

CHERRY CREEK SCHOOL
DISTRICT NO. 5
ARAPAHOE COUNTY,
COLORADO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For The Year Ended June 30, 2014



Dedicated to Excellence
Cherry Creek Schools

4700 SOUTH YOSEMITE STREET
GREENWOOD VILLAGE, CO 80111



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2014

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CHERRY CREEK SCHOOL DISTRICT NO. 5

ARAPAHOE COUNTY, COLORADO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2014

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CHERRY CREEK SCHOOL DISTRICT NO. 5

ARAPAHOE COUNTY, COLORADO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2014

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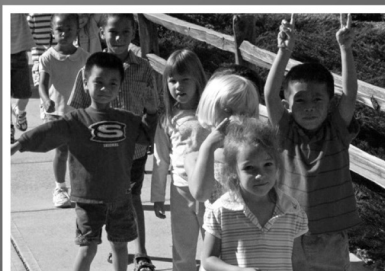
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Introductory Section



Dedicated to Excellence
Cherry Creek Schools

CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO
BOARD OF EDUCATION
2013-2014



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

From Left to Right Sitting
Jim O'Brien, President
David Willman, Treasurer



Cherry Creek
Schools
Dedicated to Excellence

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.



CherryCreek
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Letter
of
Transmittal



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October 20, 2014

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, 2014. 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, 2014, have been included.

The CAFR is presented in conformity with Statement No. 34 of the Governmental Accounting Standards Board Statement No. 34 is 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 39-53.

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 607,000 residents, has the third largest population of the counties in Colorado. The District, with approximately 54,000 students projected for fiscal year 2014-2015, is currently the fourth largest of the 178 school districts in the state.

The following economic data was obtained from the September 2014 revenue forecast for the State of Colorado, prepared by the Governor's Office of State Planning and Budgeting.



Colorado's economy remains among the top performing economies in the country as it continues to experience solid growth in several key sectors. Colorado benefits from having a relatively high concentration of individuals and businesses focused on products that are in high demand in today's economy, such as those involving information, technology, bioscience, engineering, and aerospace. The State also has strong agriculture and energy sectors that continue to feed economic growth in Colorado.

Strength in the labor market and other sectors attracts people to Colorado, contributing to a high rate of in-migration. Colorado's favorable mix of industries and dynamic business climate has supported strong employment growth during the recovery. Colorado's unemployment rate decreased to 5.1 percent in August, while the U.S. unemployment rate declined to 6.1 percent. Though progress has occurred across Colorado and the nation, certain segments of the labor market still face difficult adjustments from the Great Recession. The Statewide unemployment rate is expected to fall below 5.0 percent this year for the first time since the middle of 2008.

In 2014, the State added 47.8 thousand jobs through July, a growth rate of 2.0 percent. Through August, the U.S. has added 1.7 million jobs, growing 1.3 percent. Much of Colorado's job growth has occurred in the following major industries: arts, entertainment and recreation; mining (mostly oil and gas); construction; healthcare and social assistance; professional, scientific, and technical services; and manufacturing. Notable areas with weak growth or job losses include: the federal government, finance and insurance, and real estate.

The growing labor market has helped to attract many people to the State. In recent years, a greater proportion of migrants to Colorado have possessed advanced education degrees, helping to further strengthen the State's pool of workers with skills and abilities that are currently in high demand.

Total wages and salaries paid to workers grew in Colorado at a rate of 3.9 percent in 2013 and are projected to accelerate to 6.2 percent in 2014. Wage and salary income for the nation increased 2.8 percent in 2013 and are projected to grow 5.8 percent in 2014.

Colorado nonfarm jobs grew 3.0 percent in 2013, with broad growth across industries. Payroll jobs from Colorado employers are projected to increase another 3.0 percent in 2014 and grow 2.9 percent in 2015. U.S. nonfarm payroll jobs are projected to increase 1.8 percent in 2014 and 1.9 percent in 2015, after growing 1.7 percent in 2013.

The State's average population growth rate from 2008 to 2013 was approximately 1.5 percent. Nationally, average population growth was slightly less than 1.0 percent. Colorado's population is expected to grow 1.5 percent and reach 5.3 million in 2014. The nation's population is projected to continue to grow less than 1.0 percent.

The national economy's expansion has picked up in recent months with modest but uneven growth. This is most notably seen in the labor market. Unemployment remains at higher levels than the period preceding the Great Recession and wage growth for some occupations remains flat. Higher confidence and improved financial conditions among businesses and consumers will help produce continued economic growth.

Economic indicators associated with the business cycle, such as business lending practices and the hiring of temporary workers, currently point to continued expansion. Because the global economy is highly connected, slower conditions in China, Japan, and Europe, increased tension in the Middle East, and conflict in Russia and Ukraine are affecting the State and national economy.

Colorado is benefitting from a strong housing recovery and increased tourism spending as both the State and national economies grow. Colorado's housing market also continues to build momentum, as prices and construction of new homes rise throughout the State.

The level of job growth in the construction industry in Colorado is a clear indicator of economic expansion. The housing market continues to grow and an increase in new and expanding businesses are building or expanding facilities. Public infrastructure projects surrounding the growing economy are also supporting construction industry job growth.

The housing market continues to grow in most parts of the United States and Colorado, with prices continuing to rise, although at a slowing rate. More positive expectations for the future are encouraging home buyers to enter the market, a phenomenon that supports home values and helps build further market strength. Additionally, improvement in the overall economy supports the housing market as more workers find jobs that allow them to afford housing and qualify for a mortgage loan.

Home price growth is not even across all regions. Prices in some housing markets in the United States, including the Denver metro area, are growing at a fast pace. Some regions continue to struggle, however. While average housing prices across Colorado surpassed their pre-recession peak around the end of 2012, average home prices at the national level remain lower than the peak reached in early 2007.



Combined with continued employment gains, growth in household formation and migration to the State will fuel rising housing construction activity. Housing market strength is supporting increased construction, especially of apartments and condominiums. The number of homes under construction is increasing in both the United States and Colorado as more buyers enter the housing market and builder confidence grows. Despite the solid growth in housing construction that has accompanied Colorado's expansion, the total number of permits remains below pre-recession levels. All factors considered, combined with continued employment gains, growth in household formation and migration to the State will fuel rising housing construction activity.

Colorado residential construction permits grew 18.0 percent in 2013 and are projected to grow 18.9 percent in 2014. Growth is expected to continue. Housing permits for the nation increased 16.3 percent in 2013 and are projected to grow 10.6 percent in 2014.

Non-residential construction has begun to strengthen recently in Colorado. Momentum in the economic recovery is encouraging businesses to invest in new facilities and locations. In Colorado, the total value of non-residential construction projects are projected to increase 15.7 percent in 2014 and 7.9 percent in 2015.

Personal income grew in Colorado at a rate of 3.4 percent in 2013 and is projected to grow 5.8 percent in 2014. Personal income for the nation grew 2.0 percent in 2013 and is projected to grow 4.5 percent in 2014. The lower growth rates in 2013 were due in part to the shifting of certain income into 2012 from federal tax policy changes.

Per-capita income in Colorado grew to \$46,640 in 2013 and is projected to grow to \$48,603 in 2014. Nationally, per-capita income increased in 2013 to \$44,779 and is projected to grow in 2014 to \$46,439.

The Denver-Boulder-Greeley Consumer Price Index (CPI) increased 2.8 percent in 2013 and is projected to increase 2.8 percent in 2014 and 2.6 percent in 2015, driven largely by higher housing costs. Nationally, increases in consumer price levels remain modest. The national CPI is projected to grow 1.9 percent in 2014 and 2.1 percent in 2015 after increasing 1.5 percent in 2013. The more volatile producer prices in the U.S. were flat in 2013 and is projected to increase 2.5 percent in 2014 and 3.8 percent in 2015 with more economic activity.

Retail trade sales in Colorado are projected to grow 6.0 percent in 2014 and 5.8 percent in 2015 after increasing 4.5 percent in 2013. Nationwide retail trade grew 4.1 percent in 2013 and is projected to grow 4.0 percent in 2014 and 5.3 percent in 2015.

The State Education Fund plays an important role in the State's General Fund budget. Under the State Constitution, the State Education Fund helps fund preschool through 12th-grade education, the largest General Fund program. Therefore, higher or lower spending from the State Education Fund generally means that General Fund appropriations can subsequently be lower or higher to support the targeted level of funding for schools. Decisions in one year, however, 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 Fund available for other programs. The State Education Fund is supporting a larger share of education funding than it has historically, which will draw down its fund balance.

The State Constitution requires that one third of one percent of taxable income from Colorado taxpayers be credited to the State Education Fund. Because this revenue comes from taxable income, it largely follows the trends in individual income and corporate income tax revenue collections. In addition to receiving the percentage of taxable income that is dedicated to the State Education Fund by the State Constitution, recent policies have transferred other General Fund money to the Fund.

