871
Pupil transportation	11,409,808	13,345,503	17,043,796	17,415,623
Central supporting services	9,967,331	9,465,979	11,538,222	11,973,210
Non-departmental	1,223,626	1,318,533	1,539,238	1,236,573
Pupil activities	11,189,035	11,501,773	11,852,886	11,520,567
Food service operations	-	-	-	-
Capital outlay	48,882,913	41,017,521	24,093,682	18,955,829
Debt service				
Interest	20,580,649	19,626,055	18,372,291	18,681,896
Principal	24,275,000	26,560,000	30,850,000	25,830,000
Total expenditures	<u>460,737,230</u>	<u>481,244,123</u>	<u>495,124,007</u>	<u>501,261,763</u>
Excess of revenues over (under) expenditures	(26,637,723)	(24,068,725)	(17,348,434)	467,631
Other Financing Sources (Uses):				
Transfers in	1,294,903	1,297,107	2,324,723	1,928,953
Transfers out	(1,473,255)	(1,379,958)	(2,406,207)	(2,046,789)
General obligation bonds issued	-	-	-	101,775,000
Bond premium	-	-	-	5,269,031
Refunding bonds issued	-	-	-	-
Bond refunding escrow agent	-	-	-	-
Capital lease proceeds	-	-	-	-
Sale of assets	13,225	-	-	-
Total other financing sources (uses)	<u>(165,127)</u>	<u>(82,851)</u>	<u>(81,484)</u>	<u>106,926,195</u>
Net change in fund balances	<u>\$ (26,802,850)</u>	<u>\$ (24,151,576)</u>	<u>\$ (17,429,918)</u>	<u>\$ 107,393,826</u>
Debt service as a percentage of noncapital expenditures	10.6%	10.3%	10.3%	9.0%

Schedule 4

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ 223,900,561	\$ 230,897,870	\$ 228,223,103	\$ 244,241,017	\$ 253,798,699	\$ 248,177,323
15,360,501	14,449,208	14,509,101	16,057,777	17,605,225	19,097,032
16,288,980	15,591,988	16,142,958	16,401,196	16,929,390	17,816,277
1,687,500	751,113	440,924	633,081	825,024	330,635
11,217,970	10,744,849	11,002,470	11,554,515	12,528,299	12,529,479
-	-	-	-	-	8,833,988
8,083,985	6,540,245	6,683,263	6,101,978	5,500,336	8,064,853
209,183,996	186,263,975	197,308,106	201,778,792	211,633,340	232,119,104
1,892,460	1,927,762	1,999,301	1,770,487	1,242,237	1,944,188
8,196,245	8,260,881	8,756,893	8,876,181	10,733,620	10,674,340
3,921,767	3,986,143	3,893,457	3,976,050	4,402,117	4,444,837
1,398,444	1,414,238	1,254,837	1,179,010	1,870,763	4,735,947
19,380,387	35,797,683	20,221,144	18,474,903	19,278,707	26,476,985
520,512,796	516,625,955	510,435,557	531,044,987	556,347,757	595,244,988
304,555,053	311,451,823	310,493,043	317,066,517	330,808,321	349,682,286
28,875,655	28,261,343	28,749,259	29,402,945	30,796,440	30,254,589
14,327,494	13,056,852	13,171,119	12,535,219	14,114,213	19,204,994
22,514,168	22,241,396	21,789,567	22,010,548	23,052,768	24,455,161
3,043,541	2,704,992	3,175,239	3,586,078	3,813,769	4,184,892
3,622,878	3,843,164	3,633,546	3,697,875	3,748,118	3,920,947
33,606,542	33,299,583	32,933,622	33,742,097	34,781,310	35,301,454
17,352,382	16,586,304	18,380,112	19,179,400	19,611,022	20,228,156
10,043,521	10,178,782	11,355,195	12,180,195	13,123,683	12,381,765
1,348,519	1,582,783	1,566,324	1,275,301	1,238,377	1,116,255
10,983,274	10,665,631	10,807,898	11,751,012	12,391,480	12,352,432
-	-	-	-	-	16,051,226
98,698,111	80,911,468	25,393,161	26,531,263	70,697,204	51,721,532
21,797,565	23,974,385	31,340,000	21,770,399	22,357,261	20,394,811
27,600,000	29,050,000	21,821,250	28,940,000	29,627,902	32,551,624
598,368,703	587,808,506	534,609,335	543,668,849	610,161,868	633,802,124
(77,855,907)	(71,182,551)	(24,173,778)	(12,623,862)	(53,814,111)	(38,557,136)
8,648,452	14,540,447	5,163,573	9,270,877	7,717,284	12,660,230
(8,648,452)	(14,643,898)	(5,163,573)	(9,546,437)	(8,652,157)	(12,660,230)
101,775,000	-	48,855,000	125,000,000	31,215,000	-
1,280,672	-	4,870,000	4,411,897	4,319,741	7,077,043
-	-	-	-	-	37,585,000
-	-	(53,567,932)	-	(35,345,000)	(44,431,763)
-	-	-	-	9,923,605	5,873,383
-	-	-	-	-	642,594
103,055,672	(103,451)	157,068	129,136,337	9,178,473	6,746,257
\$ 25,199,765	\$ (71,286,002)	\$ (24,016,710)	\$ 116,512,475	\$ (44,635,638)	\$ (31,810,879)
9.7%	10.1%	10.3%	9.7%	9.5%	9.0%

CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO

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

Schedule 4 (continued)

Notes:

(1) Includes all funds. (GAAP Basis)

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

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

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

**CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO**

**Assessed Value and Estimated Actual Value of Taxable Property,
Last Ten Tax Years
(in thousands of dollars)**

Schedule 5

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
2006	\$1,983,013	\$1,535,298	\$ 769,811	\$ 448,584	\$ 3,839,538	51.5750	\$31,312,387	12.26%
2007	2,049,580	1,561,760	777,387	456,753	3,931,974	51.1290	32,237,477	12.20%
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%

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:

<u>Year</u>	<u>Residential</u>	<u>Commercial</u>	<u>Base Year</u>
2006	7.96	29.0	2004
2007	7.96	29.0	2005
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

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)*

Collection Year	Cherry Creek School District Number 5			Total Cities and Towns	Total County	Total Special Districts (1)	Total (2)
	General Fund	Debt Service Fund	Total District				
2006	39.787	11.788	51.575	79.370	15.420	1,378.795	1,525.160
2007	38.896	12.233	51.129	77.784	16.083	1,389.060	1,534.056
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

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 71.8 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

Taxpayer	2015			2006		
	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	\$ 77,915,364	1	1.75%	\$ 36,039,220	2	0.94%
Verizon Wireless	49,733,512	2	1.12%	24,801,680	4	0.65%
Qwest	40,906,898	3	0.92%	45,988,700	1	1.20%
Greenwood Property Corporation	32,045,000	4	0.72%	27,550,000	3	0.72%
GPI Plaza Tower LP	23,925,000	5	0.54%	-	-	-
Granite Properties Inc	23,925,000	6	0.54%	-	-	-
Palazzo Verdi LLC	13,920,000	7	0.31%	-	-	-
Village Center Station I LLC	12,470,001	8	0.28%	-	-	-
GK Peakview Tower LLC	12,470,000	9	0.28%	-	-	-
CREF Tuscany Plaza LLC	12,383,001	10	0.28%	-	-	-
Property Colorado OBJLW One	-	-	-	17,400,000	5	0.45%
EOP - Millennium LLC	-	-	-	10,730,000	6	0.28%
FSP Greenwood Plaza Corporation	-	-	-	10,150,000	7	0.26%
GS Centennial LLC	-	-	-	10,150,000	8	0.26%
Galleria Acquisition Inc.	-	-	-	10,149,990	9	0.26%
Trinet Realty Investors V Inc	-	-	-	9,831,000	10	0.26%
	<u>\$ 221,778,412</u>		<u>4.99%</u>	<u>\$ 202,790,590</u>		<u>5.03%</u>

Source: Arapahoe County Assessor's Office

Notes:

(1) The total net assessed valuation upon which the 2013 tax levy is based for collection in 2014 is \$4,446,137,675. The total assessed valuation upon which the 2004 tax levy is based for collection in 2005 is \$3,839,537,770.