Tax revenue to the State Education Fund is projected to increase 8.8 percent in fiscal year 2014-2015 and 7.2 percent in fiscal year 2015-2016. Similar to individual income tax collections, resumption in growth in capital gains income is helping this revenue source rebound this fiscal year after declining slightly in fiscal year 2013-2014.

The State's General Fund reserve ended fiscal year 2013-2014 \$235.8 million above its required amount based on preliminary information from the State Controller. All but \$25 million of this money, which remains in the General Fund, is allocated to various cash funds, including \$135.3 million to the Capital Construction Fund. The State's General Fund reserve is projected to be \$232.6 million above its required amount for fiscal year 2014-2015.

Changes in the overall Colorado economy determine revenue to the General Fund and State Education Fund. In addition to revenue, changes in economic conditions impact the State's 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 income declines, more are unemployed, or an increased number of individuals seek higher education to better their career prospects.

Currently, it appears that only a special set of unique circumstances would materially slow, or less likely reverse, the expansion. Nevertheless, downside risks should be considered. Unexpected events, such as the impact of global conflicts or adverse changes in financial and monetary conditions, could have negative implications for the economy. Such events could spur a pullback in investing, hiring, and spending that would slow the economy and result in revenue collections that are substantially different from this forecast.

Provisions in the Taxpayer's Bill of Rights (TABOR), Article X, Section 20 of the Colorado Constitution, limit 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.

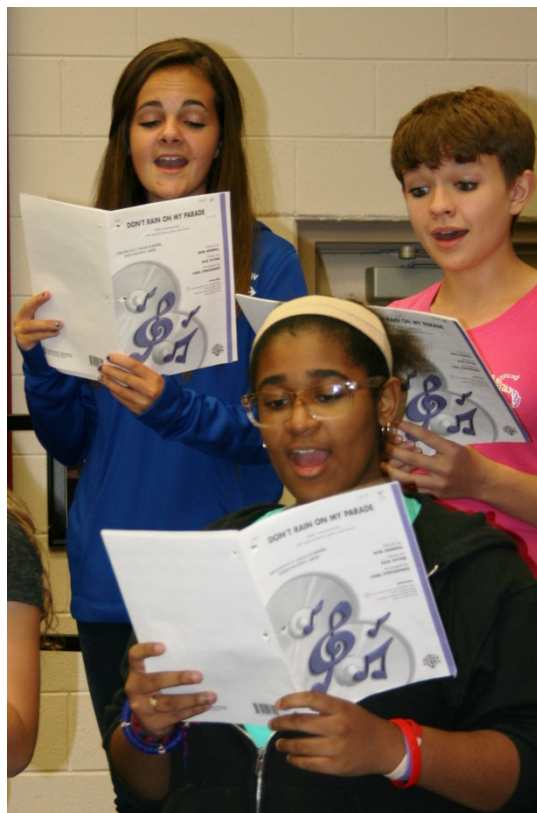
In November 2005, voters approved Referendum C, which allowed the State to retain all revenue through FY 2009-2010, during a five-year TABOR "time out." Referendum C also set a new cap on revenue starting in fiscal year 2010-2011. Starting with fiscal year 2010-2011, the amount of revenue that the State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

TABOR revenue is forecast to be \$48 million, or just 0.4 percent, below the Referendum C cap in the current fiscal year, which is within the normal range of possible forecast adjustments. It is possible that a future forecast will show the State exceeding the cap. If that were to happen, the State would need to refund excess revenue to taxpayers or ask voters for permission to retain it.

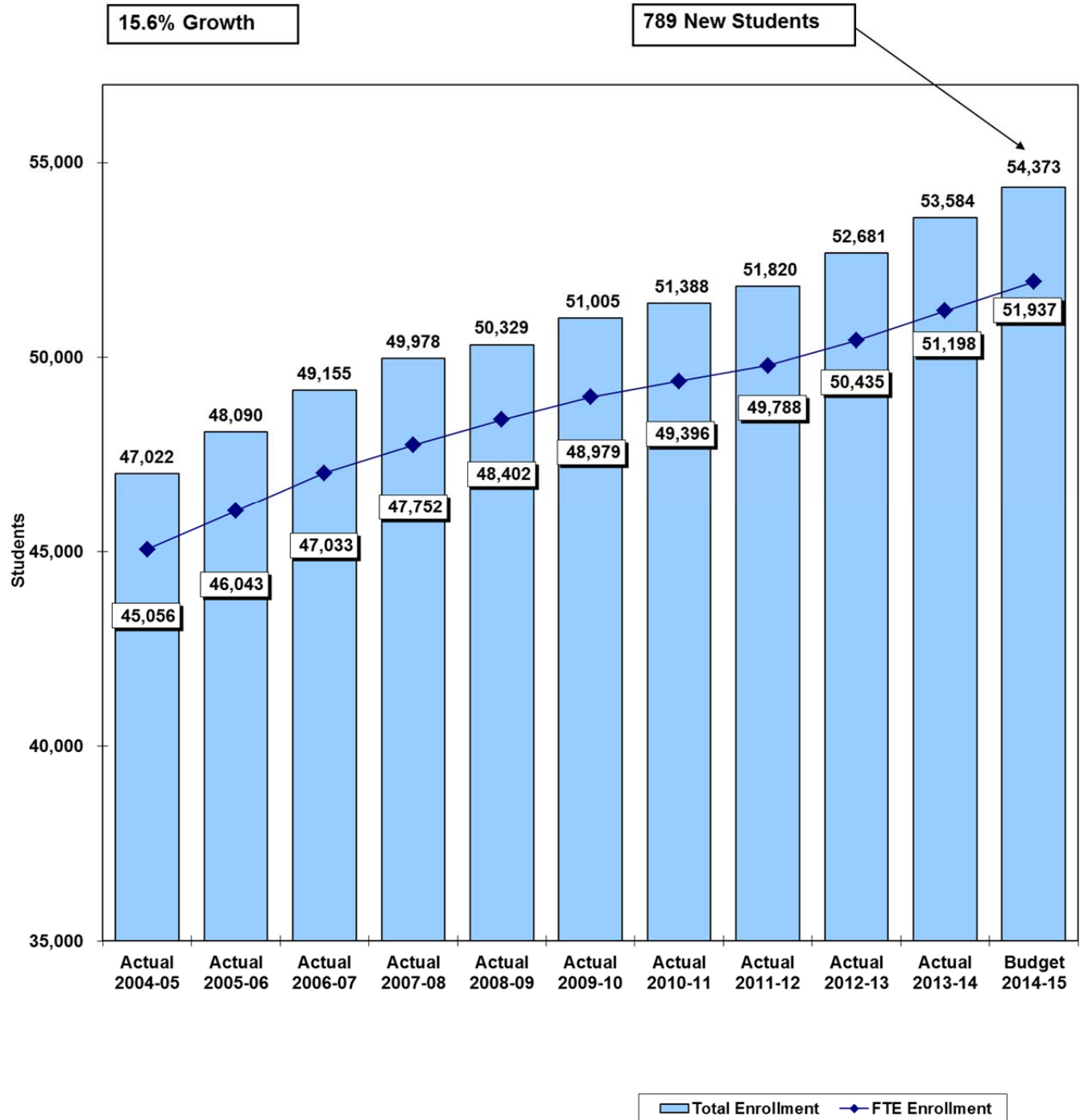
TABOR revenue is forecast to exceed the Referendum C cap by \$133.1 million in fiscal year 2015-2016 and \$239.4 million in fiscal year 2016-2017, meaning that a refund to taxpayers will occur under the State's forecast, unless voters allow the State to retain the revenue. Colorado law currently specifies 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 amount that needs to be refunded determines which refund mechanisms are used.

Under the State's forecast, in fiscal year 2015-2016, revenue above the Referendum C cap would be refunded through the State Earned Income Tax Credit to qualified taxpayers and the sales tax refund to all taxpayers. In fiscal year 2016-2017, revenue above the Referendum C cap would be refunded through a temporary income tax rate reduction and the sales tax refund.

Even relatively small changes in the projected growth rate of revenue sources can materially impact the State's budget outlook. Any future adjustments in forecasted revenue could have potentially large impacts on the amount of revenue collected in relation to the TABOR revenue cap. Slower-than-expected revenue growth may result in future forecasts showing revenue falling below the cap. In contrast, higher-than-expected revenue collections would result in more revenue above the cap. These changes would have implications for the budget, such as on the amount of General Fund money available for spending and the amount required to be transferred to transportation and capital construction.



CHERRY CREEK SCHOOLS
Enrollment Growth For Ten Years



Note: 2014-2015 enrollment numbers are projected.

Enrollment

District enrollment increased last fall by 903 students to put the District at 53,584 students for the 2013-2014 school year. The breakdown of those students includes 23,742 in elementary schools; 12,094 in middle schools; 15,665 in high schools; 502 in the District's charter school; 990 pre-school students and 52 special program students, and 539 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 762.2 FTE students to 51,197.5. 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 2014-2015 school year is budgeted to increase by 739 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 2013-2014.