**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
2006	\$ 198,024,067	\$ 193,962,837	97.95%	\$ 676,131	\$ 194,638,968	98.29%
2007	201,036,940	197,160,029	98.07%	1,232,494	198,392,523	98.68%
2008	211,148,521	206,670,244	97.88%	(174,033)	206,496,211	97.80%
2009	224,621,021	218,325,366	97.20%	1,846,708	220,172,074	98.02%
2010	231,224,256	223,701,797	96.75%	(68,415)	223,633,382	96.72%
2011	238,383,887	229,597,846	96.31%	2,651,178	232,249,024	97.43%
2012	233,311,851	227,541,817	97.53%	1,610,939	229,152,756	98.22%
2013	248,885,279	240,722,903	96.72%	5,355,481	246,078,384	98.87%
2014	254,202,850	252,258,135	99.23%	(598,920)	251,659,215	99.00%
2015	250,713,776	247,276,192	98.63%	-	247,276,192	98.63%

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 2015 collection year include actual collections through June 30, 2015, 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.

(4) Collections in subsequent years show a negative amount for the fiscal years ended June 30, 2008, 2010 and 2014. This is due to a large amount of refunds related to those tax years paid back to tax payers during a subsequent fiscal year.

**CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO**

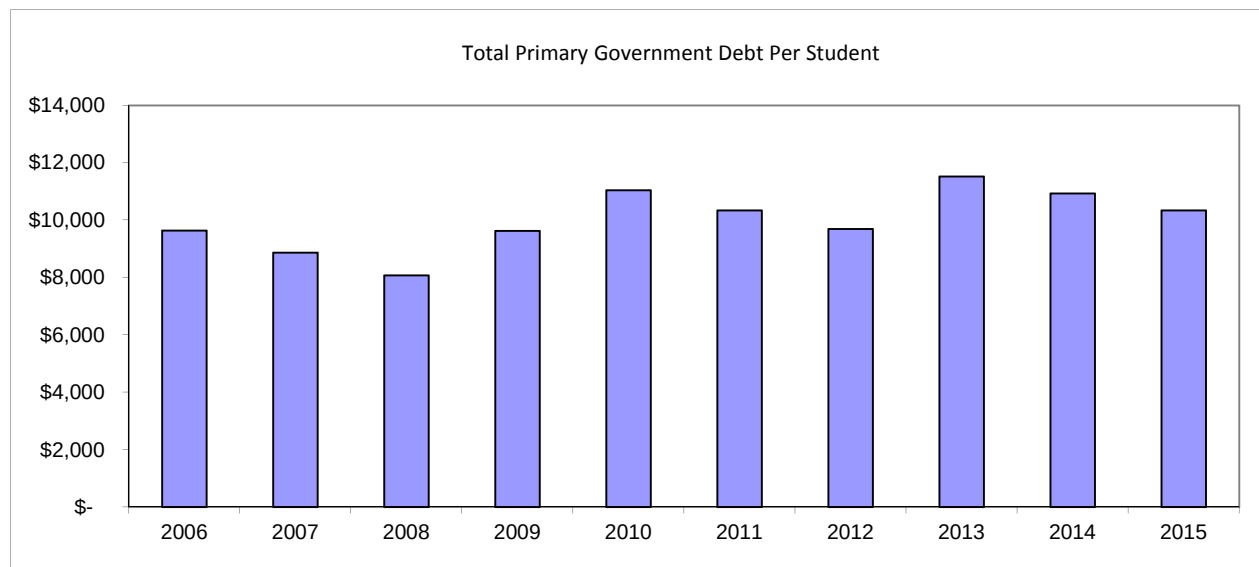
**Ratios of Outstanding Debt by Type,
Last Ten Fiscal Years**
(dollars in thousands, except per student)

Schedule 9

Fiscal Year	Governmental Activities			Total Primary Government	Percentage of Estimated Actual Value of Taxable Property	Percentage of Arapahoe County Personal Income	Per Capita	Per Student
	General Obligation Bonds	Certificates of Participation	Capital Leases					
2006	\$ 435,162	\$ 8,660	\$ 34	\$ 443,856	1.42%	1.68%	\$ 1,759	\$ 9,640
2007	409,452	7,270	-	416,722	1.29%	1.51%	1,621	8,860
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%		2,009	11,521
2014	550,913	-	8,705	559,618	1.60%		1,900	10,931
2015	519,834	-	11,917	531,751	1.51%		1,803	10,339

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 2014 and 2015.



**CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO**

**Ratios of General Bonded Debt Outstanding,
Last Ten Fiscal Years**

Schedule 10

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

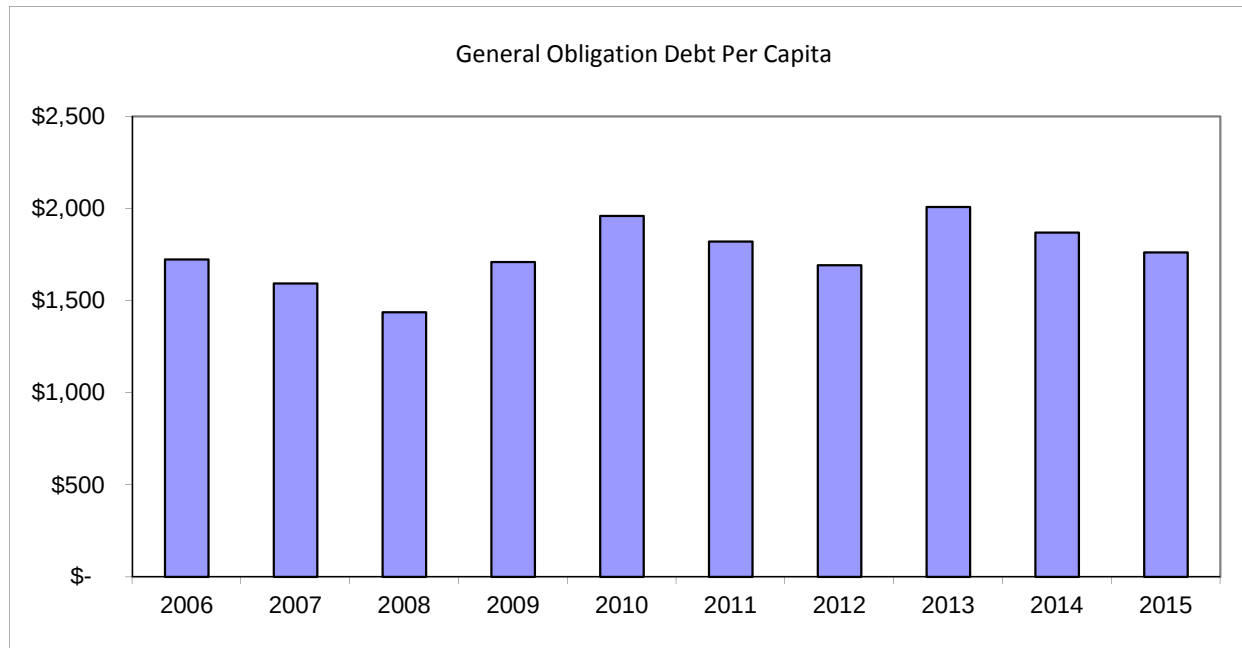
<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Percentage of Estimated Actual Value of Taxable Property</u>	<u>Per Capita</u>	<u>Per Student</u>
2006	\$ 435,162	1.39%	\$ 1,724	\$ 9,451
2007	409,452	1.27%	1,593	8,706
2008	380,168	1.05%	1,437	7,961
2009	461,541	1.24%	1,709	9,536
2010	537,017	1.45%	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

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
As of June 30, 2015
(dollars in thousands)

Schedule 11

	Outstanding General Obligation Debt	Percentage Applicable To District	Amount Applicable To District
Overlapping debt:			
Antelope Water System General Improvement District	\$ 2,590	100.00 %	\$ 2,590
Arapahoe Park & Recreation District	149,156	100.00	149,156
Arapahoe Water & Wastewater Public Improvement District	9,600	100.00	9,600
Beacon Point Metropolitan District	16,285	100.00	16,285
Centennial 25 Metropolitan District	1,918	100.00	1,918
Chaparral Metropolitan District	162	100.00	162
Cherry Creek Vista Metro Park & Rec District	3,700	100.00	3,700
City of Aurora	32,800	38.36	12,582
City of Englewood	19,035	3.63	691
Conservatory Metropolitan District	23,290	100.00	23,290
Country Homes Metropolitan District #A	226	100.00	226
Dove Valley Metropolitan District	50,120	100.00	50,120
Eagle Bend Metropolitan District #A	32,799	100.00	32,799
East Quincy Highlands Metro District #1	2,950	100.00	2,950
East Smoky Hill Metro District #1	3,765	100.00	3,765
Fiddler's Green Business Improve. District	57,512	100.00	57,512
Galleria Metropolitan District	4,893	100.00	4,893
Goodman Metropolitan District	3,145	100.00	3,145
Greenwood Metropolitan District	1,110	98.50	1,093
Heather Gardens Metropolitan District	9,185	40.16	3,689
High Plains Metropolitan District	23,675	100.00	23,675
Highline Glen Metropolitan District	85	100.00	85
Inverness Metropolitan Improvement District	4,660	71.10	3,313
Inverness Water & Sanitation District	14,565	69.32	10,096
Liverpool Metropolitan District	3,035	100.00	3,035
Panorama Metropolitan District	5,695	100.00	5,695
Parker Jordan Metropolitan District	18,755	100.00	18,755
Piney Creek Metropolitan District	6,085	100.00	6,085
Saddle Rock Metro District	9,570	100.00	9,570
Saddle Rock South Metropolitan District #2	3,805	100.00	3,805
Saddle Rock South Metropolitan District #3	3,875	100.00	3,875
Saddle Rock South Metropolitan District #4	1,785	100.00	1,785
Serenity Ridge Metropolitan District No. 2	8,365	100.00	8,365
Sorrel Ranch Metropolitan District	11,105	100.00	11,105
South Suburban Metropolitan Park & Recreation District	15,715	36.17	5,684
Southeast Public Improvement Metro District	3,776	57.70	2,179
Southlands Metropolitan District No. 1	53,610	100.00	53,610
Southlands Metropolitan District No. 2	2,230	100.00	2,230
Sundance Hills Metropolitan District	331	100.00	331
Town of Foxfield	434	100.00	434
Tallgrass Metropolitan District	17,614	100.00	17,614
Tallyn's Ranch Metropolitan District No. 2	4,765	100.00	4,765
Tallyn's Ranch Metropolitan District No. 3	32,980	100.00	32,980
Tollgate Crossing Metropolitan District No. 2	14,830	100.00	14,830
Willow Trace Metropolitan District	8,740	100.00	8,740
Total overlapping debt	<u>694,326</u>		<u>632,807</u>
Direct debt:			
Cherry Creek School District Number Five	519,834	100.00	519,834
Total	<u>\$ 1,214,160</u>		<u>\$ 1,152,641</u>

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 2015

	Assessed Value
Assessed Value	\$ 4,446,137,675
Legal debt limit percentage	20%
Legal debt limit	\$ 889,227,535
Amount of debt applicable to debt limit:	
Total bonded debt	\$ 495,520,000
Less Debt Service Fund available	50,860,913
Total amount of debt applicable to debt limit	444,659,087
Legal debt margin	\$ 444,568,448

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
2006	\$ 767,907,554	\$ 391,581,530	\$ 376,326,024	51.0%
2007	786,394,718	362,660,698	423,734,020	46.1%
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%

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

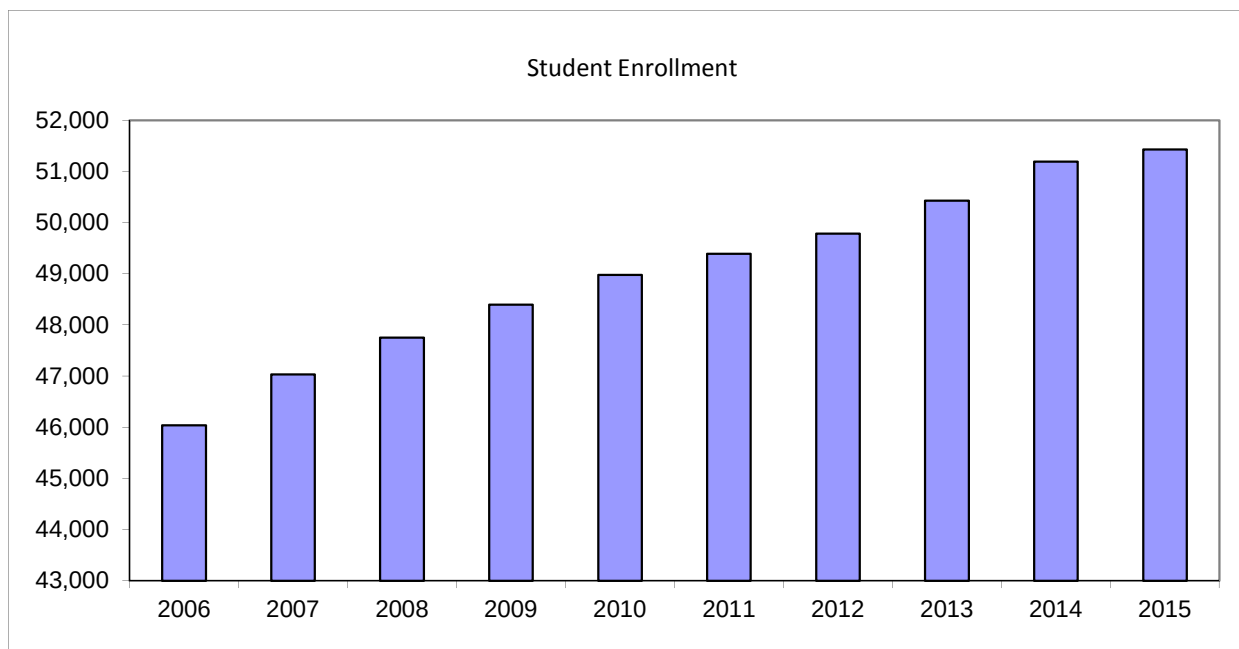
Fiscal Year	Arapahoe County				Cherry Creek School District	
	Population	Personal Income (millions of dollars)	Per Capita Personal Income	Unemployment Rate	Population	FTE Student Enrollment
2006	543,033	\$ 26,421	\$ 49,458	5.1%	252,350	46,043
2007	551,724	27,680	50,947	4.3%	257,000	47,033
2008	561,388	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	-	-	5.4%	294,500	51,198
2015	619,211	-	-	4.4%	295,000	51,433

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 2014 and 2015.