Voters approved State Constitutional Amendment 23 in November 2000, which provides for funding per student of at least the Denver-Boulder Consumer Price Index 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 prior two 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 Consumer Price Index. 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 State did continue to provide partial funding of full day kindergarten for the 2013-2014 school year at an additional .08 FTE for each kindergartener enrolled. The District continues to provide full day kindergarten at six schools.

The economic condition of the State has continued to improve during the last fiscal year. The last 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 \$6,947.60 which is an increase of approximately \$367 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 \$54.5 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 Negative Factor reflects an approximate 13.1% reduction from total program funding.

The School Finance Act legislation for the 2014-2015 fiscal year reflects a 2.8% increase in base per pupil funding in accordance with the 2013 Consumer Price Index. The State also is funding enrollment growth along with \$27 million of additional English Language Learner (ELL) funding statewide. The District's portion of this additional ELL funding is estimated at \$1.2 million.

Additional discussion of Economic Factors and Next Year's Budget can be found in the Management's Discussion and Analysis found on pages 52-53.

With the ongoing uncertainty of 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.

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

General Assessment Information

The Colorado State Assessment System is designed to measure Colorado student's mastery of the Colorado's academic content standards. In December of 2009 Colorado adopted revised academic content standards progressing from early school readiness to postsecondary competencies reflective of both workforce readiness and 21st century skills. In 2012 Colorado implemented the Transitional Colorado Assessment Program (TCAP) to reflect changes in the state adopted academic content standards and to provide information to teachers as they began incorporating the revised content standards in their daily instruction. In 2012 Colorado became a governing member of the Partnership for Assessment of Readiness for College and Careers (PARCC) consortia which is currently developing new assessments in English language arts and mathematics for grades 3-8 and high school. The PARCC assessments are scheduled for implementation in the 2014-2015 school year. New general and alternate assessments for science and social studies were field tested in 2013 and are scheduled for implementation in 2014. The attainment of English proficiency by English Language Learners (ELL) is measured annually by an English Language Proficiency (ELP) assessment. In the 2012-2013 school year Colorado implemented the ACCESS for ELLs® ELP assessment developed by the World-Class Instructional Design and Assessment (WIDA) consortium. The Colorado ACT (CO ACT) assessment is designed to measure students' preparedness for postsecondary educational opportunities and is administered to 11th grade students in April and May. Because the CO ACT is equivalent to all other ACT assessments the results can be submitted for college entrance by the student to their college or university of choice.

New Assessments

The Colorado Academic Standards were adopted December 10, 2009. In order to measure those new content standards, Colorado is moving to implement a new assessment system.

Phase I began in the spring of 2012 with the introduction of the TCAP. This TCAP will be replaced with a new assessment system that is fully aligned with the Colorado Academic Standards. This new assessment system includes academic measures (the Colorado Measures of Academic Success (CMAS), the Colorado Alternate (CoAlt) assessment, and the CO ACT), and the English Language Acquisition (Access for ELLs) assessment.

The first round of field testing for the new content specific computer based assessment science and social studies assessments, which included new item types, occurred in April, 2013.

The first operational assessment of science and social studies for Elementary and Middle School students occurred in the spring of 2014. The first operational assessment for Colorado students enrolled at grade 12 is scheduled for November 2014.

Assessment Implementation Timetable

School Year 2013 – 2014 State Assessments

- TCAP (Reading, Writing and Mathematics)
- New Colorado Summative Assessment of Science and Social Studies (computer based)
- CoAlt: Reading, Writing and Mathematics
- New CoAlt: Science and Social Studies
- Colorado ACT
- ACCESS for ELLs

School Year 2014 – 2015 State Assessments

- New English Language Arts and Mathematics Assessment (PARCC assessment expected, computer based)
- CMAS: Science and Social Studies (computer based)
- New Alternate English Language Arts and Mathematics Assessment (DLM assessment expected, computer based)
- CoAlt: Science and Social Studies
- Colorado ACT
- ACCESS for ELLs

The High School CMAS: Science and Social Studies assessments will be administered to 12th graders this fall. The administration window is November 3 - November 21, 2014.

In compliance with legislation, Colorado joined the PARCC consortia as a governing member in August, 2012. PARCC is a multi-state assessment consortium that is developing shared English language arts (ELA) and mathematics assessments. About 20 states participate in the consortium. As a governing member, Colorado is committed to relying on the PARCC assessment system. PARCC has ELA assessments in grades 3-11 and mathematics assessments in grades 3-8 with three high school assessments. PARCC has developed college and career ready determinations that will be based on the assessments given in 11th grade. It is anticipated that the PARCC ELA and mathematics assessments will replace the TCAP reading, writing and mathematics assessments in the spring of 2015.

Colorado has joined the Dynamic Learning Maps (DLM) alternate assessment consortium. DLM is a multiple-state consortium that is developing a computer-delivered alternate assessment. The DLM assessment program is designed for students with significant cognitive disabilities for whom, the general education assessments, even with accommodations, are not appropriate. Students must meet the Participation Guidelines to participate in this academic assessment.

DLM is developing an end of the year assessment that is anticipated to replace the current CoAlt in the content areas of English Language Arts and Mathematics. The assessments are anticipated to be administered for the first time during the 2014-2015 school year.

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 READ Act

The Colorado Reading to Ensure Academic Development Act (Colorado 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 Colorado READ Act include a competitive Early Literacy Grant and a resource bank of assessments, instructional programming, and professional development. The District was funded \$0.7 million for the 2013-2014 fiscal year to help 1,914 students and will be funded \$1.4 million for the 2014-2015 fiscal year to help 1,553 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 (TCAP and Colorado ACT) and graduation/dropout rates. Schools are assigned to one of four types of school plans:

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

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.

The State rating system calculates 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.

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 15.6% or over 7,300 students. Current projections show that enrollment will continue to increase, although at a slower rate than the past few years. Enrollment for the 2014-2015 school year is projected at over 54,000 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.

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 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.
- Safety and security.

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 science, technology, engineering and mathematics (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.

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.

Inclusive Excellence

- High academic performance and growth for every student.
- Eliminate the difference in achievement based on race.

College and Postsecondary Preparation and Success

- Every student leaves high school ready for college and postsecondary success.

Safety

- Every student feels safe, respected, and connected with adult staff, other students and the community.

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

Excellence & Equity

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 2014-2015.

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.

Equity 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 2014-2015.

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 2014-2015.

Schools can meet these targets by increasing the percent of students who meet specified benchmarks on TCAP Reading at grade 3 and on Explore and Colorado ACT tests at grades 8 and 11.

Objective: Every high school will meet or exceed District and State graduation rate targets by 2014-2015.

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

- 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.



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, 2014, 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 budget for the Proprietary (Enterprise) Fund is also prepared 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 67-94, 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 2013-2014 fiscal year related to District accounting policies.



OTHER INFORMATION

Independent Audit

Under the provisions of the Colorado statutes, an annual audit of the District's financial statements must be performed by an independent public accounting firm licensed to practice in Colorado. The independent public accounting firm of CliftonLarsonAllen LLP was selected by the District to perform the audit for the fiscal year ended June 30, 2014. 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 35-37 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, 2013. 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 one 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 2013-2014 budget document. In addition, the ASBO awarded its Meritorious Budget Award to the District for the fiscal year 2013-2014 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



CherryCreek
Schools
Dedicated to Excellence

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, 2013*

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



Terrie S. Simmons, RSBA, CSBO
President

John D. Musso, CAE, RSBA
Executive Director



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, 2013



Jeffrey R. Evers
Executive Director/CEO

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

**List of Elected and Appointed Officials
as of July 1, 2014**

Elected Officials

Board of Education

District A	Jim 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

CHERRY CREEK SCHOOL DISTRICT NO. 5

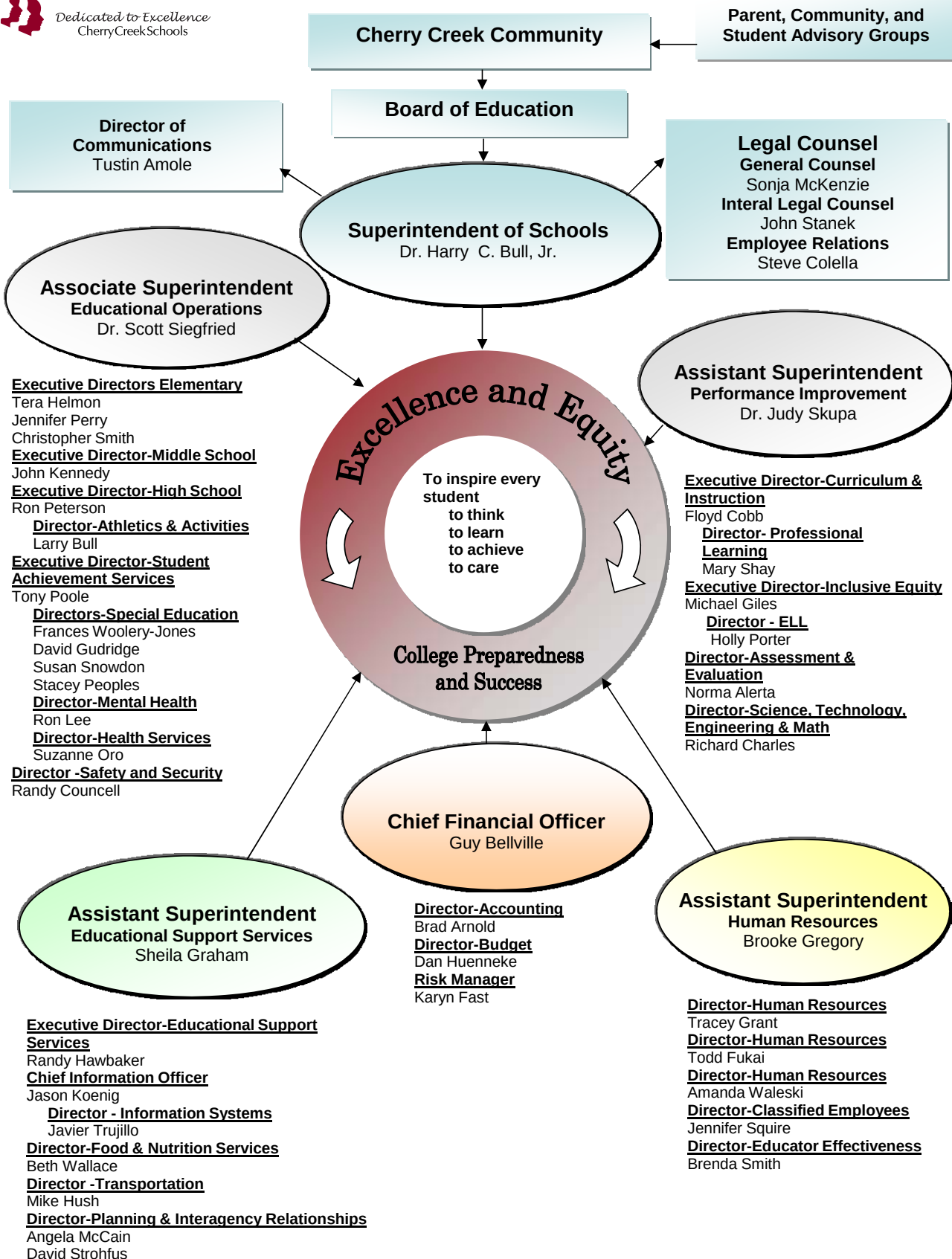
ARAPAHOE COUNTY, COLORADO

ADMINISTRATIVE ORGANIZATIONAL CHART

as of July 1, 2014



Dedicated to Excellence
CherryCreekSchools



CHERRY CREEK SCHOOL DISTRICT NO. 5

ARAPAHOE COUNTY, COLORADO

ADMINISTRATIVE FUNCTIONS

as of July 1, 2014

Associate Superintendent
Educational Operations
Scott Siegfried

Supervision of Schools

Elementary

Elementary School Principals
Challenge School
Cherry Creek Academy
Extended Child Services

Middle School

Middle School Principals

High School

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

Athletics and Activities

Career and Technical Education

Student Achievement Services

Colorado Preschool
District Attendance
Early Childhood
Expulsion School
Foote Youth Services
Head Start
Interdisciplinary Teams
Mental Health
Out-of-District Placements
Prevention/Asset Building

Health Services

School Nurses
Pandemic Planning

Wellness

Comprehensive Wellness Strategy
Physical Wellness
Psychological Wellness
Environment Wellness

Prevention/Bully-Prevention

Positive Behavior Support

Safety/Security

Security Teams
Crisis Response

Assistant Superintendent
Performance Improvement
Judy Skupa

Supervision of Departments
Federal/State Grants

Curriculum and Instruction

Content Coordinators
Reading Recovery®
New Teacher Orientation

Gifted & Talented

Professional Learning

Media Services
On-Line Learning
STAR Mentor Program

Excellence and Equity

AVID
English Language Acquisition
Multicultural Services
Civil Rights Compliance

Assessment and Evaluation

Districtwide Testing
Performance Improvement
Report

Chief Financial Officer
Guy Bellville

Elections
Fiscal Services

Accounting

Accounts Payable
Accounting/Reporting
General Fixed Assets
Investments
Payroll
Financial Systems

Budget

Budget Preparation
Financial Planning/Projections

Risk Management

Property & Casualty Insurance
Workers' Compensation Claims
Management
Risk Assessment

Printing Services
Purchasing/Warehouse

Assistant Superintendent
Educational Support Services
Sheila Graham

Supervision of Educational
Support Services

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
Telecommunications

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 and Administrator
Recruitment
Teacher and Classified Evaluations



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Financial Section



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Cherry Creek Schools



CliftonLarsonAllen

CliftonLarsonAllen LLP
CLAAconnect.com

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type 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, 2014, 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*.

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 business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the District as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 39-53 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, the 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 and Pupil Activities Fund, the capital assets used in the operation of governmental funds schedules, 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 and Pupil Activities Fund, the capital assets used in the operation of governmental funds schedules, and the State required schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us. In our opinion, based on our audit, the procedures performed as described above, 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 and Pupil Activities Fund, the capital assets used in the operation of governmental funds schedules, 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 have 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 them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 20, 2014, 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.

CliftonLarsonAllen LLP

Greenwood Village, Colorado
October 20, 2014



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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, 2014

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, 2014. 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 5-27.

Financial Highlights

- The governmental assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$273.8 million (net position).
- The net position of the District governmental activities includes \$173.7 million net investment in capital assets; net position of \$60.3 million restricted for debt service payments and required emergency reserves; and an unrestricted net position balance of \$39.8 million. The unrestricted balance is different than what would be reflected on a governmental fund accounting basis. This is 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.
- Business-type assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$7.2 million (net position) which includes an unrestricted net position of \$4.8 million, which may be used to meet the District's ongoing obligations of the enterprise related activities. Revenues exceeded expenses for the fiscal year resulting in an increase of net position by \$1.6 million.
- The total net position of the District's governmental activities increased by \$6.6 million during fiscal year 2013-2014. This increase in net position on a government-wide basis contrasts to a decrease in fund balance on a governmental fund basis. The reconciliation between the two methods is found on page 61. The increase in net position is primarily the result of revenues in excess of expenses for the General Fund and the other governmental funds. The primary difference between the increase on a government-wide basis 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 and does not affect net position. 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 \$34.0 million increase in net position and the net effect of debt related activity is an increase of \$20.6 million in net position.

- Fund balance of the District's governmental funds decreased by \$44.6 million resulting in an ending fund balance of \$196.0 million. The Capital Projects - Building Fund had a decrease in fund balance of \$57.3 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 \$57.3 million is partially offset by an increase in Fund balance of \$10.2 million in the General Fund and an increase of \$2.5 million in the other governmental funds for a total decrease in governmental funds of \$44.6 million.



- During the current fiscal year, the fund balance in the General Fund increased by \$10.2 million. With a more favorable economic condition of the State than previous years, 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 Consumer Price Index. The State also funded enrollment growth including additional Colorado Preschool slots along with additional special education funding. 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 a \$25 million 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.
- Total actual revenue received in the General Fund was positive to the revised budgeted revenue by \$6.3 million due to higher than projected property and specific ownership tax collections. The District was also able to reduce actual expenditures by \$5.5 million against budget. The positive expenditure variances include utilities, plant operations, general supplies, and teacher salaries. Transportation expenditures were greater than anticipated.
- The District's long-term obligations decreased by \$21.5 million to \$559.6 million. The decrease is the net result of refinancing \$35.3 million of debt issued in 2004 at a lower interest rate, a capital lease entered into during the year for the purchase of computer equipment and by the scheduled current year payments on existing debt. Further discussion of long-term debt is also found on page 51.

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 55-94 are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This CAFR also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide the reader of the District's CAFR a broad overview of the financial activities in a manner similar to a private sector business. The government-wide financial statements include the statement of net position and the statement of activities.

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

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

Both of the government-wide financial statements distinguish functions of the District that are supported from taxes and intergovernmental revenues (governmental activities) and other functions that are intended to recover all or most of their costs from user fees and charges (business-type activities). Governmental activities consolidate governmental funds including the General Fund, Debt Service Fund, Capital Projects Funds, and Special Revenue Funds. Business-type activities include the Food Service Fund.

The government-wide financial statements can be found on pages 55-57 of this report.