(2) District population information is based on 2000 census data and information provided by the District's Department of Planning and Community Services.

(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 2003 to 2008 and at .58 FTE for fiscal years 2009 to 2014. 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

<u>Employer</u>	<u>2015</u>			<u>2006</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Metro Denver Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Metro Denver Employment</u>
Cherry Creek School District	7,900	1	2.59%	7,000	1	2.57%
Adams Arapahoe Aurora Schools	5,700	2	1.87%	4,500	2	1.65%
City of Aurora	3,500	3	1.15%	3,400	3	1.25%
Raytheon Company	2,400	4	0.79%	2,300	6	0.84%
Littleton School District	2,400	5	0.79%	2,500	4	0.92%
CenturyLink (Qwest Corp)	2,000	6	0.66%	-		-
Arapahoe County	1,900	7	0.62%	1,800	8	0.66%
Columbia HCA Swedish	1,900	8	0.62%	1,800	7	0.66%
Columbia HCA Med Ctr Aurora	1,600	9	0.52%	1,500	10	0.55%
EchoSphere	1,400	10	0.46%	1,500	9	0.55%
Great West Life & Annuity Insurance	-		-	2,500	5	0.92%
Total	<u>30,700</u>		<u>10.07%</u>	<u>28,800</u>		<u>10.57%</u>

Source:

Employer data was obtained from Arapahoe County's 2014 Comprehensive Annual Financial Report.

**CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO**

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

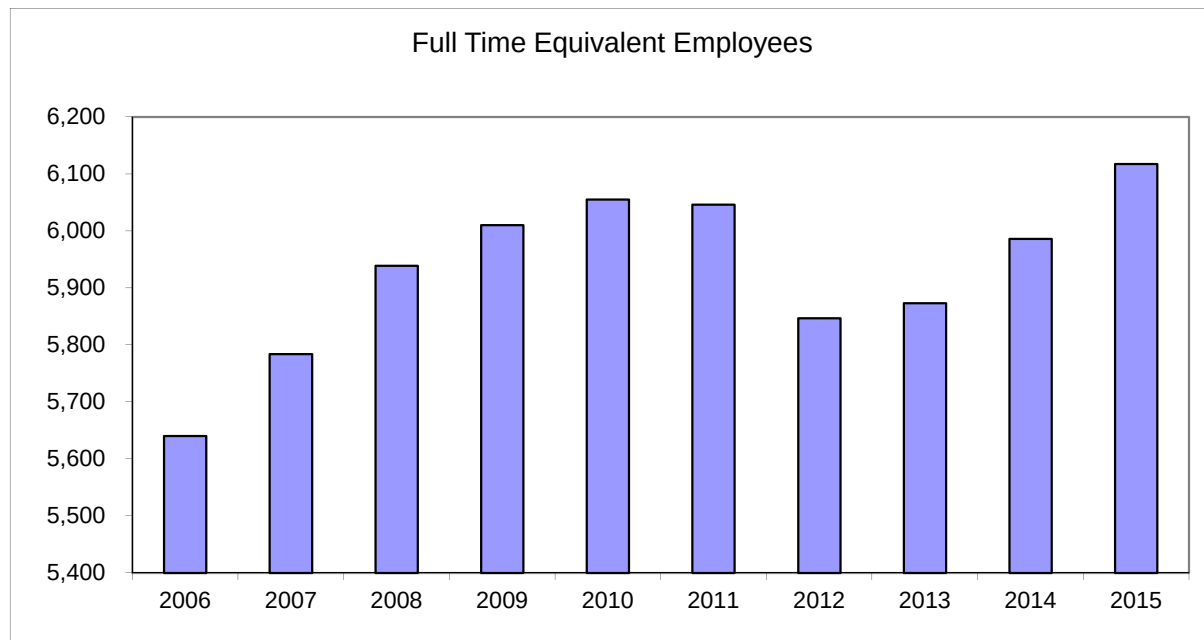
Schedule 16

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Administrators	134	136	138	140	139	141	143	146	148	159
Teachers	3,080	3,157	3,241	3,262	3,262	3,285	3,188	3,219	3,285	3,335
Teacher Assistants & Aides	182	180	179	179	189	192	187	185	184	207
Staff Support	369	376	388	391	389	333	336	365	368	390
Secretarial	371	370	382	385	379	380	349	327	333	343
Maintenance	64	68	70	71	70	70	66	66	69	71
Custodians	89	90	91	92	94	90	89	93	94	86
Bus Drivers	209	223	241	252	259	222	222	222	243	245
Mechanics	20	20	21	21	22	22	22	22	22	22
Mental Health	90	93	94	95	96	96	95	98	106	109
Nurses	56	57	59	60	60	59	58	61	62	61
Bus Aides	76	80	80	81	101	88	87	88	89	118
Designated purpose grants	189	203	192	202	212	175	181	156	162	152
Extended child services	496	511	514	532	532	532	565	566	560	560
Other governmental funds	14	12	21	11	18	15	16	7	7	7
Food services operations	201	208	228	236	233	346	243	253	254	252
Total	5,640	5,784	5,939	6,010	6,055	6,046	5,847	5,873	5,986	6,118

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.



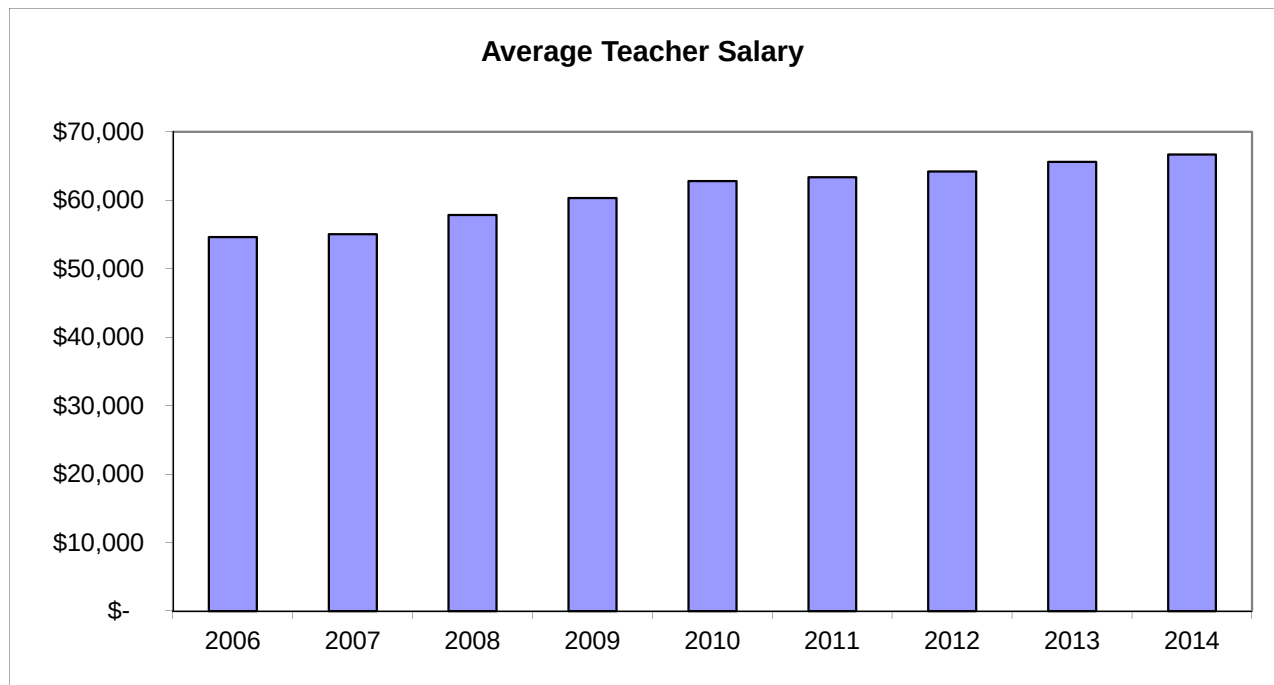
**CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO**

**Teacher Salary
Last Ten Fiscal Years**

Schedule 17

Fiscal Year	Contract Length	Salary		
		Beginning Teacher	Maximum Teacher	Average Teacher
2006	185	\$ 31,435	\$ 71,217	\$ 54,651
2007	185	32,625	74,078	55,048
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

Source: School District





CherryCreek
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
2006	\$ 414,732	46,043	\$ 9,007	4.48%	3,080	14.9	9,279	20.2%
2007	443,899	47,033	9,438	4.78%	3,157	14.9	10,145	21.6%
2008	469,575	47,752	9,834	4.19%	3,241	14.7	11,161	23.4%
2009	488,855	48,402	10,100	2.71%	3,262	14.8	11,511	23.8%
2010	506,846	48,979	10,348	2.46%	3,262	15.0	12,734	26.0%
2011	523,427	49,396	10,597	2.40%	3,285	15.0	14,396	29.1%
2012	509,406	49,788	10,232	-3.45%	3,188	15.6	14,628	29.4%
2013	516,053	50,435	10,232	0.00%	3,219	15.7	14,979	29.7%
2014	545,999	51,198	10,665	4.23%	3,285	15.6	15,529	30.3%
2015	624,775	51,433	12,147	13.90%	3,335	15.4	15,382	29.9%

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 years 2005 to 2008 and at .58 FTE for fiscal years 2009 to 2014. 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 will not assign new school or district ratings during the fall of 2015, meaning schools and districts will retain the ratings they were assigned at the end of 2014. Ratings will be issued again in the fall of 2016.

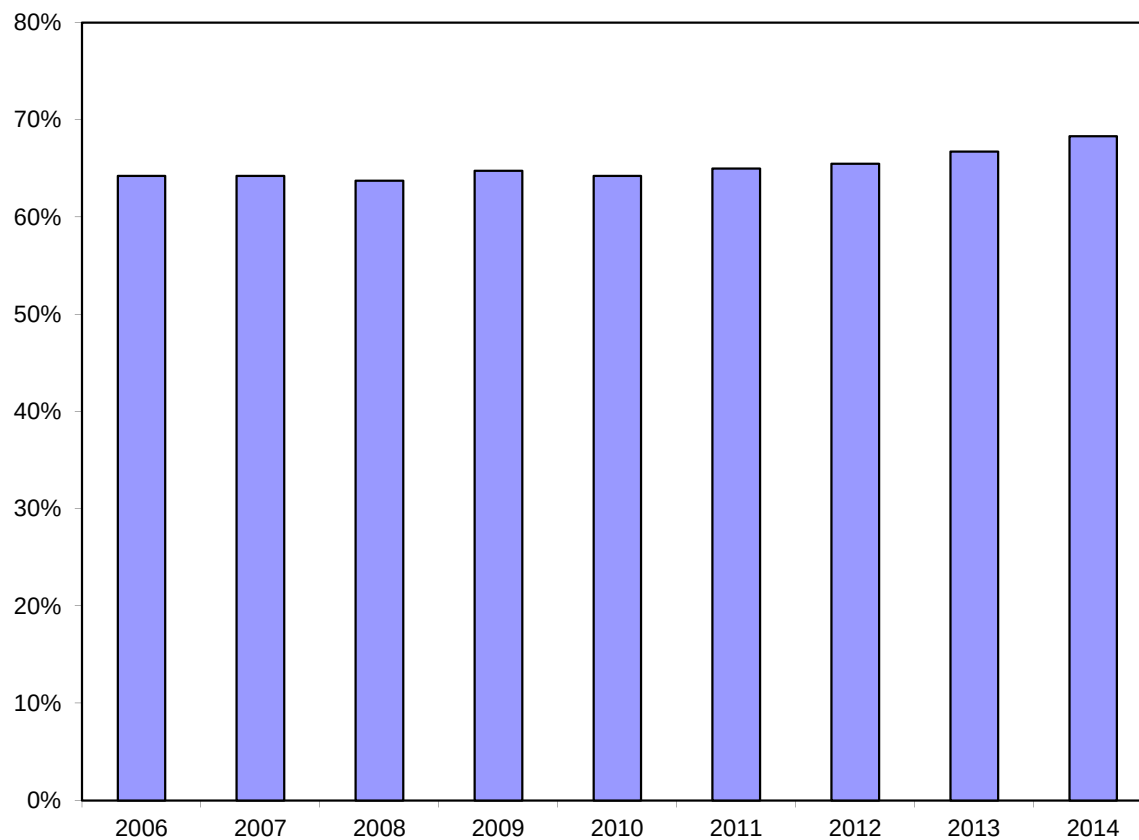
(5) The State of Colorado tests student performance annually in the spring. Prior to the 2011-2012 school year, these tests were known as Colorado Student Assessment Tests (CSAP). From the 2011-2012 school year through the 2014-2015 school year, the test was known as the Transitional Colorado Assessment 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. This table reflects District CSAP and TCAP performance collapsed across grades 3-10 for reading, writing, and math. Science results for fiscal years 2006 to 2013 reflect the collapsed results for grades 5, 8, and 10. Prior to school year 2006, only 8th grade was tested for science. TCAP did not test science in 2013. Data is obtained from the Colorado Department of Education. For the school year 2014-2015, 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 and mathematics assessments. The science and social studies assessments were first administered in spring 2014 in grades 4, 5, 7, and 8. The English language arts and math assessments were administered for the first time in spring 2015. CMAS results will not be used for District accreditation ratings for the 2014-2015 school year. This "time out" created by the State legislature will allow educators, schools and districts to gain more experience with the standards and aligned assessments before they are used for accountability purposes.

(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 2015 are not yet available.