The Governmental Accounting Standards Board (GASB) issued Statement No. 65 *Items Previously Reported as Assets and Liabilities*. This Statement establishes accounting and financial reporting standards that reclassify and recognize, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities. GASB Concepts Statement No. 4, *Elements of Financial Statements*, specifies that recognition of deferred outflows and deferred inflows should be limited to those instances specifically identified in authoritative GASB pronouncements. Consequently, guidance was needed to determine which balances being reported as assets and liabilities should actually be reported as deferred outflows of resources or deferred inflows of resources, according to the definitions in Concepts Statement 4. Based on those definitions, Statement 65 reclassifies certain items previously being reported as assets and liabilities as deferred outflows of resources and deferred inflows of resources. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012. The District has adopted this Statement for the fiscal year ending June 30, 2014. The primary result of implementing this Statement is to add new categories to the Statement of Net Position for Deferred Outflows of Resources and Deferred Inflows of Resources if applicable. Debt issuance costs are now expensed in the current period rather than capitalized and amortized over the life of the related debt issue. The beginning net position in the Statement of Net Position has been restated with the implementation of GASB Statement 65 to write off debt related issuance costs.

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 two of the three possible fund types. The fund types presented here are governmental funds and proprietary funds. The District currently does not use 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 seven 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 58-62 of this report.

The District maintains one type of proprietary fund. Enterprise funds are used to present the same functions as the business-type activities presented in the government-wide financial statements. The fund financial statements of the enterprise fund provide the same information as the government-wide financial statements, only in more detail.

The District's enterprise fund, the Food Services Fund, is listed individually and is considered to be a major fund. The District also adopts an annual appropriated budget for the enterprise fund. The enterprise fund budgetary comparison is reported as other supplementary information.

The basic proprietary fund financial statements are presented on pages 63-65 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 67-94 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. Combining and individual fund statements and schedules can be found on pages 96-104 of this report. The additional schedules required as part of the Colorado Public School Finance Act can be found on pages 109-110 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, and vehicles. 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 2014-2015. Long-term liabilities such as long-term debt obligations and compensated absences payable will be liquidated from resources that will become available after fiscal year 2014-2015.

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 assets and deferred outflows of resources of the primary governmental and business activities exceed liabilities and deferred inflows of resources by \$281.0 million. Total net position of the primary government does not include internal balances.

A net investment of \$175.9 million in land, improvements, buildings, equipment, and vehicles, which provide the services to the District's 53,584 public school students, represents 62.6% of the District's net position. Net position of \$45.7 million, accumulated due to voter approved bonded debt mill levy assessments, have been restricted to provide resources to liquidate the current general obligation bond principal and related interest payments. The required emergency reserves of \$14.9 million have also been restricted.

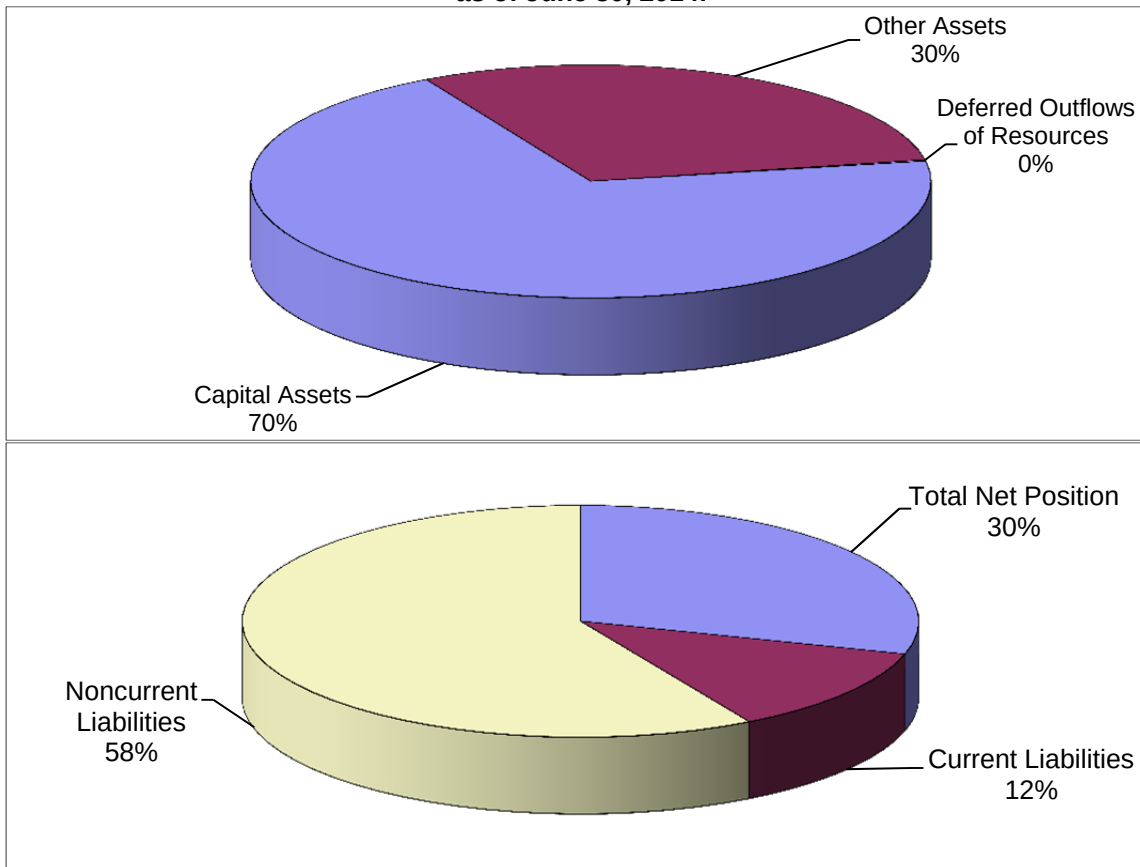
As mentioned earlier, unrestricted net position is different than what would be reflected on a governmental fund accounting basis. This is due to the accounting treatment in the government-wide statements of accrued salaries and benefits earned but unpaid and compensated absences payable. The \$26.5 million long-term portion of compensated absences is recorded as a liability on the government-wide statements, but not on the governmental fund statements because they are not payable with current funds.



Cherry Creek School District No. 5
Comparative Summary of Net Position
as of June 30, 2014 and 2013
(in millions)

	Primary Government					
	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Assets:						
Capital assets	\$ 660.1	\$ 626.1	\$ 2.2	\$ 1.9	\$ 662.3	\$ 628.0
Other assets	279.5	313.2	6.4	5.3	285.9	318.5
Total assets	<u>939.6</u>	<u>939.3</u>	<u>8.6</u>	<u>7.2</u>	<u>948.2</u>	<u>946.5</u>
Deferred Outflows of Resources:	<u>1.6</u>	<u>2.6</u>	<u>-</u>	<u>-</u>	<u>1.6</u>	<u>2.6</u>
Liabilities:						
Current liabilities	113.6	96.0	1.4	1.6	115.0	97.6
Noncurrent liabilities	<u>553.8</u>	<u>578.7</u>	<u>-</u>	<u>-</u>	<u>553.8</u>	<u>578.7</u>
Total liabilities	<u>667.4</u>	<u>674.7</u>	<u>1.4</u>	<u>1.6</u>	<u>668.8</u>	<u>676.3</u>
Net position:						
Net investment in capital assets	173.7	178.1	2.2	1.9	175.9	180.0
Restricted	60.3	59.4	0.2	0.3	60.5	59.7
Unrestricted	<u>39.8</u>	<u>29.7</u>	<u>4.8</u>	<u>3.4</u>	<u>44.6</u>	<u>33.1</u>
Total Net position	<u>\$ 273.8</u>	<u>\$ 267.2</u> *	<u>\$ 7.2</u>	<u>\$ 5.6</u>	<u>\$ 281.0</u>	<u>\$ 272.8</u> *

**Government-wide Total Assets as compared to Total Liabilities and Total Net Position
as of June 30, 2014:**



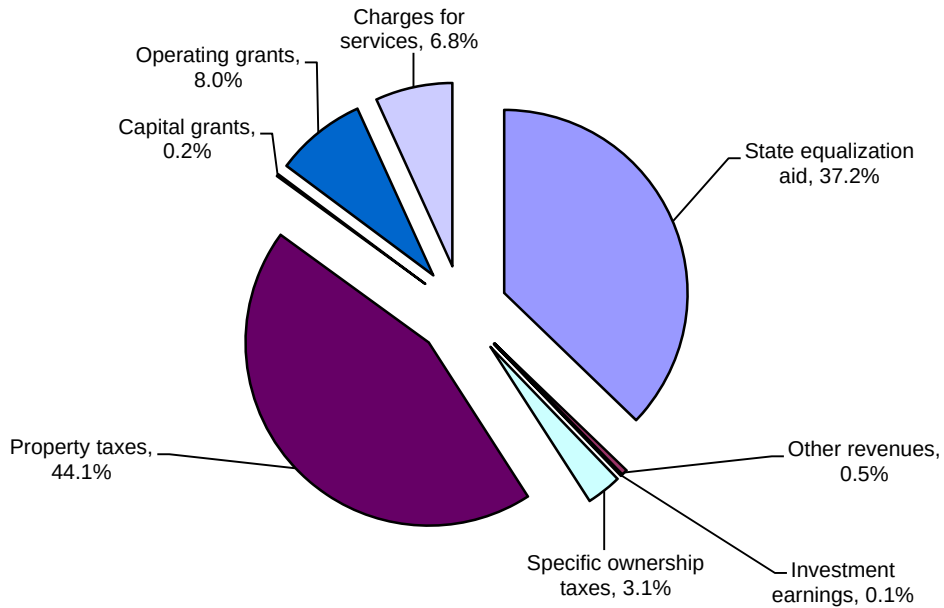
Government-wide Activities

Governmental activities increased the net position of the District by \$6.6 million and Business-type activities also increased the net position of the District by \$1.6 million for a total increase of \$8.2 million.

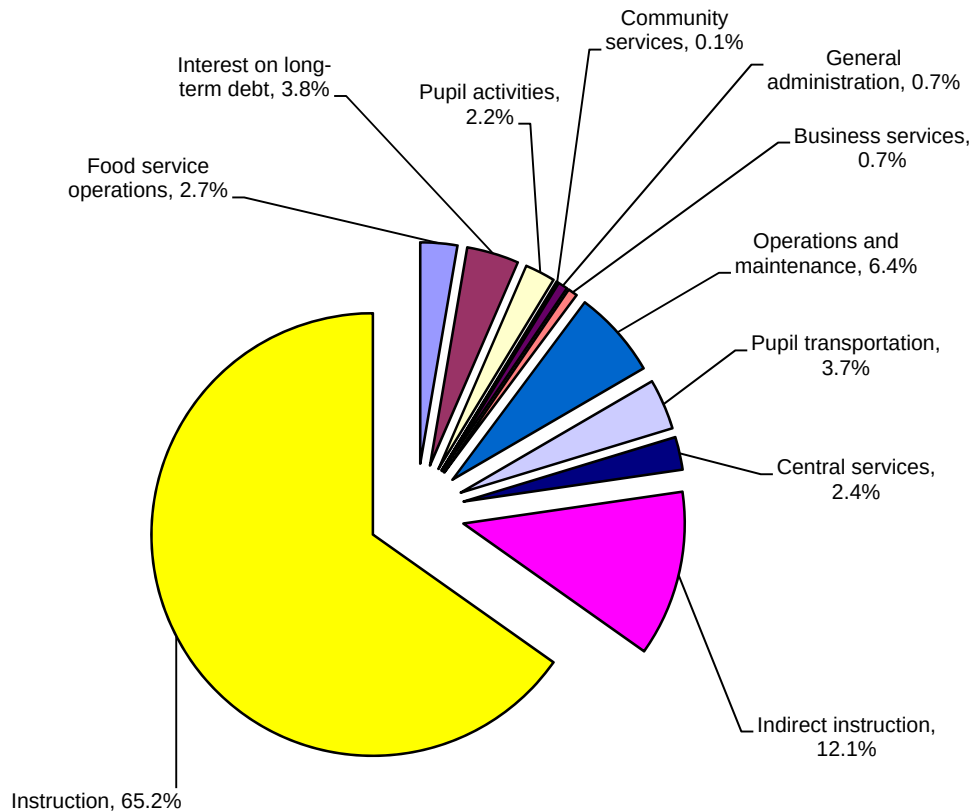
Cherry Creek School District No. 5 Comparative Schedule of Changes in Net Position as of and for the fiscal year ended June 30, 2014 and 2013 (in millions)						
	Primary Government					
	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program revenues						
Charges for services	\$ 31.3	\$ 30.5	\$ 8.0	\$ 8.1	\$ 39.3	\$ 38.6
Operating grants and contributions	37.4	34.6	8.0	7.8	45.4	42.4
Capital grants and contributions	1.1	0.5	-	-	1.1	0.5
General unrestricted revenues						
Property taxes	251.0	244.4	-	-	251.0	244.4
Specific ownership taxes	17.6	16.1	-	-	17.6	16.1
Investment earnings	0.8	0.6	-	-	0.8	0.6
Other revenues	2.7	2.7	-	-	2.7	2.7
State equalization aid	211.6	201.8	-	-	211.6	201.8
Total revenues	<u>553.5</u>	<u>531.2</u>	<u>16.0</u>	<u>15.9</u>	<u>569.5</u>	<u>547.1</u>
Expenses:						
Governmental activities						
Instruction	365.2	349.2	-	-	365.2	349.2
Indirect instruction	68.1	64.2	-	-	68.1	64.2
Supporting services	78.2	75.6	-	-	78.2	75.6
Community services	0.8	0.8	-	-	0.8	0.8
Pupil activities	12.4	11.8	-	-	12.4	11.8
Interest on long-term debt	21.3	17.0	-	-	21.3	17.0
Business-type activities						
Food services operations	-	-	15.3	17.0	15.3	17.0
Total expenses	<u>546.0</u>	<u>518.6</u>	<u>15.3</u>	<u>17.0</u>	<u>561.3</u>	<u>535.6</u>
Increase in net position before transfers	7.5	12.6	0.7	(1.1)	8.2	11.5
Transfers	<u>(0.9)</u>	<u>(0.3)</u>	<u>0.9</u>	<u>0.3</u>	<u>-</u>	<u>-</u>
Changes in net position	6.6	12.3	1.6	(0.8)	8.2	11.5
Net position beginning of year	<u>267.2</u>	<u>254.9</u> *	<u>5.6</u>	<u>6.4</u>	<u>272.8</u>	<u>261.3</u> *
Net position end of year	<u>\$ 273.8</u>	<u>\$ 267.2</u> *	<u>\$ 7.2</u>	<u>\$ 5.6</u>	<u>\$ 281.0</u>	<u>\$ 272.8</u> *

* The prior year net position is restated by \$2,709,538 from the write-off of issuance costs with the implementation of GASB Statement 65.

Government-Wide Revenues fiscal year ended June 30, 2014



Government-Wide Expenses fiscal year ended June 30, 2014



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 \$9.8 million during the fiscal year, with property taxes increasing by \$6.6 million during the year. The property tax increased in both the General Fund and the Debt Service - Bond Redemption Fund. The increase in General Fund property taxes collected is due to an increase in assessed property values, a full year of collections from the \$25.0 million mill levy budget override that District voters approved in November 2012, a higher rate of current year collections than seen historically and lower abatements and refunds than seen historically. The debt service payments required for the District increased from the prior year due to normal fluctuation in the debt payment schedule which meant a slightly higher amount of property taxes to be levied in the Debt Service-Bond Redemption Fund. State per pupil funding for the District increased from 2012-2013 funding of \$6,406.07 to \$6,581.05 for the 2013-2014 fiscal year. State equalization aid also increased from increased enrollment of 762.2 FTE.
- The State did continue to provide partial funding of full day kindergarten for the 2013-2014 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 5-27.
- Total governmental activities expenses increased by 5.3%. District's expenses for the instruction and indirect instruction functions increased by 4.8% for this fiscal year, while support services and other non-instructional functions increased by 7.1% for this fiscal year. Instructional expenses increased as a result of increased enrollment of 1.5% and related staffing and direct expenses related to those students. The District was also able to restore teachers to their salary schedule while also giving teachers an experience step increase and restoring funding for additional educational attainment. Other employee groups received a 2.0% salary increase. Expenses also increased due to employee's retirement cost increases. The non-instructional increase was primarily the result of an increase in interest expense due to the issuance of \$125 million in bonds that the voters approved in November 2012.

Business-type activities increased the District's net position slightly. Key elements of business type activities are as follows:

- The Food Services Fund operated at a gain of approximately \$0.7 million before transfers and reflects an increase in net position as of the end of this fiscal year of \$1.6 million.



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 \$196.0 million, a decrease of \$44.6 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 \$57.3 million. The General Fund had an increase in fund balance of \$10.2 million to partially offset the decrease in fund balance from the Capital Projects – Building Fund. Further discussion is also found on page 40. Other governmental funds show an increase in fund balance primarily from increases in fund balance reserves in the Pupil Activities, Extended Child Services, and the Capital Reserve Fund.

The unassigned fund balance for the District at the end of the fiscal year includes \$41.5 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, \$2.5 million; 2) restricted for construction, \$73.2 million; restricted to pay debt service, \$46.6 million; and restricted for emergency reserves, \$14.7 million; 3) committed for next year expenditures and future year commitments, \$3.5 million; committed to specific Extended Child Services activities, \$3.3 million; and committed to Pupil Activity activities, \$4.8 million; and 4) for a variety of other assigned purposes, \$5.9 million.