Colorado School Performance Framework Number of Schools Rated			Student Assessment Program (CSAP-TCAP) Percent of Students Scoring Proficient and Above				American College Testing (ACT) Composite Score	Graduation Rate	Dropout Rate
Performance	Improvement	Turnaround	Reading	Writing	Math	Science			
-	-	-	76%	64%	62%	55%	21.6	88.8%	1.9%
-	-	-	75%	64%	63%	55%	21.8	89.0%	2.4%
-	-	-	75%	63%	62%	55%	21.6	86.8%	2.9%
-	-	-	75%	64%	63%	57%	22.0	85.5%	2.7%
54.00	4.00	-	75%	63%	64%	55%	22.1	84.7%	1.7%
56.00	3.00	-	75%	65%	65%	55%	22.0	84.4%	1.7%
55.00	4.00	-	76%	63%	65%	58%	22.1	87.1%	2.0%
58.00	1.00	-	75%	64%	67%	61%	21.8	87.4%	1.5%
51.00	7.00	1.00	76%	63%	66%	-	21.6	86.60	1.50
-	-	-	-	-	-	-	-	-	-

**Average CSAP-TCAP Percent of Students Scoring
Proficient and Above**



**CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO**

**School Building Information,
Last Ten Fiscal Years**

Schedule 19

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
High Schools										
Cherokee Trail (2004)										
Square feet	362,000	362,000	362,000	362,000	362,000	362,000	362,000	362,000	362,000	362,000
Capacity (students)	2,347	2,347	2,347	2,347	2,347	2,347	2,347	2,347	2,647	2,647
Enrollment	1,235	1,599	1,901	2,131	2,293	2,354	2,414	2,499	2,588	2,676
Cherry Creek (1956)										
Square feet	475,101	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	3,619	3,732	3,659	3,490	3,437	3,379	3,387	3,417	3,461	3,452
Eaglecrest (1989)										
Square feet	355,300	352,584	352,584	352,584	352,584	352,584	352,584	352,584	352,584	352,584
Capacity (students)	2,533	2,533	2,533	2,533	2,533	2,533	2,533	2,533	2,533	2,533
Enrollment	2,394	2,402	2,389	2,363	2,290	2,311	2,256	2,341	2,450	2,479
Grandview (1999)										
Square feet	349,552	353,024	353,024	353,024	353,024	353,024	353,024	353,024	353,024	353,024
Capacity (students)	2,316	2,316	2,316	2,316	2,316	2,316	2,316	2,316	2,616	2,616
Enrollment	2,665	2,697	2,693	2,580	2,539	2,528	2,541	2,537	2,534	2,512
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	2,173	2,173	2,423	2,423
Enrollment	2,014	2,036	2,084	1,995	2,088	2,139	2,193	2,139	2,235	2,279
Smoky Hill (1976)										
Square feet	376,960	376,960	376,960	376,960	376,960	376,960	376,960	376,960	376,960	376,960
Capacity (students)	2,399	2,399	2,399	2,399	2,399	2,399	2,399	2,399	2,399	2,399
Enrollment	2,496	2,417	2,422	2,329	2,307	2,261	2,124	2,027	2,093	2,036
Middle Schools										
Campus (1972)										
Square feet	170,393	170,393	170,393	170,393	170,393	170,393	170,393	170,393	170,393	170,393
Capacity (students)	1,590	1,590	1,590	1,590	1,590	1,590	1,590	1,590	1,590	1,590
Enrollment	1,238	1,270	1,348	1,443	1,408	1,421	1,400	1,434	1,409	1,420
Falcon Creek (2000)										
Square feet	144,320	144,320	144,320	144,320	144,320	144,320	144,320	144,320	144,320	144,320
Capacity (students)	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Enrollment	1,160	1,143	1,118	1,127	1,075	1,060	1,014	1,051	1,026	1,018
Fox Ridge (2009)										
Square feet				114,283	114,283	114,283	114,283	114,283	114,283	114,283
Capacity (students)				1,260	1,260	1,260	1,260	1,260	1,260	1,260
Enrollment				531	734	812	913	989	1,123	1,197
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	1,264	1,183	1,130	1,038	1,000	947	950	984	997	970
Laredo (1975)										
Square feet	175,426	175,426	175,426	175,426	175,426	175,426	175,426	175,426	175,426	175,426
Capacity (students)	1,530	1,530	1,530	1,530	1,530	1,530	1,530	1,530	1,530	1,530
Enrollment	1,346	1,286	1,227	1,207	1,168	1,163	1,155	1,128	1,118	1,124
Liberty (2002)										
Square feet	145,500	149,820	149,820	149,820	149,820	149,820	149,820	149,820	149,820	149,820
Capacity (students)	1,140	1,140	1,140	1,140	1,140	1,140	1,140	1,140	1,140	1,140
Enrollment	1,169	1,233	1,211	964	951	1,046	1,055	1,082	1,073	1,088
Prairie (1978)										
Square feet	156,240	180,240	180,240	180,240	180,240	180,240	180,240	180,240	180,240	180,240
Capacity (students)	1,440	1,440	1,440	1,440	1,440	1,440	1,440	1,440	1,740	1,740
Enrollment	1,534	1,523	1,568	1,507	1,530	1,552	1,692	1,687	1,697	1,693
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	508	742	838	785	784	820	830	867	886	876
Thunder Ridge (1993)										
Square feet	181,376	179,584	179,584	179,584	179,584	179,584	179,584	179,584	179,584	179,584
Capacity (students)	1,620	1,620	1,620	1,620	1,620	1,620	1,620	1,620	1,620	1,620
Enrollment	1,266	1,170	1,159	1,137	1,197	1,172	1,214	1,258	1,291	1,316
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	1,244	1,164	1,170	1,174	1,120	1,113	1,093	1,135	1,208	1,220

(continued)

**CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO**

**School Building Information,
Last Ten Fiscal Years**

Schedule 19 (continued)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Elementary Schools										
Antelope Ridge (2000)										
Square feet	60,915	60,915	60,915	60,915	60,915	60,915	60,915	60,915	60,915	60,915
Capacity (students)	804	804	804	804	804	804	804	804	804	804
Enrollment	672	692	682	698	699	700	647	585	579	610
Arrowhead (1978)										
Square feet	61,320	61,320	61,320	61,320	61,320	61,320	61,320	61,320	61,320	61,320
Capacity (students)	719	719	719	719	719	719	719	719	719	719
Enrollment	613	597	587	597	597	593	577	578	542	576
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	273	409	367	447	454	481	478	504	534	498
Bellevue (1955)										
Square feet	51,120	54,240	54,240	54,240	54,240	54,240	54,240	54,240	54,240	54,240
Capacity (students)	592	592	592	592	592	592	592	592	592	592
Enrollment	510	513	531	528	563	537	543	506	516	546
Black Forest Hills (2012)										
Square feet								68,866	68,866	68,866
Capacity (students)								648	648	648
Enrollment								308	455	479
Buffalo Trail (2008)										
Square feet			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
Enrollment			337	504	620	420	501	529	578	609
Canyon Creek (2003)										
Square feet	63,810	63,810	63,810	63,810	63,810	66,380	66,380	66,380	66,380	66,380
Capacity (students)	810	810	810	810	810	648	648	648	648	648
Enrollment	619	636	653	659	672	604	583	303	587	536
Cherry Hills Village (1984)										
Square feet	56,759	56,759	56,759	56,759	56,759	56,759	56,759	56,759	56,759	56,759
Capacity (students)	587	587	587	587	587	587	587	587	587	587
Enrollment	494	494	493	507	527	566	567	568	563	542
Cimarron (1980)										
Square feet	57,111	57,111	57,111	57,111	57,111	57,111	57,111	57,111	57,111	57,111
Capacity (students)	728	728	728	728	728	728	728	728	728	728
Enrollment	497	510	490	495	476	465	451	439	477	449
Cottonwood Creek (1977)										
Square feet	58,625	58,625	58,625	58,625	58,625	58,625	58,625	58,625	58,625	58,625
Capacity (students)	710	710	710	710	710	710	710	710	710	710
Enrollment	529	531	550	564	582	609	595	594	579	578
Coyote Hills (2007)										
Square feet		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
Enrollment		342	444	549	629	718	781	572	595	620
Creekside (1987)										
Square feet	61,416	61,416	61,416	61,416	61,416	61,416	61,416	61,416	61,416	61,416
Capacity (students)	839	671	671	671	671	671	671	671	701	701
Enrollment	684	535	586	610	648	652	656	677	673	650
Dakota Valley (2000)										
Square feet	63,155	63,155	63,155	63,155	63,155	63,155	63,155	63,155	63,155	63,155
Capacity (students)	804	804	804	804	804	804	804	804	804	804
Enrollment	722	761	750	747	754	741	748	751	742	612
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	361	344	356	369	397	391	386	384	380	370
Eastridge (1964)										
Square feet	81,440	81,440	81,440	81,440	81,440	81,440	81,440	81,440	81,440	81,440
Capacity (students)	868	868	868	868	868	868	868	868	868	868
Enrollment	643	705	725	662	697	716	720	723	736	733
Fox Hollow (2002)										
Square feet	65,970	65,970	65,970	65,970	65,970	65,970	65,970	65,970	65,970	65,970
Capacity (students)	810	810	810	810	810	810	810	810	810	810
Enrollment	686	677	700	722	723	776	769	710	653	620
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	381	386	384	380	376	364	390	388	394	403