The Debt Service - Bond Redemption Fund has adequate resources accumulated to make the December 2014 principal and interest payments. The mill levy to accumulate resources for the June 2015 and December 2015 principal and interest payments will be certified in December 2014.

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 40, 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 \$57.3 million due to spending capital projects from the 2012 bond issue.

Proprietary Fund. The District's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail. Factors concerning the finances of this fund have already been addressed in the discussion of the District's business-type activities.



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, 2013 in the amount of \$1,888,666 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, 2013.

The General Fund had an increase in fund balance of \$10.2 million. Per pupil funding from the State increased approximately \$175 and student enrollment

increased by 762.2 FTE. This additional funding, along with a \$25 million mill levy budget override that was approved by voters in November 2012 along with containing expenses within budget, enabled the District to have positive financial results for the 2013-2014 fiscal year. Further discussion is also found on page 40.

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 \$446.1 million. Unassigned fund balance represents 9.3% of expenditures while total fund balance represents 14.5% 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, 2014 and 2013 (in millions)		
	General Fund	
	<u>2014</u>	<u>2013</u>
Nonspendable for:		
Prepayments and deposits	\$ 430,971	\$ 306,602
Inventories	1,803,461	1,700,870
Restricted for:		
Emergency Reserve	13,383,000	12,823,000
Committed for:		
Multiple year commitments	583,540	936,548
Future year expenditures	2,949,900	-
Assigned for:		
Encumbrances and curriculum	3,978,069	1,888,666
Unassigned	<u>41,520,546</u>	<u>36,792,731</u>
Total fund balance	<u>\$ 64,649,487</u>	<u>\$ 54,448,417</u>

Capital Assets and Long-term Debt

Capital Assets

The District's investment in capital assets for its governmental and business-type activities as of June 30, 2014, amounts to \$662.3 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 \$34.3 million, or a 5.5% 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 and projects in progress.

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 \$47.6 million.
- Major projects included work on the District's newest school, Mountain Vista Elementary, along with 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, 2014 and 2013 (in millions)						
	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 19.4	\$ 19.4	\$ -	\$ -	\$ 19.4	\$ 19.4
Improvements	5.0	4.5	-	-	5.0	4.5
Buildings	575.3	567.8	-	-	575.3	567.8
Projects in progress	47.6	26.1	-	0.2	47.6	26.3
Equipment and vehicles	12.8	8.3	2.2	1.7	15.0	10.0
Total capital assets	<u>\$ 660.1</u>	<u>\$ 626.1</u>	<u>\$ 2.2</u>	<u>\$ 1.9</u>	<u>\$ 662.3</u>	<u>\$ 628.0</u>

Additional information on the District's capital assets can be found in Note 6 on pages 80-81, as well as on pages 105-107 of this report.



Long-term Debt

At June 30, 2014, the District had total bonded debt outstanding of \$550.9 million backed by the full faith and credit of the District.

In December 2013, the District issued new debt of \$31.2 million par value and \$4.3 million in premium to refinance a portion of bonds issued in 2004 with a remaining principal balance of \$35.5 million. This refinancing results in a savings to taxpayers over the life of the bonds of \$3.8 million.

The District's general obligation bonds decreased by \$30.2 million to \$550.9 million, which is the net result of the debt refinancing and the scheduled current year payments on existing debt.

The District executed a master lease purchase agreement between the District and JPMorgan Chase Bank for the acquisition of computer equipment in August 2013. The District may draw up to \$12.0

million, however the total purchases during the 2013-2014 fiscal year were \$9.9 million. The ending balance of \$8.7 million reflects the net amount of the total lease less the first year lease payments. The District plans to draw approximately \$1.7 million of the remaining available financing during the 2014-2015 fiscal year on additional computer equipment.

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 \$885.5 million and the legal debt margin was \$403.7 million.

Cherry Creek School District No. 5 General Obligation Bonds and Certificates of Participation June 30, 2014 and 2013 (in millions)						
	Governmental Activities		Business-type Activities		Total	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
General obligation bonds	\$ 550.9	\$ 581.1	\$ -	\$ -	\$ 550.9	\$ 581.1
Capital leases	<u>8.7</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8.7</u>	<u>-</u>
Total	<u>\$ 559.6</u>	<u>\$ 581.1</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 559.6</u>	<u>\$ 581.1</u>

Additional information on the District's long-term obligations can be found in Notes 9 and 10 on pages 83-87 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 prior two fiscal years.

The economic condition of the State has continued to improve during the last fiscal year. The last 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 \$6,947.60 which is an increase of approximately \$367 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 \$54.5 million in fiscal year 2014-2015. At the State level, the Negative Factor was reduced by \$110 million from \$1.004 billion in fiscal year 2013-2014 to \$894 million in fiscal year 2014-2015. The Negative Factor reflects an approximate 13.1% reduction from Total Program Funding.

The School Finance Act legislation for the 2014-2015 fiscal year reflects a 2.8% increase in base per pupil funding in accordance with the 2013 Consumer Price Index. The State also is funding enrollment growth along with \$27 million of additional English Language Learner (ELL) funding statewide. The District's portion of this additional ELL funding is estimated at \$1.2 million. This additional funding along with the use of \$2.9 million of accumulated reserves has enabled the District to have a balanced budget for the 2014-2015 fiscal year.

The District preserved instructional programs for the 2014-2015 fiscal year and is maintaining the staffing ratio at 18.5:1. Funding is provided for K-3 class size with a soft cap of 23:1.

With increased funding, the District was able to restore the teachers to their salary schedule during the 2012-2013 fiscal year. Teachers will receive an experience step increase and additional education attainment and a 2.8% increase to the salary schedule for the 2014-2015 fiscal year. Other employee groups will receive a 2.8% salary increase. Health insurance contributions were maintained at existing levels. Cost increases for the Public Employees' Retirement Association continue to impact the District.

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

The 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 2014-2015 school year.

A funding allowance for all of the additional children (currently expected to be approximately 250 FTE) who will be enrolled in our schools this fall will provide an additional \$1.7 million in fiscal year 2014-2015.



Recent State economic forecasts indicate an increase in State revenues. Information from the September 2014 Economic Forecast prepared by the Governor's Office of State Planning and Budgeting is included in the Letter of Transmittal on pages 7-10. 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 the Taxpayer's Bill of Rights (TABOR), Article X, Section 20 of the Colorado Constitution, which limits the growth in a large portion of State revenue to the sum of inflation plus population growth in the previous calendar year. Revenue collected above the TABOR limit must be returned to taxpayers, unless voters decide the State can retain the revenue. The State forecast expects the 2014-2015 fiscal year to be just below the TABOR limits while the following two years are projected to be above the limit, requiring refunds to taxpayers, which will impact the amount of State funds available to fund education.

Funding for the 2015-2016 fiscal year generally takes into consideration recent quarterly economic forecasts, primarily the March 2015 economic forecast. The School Finance Act is considered during the 2015 Legislative Session, which convenes in January 2015 and adjourns in May 2015.

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



CherryCreek
Schools
Dedicated to Excellence

Basic Financial Statements





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CHERRY CREEK SCHOOL DISTRICT NO. 5

ARAPAHOE COUNTY, COLORADO

STATEMENT OF NET POSITION

June 30, 2014

	Primary Government			Component
	Governmental Activities	Business-type Activities	Total	Unit Charter School
ASSETS				
Cash	\$ 7,496,216	\$ 2,426,545	\$ 9,922,761	\$ 1,803,525
Cash held by county treasurer	4,118,762	-	4,118,762	-
Equity in pooled cash	106,913,326	-	106,913,326	-
Investments	96,951,933	4,007,166	100,959,099	422,265
Investments with escrow agent	45,201,794	-	45,201,794	-
Receivables, net				
Property taxes	9,790,998	-	9,790,998	-
Other governments	4,733,543	78,372	4,811,915	-
Internal balances	864,435	(864,435)	-	-
Other	931,942	9,942	941,884	-
Prepayments and deposits	710,524	6,236	716,760	-
Inventories	1,803,461	769,063	2,572,524	-
Capital Assets				
Land	19,396,597	-	19,396,597	744,711
Improvements	24,498,331	-	24,498,331	540,653
Buildings	870,677,963	-	870,677,963	6,483,825
Equipment and vehicles	83,107,496	5,995,290	89,102,786	107,861
Projects in progress	47,559,894	-	47,559,894	274,378
Less accumulated depreciation	(385,161,861)	(3,824,845)	(388,986,706)	(1,406,962)
Total Capital Assets	660,078,420	2,170,445	662,248,865	6,744,466
Total Assets	939,595,354	8,603,334	948,198,688	8,970,256
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows on refunding	1,604,808	-	1,604,808	102,080
LIABILITIES				
Current Liabilities				
Accounts and other current payables	25,123,866	397,954	25,521,820	151,116
Accrued interest payable	887,491	-	887,491	35,132
Accrued salaries and benefits	43,502,067	293,030	43,795,097	178,653
Unearned revenues	5,440,319	495,244	5,935,563	81,250
General obligation bonds	29,890,000	-	29,890,000	135,000
Lease obligations	2,454,945	-	2,454,945	-
Compensated absences payable	6,340,953	190,484	6,531,437	-
Total Current Liabilities	113,639,641	1,376,712	115,016,353	581,151
Noncurrent Liabilities				
General obligation bonds	521,022,657	-	521,022,657	3,045,958
Capital lease payable	6,250,593	-	6,250,593	-
Compensated absences payable	26,498,930	-	26,498,930	-
Total Noncurrent Liabilities	553,772,180	-	553,772,180	3,045,958
Total Liabilities	667,411,821	1,376,712	668,788,533	3,627,109
NET POSITION				
Net investment in capital assets	173,658,780	2,170,445	175,829,225	3,563,508
Restricted for:				
Debt service	45,678,003	-	45,678,003	333,483
Emergency reserve	14,682,000	229,000	14,911,000	116,146
Working capital	-	-	-	195,303
Repair and replacement	-	-	-	50,106
Unrestricted	39,769,558	4,827,177	44,596,735	1,186,681
Total Net Position	\$ 273,788,341	\$ 7,226,622	\$ 281,014,963	\$ 5,445,227