(continued)

**CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO**

**School Building Information,
Last Ten Fiscal Years**

Schedule 19 (continued)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
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	230	234	237	261	276	273	270	259	262
High Plains (1979)										
Square feet	55,551	55,551	55,551	55,551	55,551	55,551	55,551	55,551	55,551	55,551
Capacity (students)	687	687	687	687	687	687	687	687	687	687
Enrollment	411	412	403	444	499	481	482	476	489	496
Highline (1992)										
Square feet	58,392	58,392	58,392	58,392	58,392	58,392	58,392	58,392	58,392	58,392
Capacity (students)	804	804	804	804	804	804	804	804	804	804
Enrollment	566	553	539	564	566	550	564	567	593	555
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	261	261	262	273	221	236	324	276	286	272
Holly Ridge (1963)										
Square feet	41,126	41,126	41,126	41,126	41,126	41,126	41,126	41,126	41,126	41,126
Capacity (students)	320	320	320	320	320	320	320	320	320	320
Enrollment	221	210	214	256	289	292	263	282	314	334
Homestead (1978)										
Square feet	51,682	51,682	51,682	51,682	51,682	51,682	51,682	51,682	51,682	51,682
Capacity (students)	582	582	582	582	582	582	582	582	582	582
Enrollment	461	482	484	480	479	481	495	513	502	499
Independence (1977)										
Square feet	56,299	56,299	56,299	56,299	56,299	56,299	56,299	56,299	56,299	56,299
Capacity (students)	699	699	699	699	699	699	699	699	699	699
Enrollment	478	456	457	475	471	440	429	447	440	461
Indian Ridge (1986)										
Square feet	60,253	60,253	60,253	60,253	60,253	60,253	60,253	60,253	60,253	60,253
Capacity (students)	763	763	763	763	763	763	763	763	763	763
Enrollment	563	567	549	534	540	531	516	490	476	457
Meadow Point (1983)										
Square feet	56,332	56,332	56,332	56,332	56,332	56,332	56,332	56,332	56,332	56,332
Capacity (students)	638	638	638	638	638	638	638	638	638	638
Enrollment	515	543	513	502	451	404	374	397	405	107
Mission Viejo (1974)										
Square feet	79,070	79,070	79,070	79,070	79,070	79,070	79,070	79,070	79,070	79,070
Capacity (students)	995	995	995	995	995	995	995	995	995	995
Enrollment	671	656	637	604	606	584	579	623	598	574
Mountain Vista (2014)										
Square feet										68,866
Capacity (students)										704
Enrollment										248
Peakview (1992)										
Square feet	58,368	58,368	58,368	58,368	58,368	58,368	58,368	58,368	58,368	58,368
Capacity (students)	804	804	804	804	804	804	804	804	804	804
Enrollment	574	567	576	581	557	535	518	549	525	526
Pine Ridge (2011)										
Square feet						58,976	58,976	58,976	58,976	58,976
Capacity (students)						648	648	648	758	758
Enrollment						451	575	726	744	708
Polton (1973)										
Square feet	64,040	64,040	64,040	64,040	64,040	64,040	64,040	64,040	64,040	64,040
Capacity (students)	495	495	495	495	495	495	495	495	495	495
Enrollment	389	424	397	379	366	390	427	408	405	416
Ponderosa (1978)										
Square feet	59,270	59,270	59,270	59,270	59,270	59,270	59,270	59,270	59,270	59,270
Capacity (students)	661	661	661	661	661	661	661	661	711	711
Enrollment	540	563	545	585	601	627	649	683	694	717
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	369	446	508	504	542	609	629	640	624	633
Rolling Hills (1997)										
Square feet	63,052	63,052	63,052	63,052	63,052	63,052	63,052	63,052	63,052	63,052
Capacity (students)	804	804	804	804	804	804	804	804	804	804
Enrollment	761	736	723	683	657	625	619	615	603	607

(continued)

**CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO**

**School Building Information,
Last Ten Fiscal Years**

Schedule 19 (continued)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Elementary Schools (cont.)										
Sagebrush (1978)										
Square feet	58,892	58,892	58,892	58,892	58,892	58,892	58,892	58,892	58,892	58,892
Capacity (students)	738	738	738	738	738	738	738	738	738	738
Enrollment	572	579	550	576	558	524	524	500	519	490
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	493	491	489	479	445	428	421	370	352	312
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	638	643	623	618	595	583	597	581	570	574
Timberline (1987)										
Square feet	58,176	58,176	58,176	58,176	58,176	58,176	58,176	58,176	58,176	58,176
Capacity (students)	874	874	874	874	874	874	874	874	874	874
Enrollment	640	638	590	609	607	578	576	573	551	549
Trails West (1981)										
Square feet	57,463	57,463	57,463	57,463	57,463	57,463	57,463	57,463	57,463	57,463
Capacity (students)	675	675	675	675	675	675	675	675	675	675
Enrollment	512	491	499	490	492	500	542	500	466	450
Village East (1972)										
Square feet	71,090	71,090	71,090	71,090	71,090	71,090	71,090	71,090	71,090	71,090
Capacity (students)	810	810	810	810	810	810	810	810	810	810
Enrollment	603	592	605	653	739	755	733	714	763	722
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	356	380	373	370	338	350	338	319	321	326
Willow Creek (1978)										
Square feet	51,970	51,970	51,970	51,970	51,970	51,970	51,970	51,970	51,970	51,970
Capacity (students)	551	551	551	551	551	551	551	551	551	551
Enrollment	356	491	492	494	513	508	499	507	501	526
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	527	522	523	525	526	524	523	525	522	522
Cherry Creek Academy (1998)										
Square feet	44,500	44,500	44,500	44,500	44,500	44,500	50,735	50,735	50,735	50,735
Capacity (students)	450	450	450	450	450	450	588	588	588	588
Enrollment	433	435	430	437	449	451	461	466	476	529
Endeavor Academy (2001)										
Square feet	48,380	48,380	48,380	48,380	48,380	48,380	48,380	48,380	48,380	48,380
Capacity (students)	500	500	500	500	500	500	500	500	500	500
Enrollment	387	398	396	461	460	461	461	370	280	283
I-Teams - 3 facilities										
Square feet	39,568	39,568	39,568	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	27	28	30	41	33	23	26	51	45	57
Administrative and Support										
10 Current Facilities										
Square feet	220,089	220,089	220,089	220,089	220,089	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

**CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO**

**School Building Information,
Last Ten Fiscal Years**

Schedule 19 (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 (ASC), Admissions West/Career & Tech Ed, Educational Services Center (ESC), Nutrition Center, Maintenance West, Student Achievement Resource Center (SARC), Instructional Support Facility, Transportation/Maintenance Central, Transportation East, and Warehouse/Purchasing.



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**CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO**

**SCHEDULE OF INSURANCE IN FORCE
June 30, 2015**

<u>Insurer</u>	<u>Policy Number</u>	<u>Type of Policy</u>	<u>Policy Period</u>
Colorado School Districts Self Insurance Pool	0305-14-00003	"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 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	07-01-14 to 07-01-15
Joint School Districts Workers' Compensation Self Insurance Pool	29-C	Statutory Workers' Compensation Insurance	07-01-14 to 07-01-15
ACE American Insurance Co	PHFD38406097002	Foreign Liability Insurance	07-01-14 to 07-01-15
QBE Insurance Corporation	AHH 007253	Travel Accident Insurance	07-01-14 to 07-01-15

Limits		Deductible
Per Occurrence	\$ 1,000,000,000	(Pool limit)
	\$ 1,067,003,134	\$ 100,000 per occurrence
	\$ 166,298,678	
	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
	\$ 600,000	\$ 500 per loss
	\$ 600,000	\$ 500 per loss
	\$ 600,000	\$ 500 per loss
	\$ 600,000	\$ 500 per loss
	\$ 600,000	\$ 500 per loss
	\$ 600,000	\$ 500 per loss
Per occurrence	\$ 2,000,000	\$ 50,000 per occurrence
Aggregate	\$ 5,000,000	
Per occurrence	\$ 2,500,000	
Per occurrence	\$ 1,000,000	\$ 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	
	\$ 100,000,000	
	Included	
	\$ 250,000	
Statutory/ \$1,000,000 Employers Liability		Each Pool Member retains first \$100,000 of each loss, losses between \$100,000 - \$400,000 are pooled with other members, losses between \$400,000 and statutory limits are reinsured.
Per occurrence/ aggregate	\$ 1,000,000	\$ - deductible per loss
Per accident	\$ 15,000	\$ - deductible



CherryCreek
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SINGLE AUDIT REPORTS SECTION



Dedicated to Excellence
Cherry Creek Schools

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 OMB Circular A-133.



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**CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the fiscal year ended June 30, 2015

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	4010/6010	\$ 4,613,807
Neglected and Delinquent State Agency and Local Education (Title I, Part D)	84.010	7010	229,166
High Achievers Reallocated	84.010A	7010	8,102
Special Education--Grants to States (IDEA, Part B)	84.027	4027	8,512,081
Special Education--Preschool Grants (IDEA Preschool)	84.173	4173	146,492
Special Education - High Achievers	84.027	5027	9,428
English Language Acquisition Grants (Title III)	84.365	4365	325,839
English Language Acquisition Grants (Title III, Set Aside)	84.365	7365	309,961
Improving Teacher Quality State Grants (Title IIA)	84.367	4367	633,424
Graduation Pathways	84.360	4360	32,701
Race to the Top	84.413	4413	25,827
Passed through Colorado Community College and Occupational Education System			
Vocational Education - Basic Grants To States (Perkins III)	84.048		214,415
Total U.S. Department of Education			<u>15,061,243</u>
U.S. DEPARTMENT OF AGRICULTURE			
Passed through State Department of Education			
School Breakfast Program	10.553	4553	1,114,004
National School Lunch Program	10.555	4555	5,862,822
Passed through State Department of Human Services			
USDA Commodities	10.555	4555	999,347
Total U.S. Department of Agriculture			<u>7,976,173</u>
Passed through State Department of Education			
Rehabilitation Services - Vocational Rehabilitation Grants To States	84.126	6126	154,005
Passed through Other Agencies			
Through Sheridan School District No. 2			
Head Start	93.600		263,830
Total Other Federal Awards			<u>417,835</u>
Total Federal Awards			<u>\$ 23,455,251</u>

CHERRY CREEK SCHOOL DISTRICT NO. 5

ARAPAHOE COUNTY, COLORADO

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For The Year Ended June 30, 2015

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 \$999,347, 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.

**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 discretely presented component unit, 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, 2015, 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 14, 2015. Our report includes a reference to other auditors who audited the financial statements of Cherry Creek Academy, as described in our report on the District's financial statements. The financial statements of Cherry Creek Academy were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

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.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Greenwood Village, Colorado
October 14, 2015

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH
REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT
ON EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

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 (the District) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2015. The District'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 the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the District'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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District'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 the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District 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, 2015.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District'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 OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District'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 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 result of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



CliftonLarsonAllen LLP

Greenwood Village, Colorado
October 14, 2015

**CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2015**

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 that are not considered to be material weakness(es)? ☐ 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 Section 510(a) of Circular A-133? ☐ yes ☒ no

Identification of major program:

CFDA Number(s)	Name of Federal Program or Cluster
84.010	Title I Grants to Local Educational Agencies (Title I, Part A of ESEA) and Neglected and Delinquent State Agency and Local Education (Title I, Part D)
84.367	Improving Teacher Quality State Grants (Title IIA)
84.365	English Language Acquisition Grants (Title III) and English Language Acquisition Grants (Title III, Set Aside)

Dollar threshold used to distinguish between type A and type B programs \$703,658

Auditee qualified as low-risk auditee? ☒ yes ☐ no

**CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
For the Year Ended June 30, 2015**

PART II—FINDINGS RELATED TO FINANCIAL STATEMENTS

There were no findings required to be reported under generally accepted government auditing standards.

PART III—FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no findings required to be reported relating to federal awards.

**CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO**

**PRIOR YEAR FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2015**

PART II-FINDINGS RELATED TO FINANCIAL STATEMENTS

There were no findings required to be reported relating to financial statements for the fiscal year ended June 30, 2014.

PART III-FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no findings required to be reported relating to federal awards for the fiscal year ended June 30, 2014.



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DATA INTEGRITY CHECK FIGURES SECTION



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Cherry Creek Schools



Colorado Department of Education

Auditors Integrity Report

District: 0130 - CHERRY CREEK 5

Fiscal Year 2014-15

Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental	+		-	=
10 General Fund	64,649,488	467,604,999	462,564,860	69,689,627
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	0	1,609,427	1,609,427	0
Sub- Total	64,649,488	469,214,426	464,174,287	69,689,627
11 Charter School Fund	1,396,050	4,437,698	4,360,495	1,473,253
20,26-29 Special Revenue Fund	5,370,811	16,104,152	15,114,017	6,360,946
21 Food Service Spec Revenue Fund	5,056,178	17,087,880	16,908,208	5,235,850
22 Govt Designated-Purpose Grants Fund	0	21,576,583	21,576,583	0
23 Pupil Activity Special Revenue Fund	5,144,662	12,531,783	12,352,432	5,324,013
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	46,565,492	98,915,387	94,619,968	50,860,912
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	73,198,555	-3,883,743	43,482,489	25,832,323
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	1,511,910	15,076,434	10,206,755	6,381,590
Totals	202,893,146	651,060,603	682,795,235	171,158,514
Proprietary				
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	0	0	0	0
Totals	0	0	0	0
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	0	0	0	0
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
Totals	0	0	0	0

FINAL

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



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