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, 2014

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
Instruction	\$ 365,185,697	\$ 18,099,152	\$ 28,813,058	\$ 1,055,175
Indirect instruction	68,082,994	157,348	4,189,025	-
Support services				
General administration	4,054,572	-	-	-
Business services	3,901,097	91,775	-	-
Operations and maintenance	36,209,203	115,710	-	-
Pupil transportation	20,472,241	66,848	4,402,117	-
Central services	13,600,777	-	-	-
Community services	786,233	276,457	-	-
Pupil activities	12,391,480	12,528,299	-	-
Interest on long-term debt, unallocated	21,314,671	-	-	-
Total governmental activities	<u>545,998,965</u>	<u>31,335,589</u>	<u>37,404,200</u>	<u>1,055,175</u>
Business-type activities:				
Food services operations	<u>15,355,789</u>	<u>8,033,410</u>	<u>7,967,900</u>	<u>-</u>
Total business-type activities	<u>15,355,789</u>	<u>8,033,410</u>	<u>7,967,900</u>	<u>-</u>
Total primary government	<u>\$ 561,354,754</u>	<u>\$ 39,368,999</u>	<u>\$ 45,372,100</u>	<u>\$ 1,055,175</u>
Component unit - Charter School	<u>\$ 3,606,295</u>	<u>\$ 215,061</u>	<u>\$ 11,862</u>	<u>\$ 45,572</u>

General unrestricted revenues

Taxes:

Property taxes

Specific ownership taxes

Investment earnings

Other revenues

State equalization aid

Total general unrestricted revenues

Changes in net position before transfers

Transfers

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	Business-type Activities	Total	Charter School
\$ (317,218,312)	\$ -	\$ (317,218,312)	\$ (2,122,697)
(63,736,621)	-	(63,736,621)	-
(4,054,572)	-	(4,054,572)	(1,060,661)
(3,809,322)	-	(3,809,322)	-
(36,093,493)	-	(36,093,493)	-
(16,003,276)	-	(16,003,276)	-
(13,600,777)	-	(13,600,777)	-
(509,776)	-	(509,776)	-
136,819	-	136,819	-
(21,314,671)	-	(21,314,671)	(150,442)
(476,204,001)	-	(476,204,001)	(3,333,800)
-	645,521	645,521	-
-	645,521	645,521	-
(476,204,001)	645,521	(475,558,480)	-
-	-	-	(3,333,800)
250,991,310	-	250,991,310	-
17,605,225	-	17,605,225	-
825,024	3,986	829,010	6,490
2,690,670	-	2,690,670	38,565
211,633,340	-	211,633,340	3,554,293
483,745,569	3,986	483,749,555	3,599,348
7,541,568	649,507	8,191,075	265,548
(934,873)	934,873	-	-
6,606,695	1,584,380	8,191,075	265,548
267,181,646	5,642,242	272,823,888	5,179,679
<u>\$ 273,788,341</u>	<u>\$ 7,226,622</u>	<u>\$ 281,014,963</u>	<u>\$ 5,445,227</u>

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

**BALANCE SHEET
GOVERNMENTAL FUNDS**

June 30, 2014

	General Fund	Debt Service - Bond Redemption Fund	Capital Projects - Building Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash	\$ 20,450	\$ 5,807	\$ -	\$ 7,469,959	\$ 7,496,216
Cash held by county treasurer	3,603,692	515,070	-	-	4,118,762
Equity in pooled cash	100,131,765	-	1,420,683	5,360,878	106,913,326
Investments	5,432,428	-	88,550,279	2,969,226	96,951,933
Investments - escrow agent	-	45,201,794	-	-	45,201,794
Receivables, net					
Property taxes	8,169,886	1,621,112	-	-	9,790,998
Other governments	-	-	-	4,733,543	4,733,543
Other	617,717	15,634	202,022	96,569	931,942
Interfund receivables	1,062,342	-	-	-	1,062,342
Prepayments and deposits	430,971	-	-	279,553	710,524
Inventories	1,803,461	-	-	-	1,803,461
Total Assets	<u>\$ 121,272,712</u>	<u>\$ 47,359,417</u>	<u>\$ 90,172,984</u>	<u>\$ 20,909,728</u>	<u>\$ 279,714,841</u>
LIABILITIES					
Accounts payable	\$ 6,570,433	\$ -	\$ 16,974,429	\$ 1,020,166	\$ 24,565,028
Other payables	558,838	-	-	-	558,838
Interfund payables	-	-	-	197,907	197,907
Accrued salaries and benefits	41,002,773	-	-	2,499,294	43,502,067
Unearned revenues	-	-	-	5,440,319	5,440,319
Compensated absences	3,647,574	-	-	143,379	3,790,953
Total Liabilities	<u>51,779,618</u>	<u>-</u>	<u>16,974,429</u>	<u>9,301,065</u>	<u>78,055,112</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable property tax revenues	<u>4,843,607</u>	<u>793,923</u>	<u>-</u>	<u>-</u>	<u>5,637,530</u>
FUND BALANCES					
Nonspendable for:					
Prepayments and deposits	430,971	-	-	279,553	710,524
Inventories	1,803,461	-	-	-	1,803,461
Restricted for:					
Construction	-	-	73,198,555	-	73,198,555
Debt service	-	46,565,494	-	-	46,565,494
Emergency Reserve	13,383,000	-	-	1,299,000	14,682,000
Committed for:					
Multiple year commitments	583,540	-	-	-	583,540
Future year expenditures	2,949,900	-	-	-	2,949,900
Extended Child Services Fund activities	-	-	-	3,296,205	3,296,205
Pupil Activities Fund activities	-	-	-	4,772,662	4,772,662
Assigned for:					
Encumbrances and curriculum	3,978,069	-	-	-	3,978,069
Future year transfers	-	-	-	1,610,765	1,610,765
Capital Reserve Fund activities	-	-	-	350,478	350,478
Unassigned	<u>41,520,546</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>41,520,546</u>
Total Fund balances	<u>64,649,487</u>	<u>46,565,494</u>	<u>73,198,555</u>	<u>11,608,663</u>	<u>196,022,199</u>
Total Liabilities, Deferred inflows of resources and Fund balances	<u>\$ 121,272,712</u>	<u>\$ 47,359,417</u>	<u>\$ 90,172,984</u>	<u>\$ 20,909,728</u>	<u>\$ 279,714,841</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, 2014

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

Total fund balance - governmental funds		\$ 196,022,199
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	\$ 1,045,240,281	
Accumulated depreciation is	<u>(385,161,861)</u>	660,078,420
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.		5,637,530
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	550,912,657	
Capital leases payable	8,705,538	
Compensated absences payable	<u>29,048,930</u>	(588,667,125)
Deferred outflows from refunding debt are not considered current financial resources and not reported in the governmental funds		1,604,808
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>(887,491)</u>
Total Net Position - governmental activities		<u><u>\$ 273,788,341</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, 2014

	General Fund	Debt Service - Bond Redemption Fund	Capital Projects - Building Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Taxes					
Property taxes	\$ 203,275,515	\$ 50,523,184	\$ -	\$ -	\$ 253,798,699
Specific ownership taxes	17,605,225	-	-	-	17,605,225
Intergovernmental					
Federal - grants	-	-	-	17,819,435	17,819,435
Other federal	1,459,272	-	-	-	1,459,272
State - grants	-	-	-	981,251	981,251
State equalization aid	211,633,340	-	-	-	211,633,340
State transportation	4,402,117	-	-	-	4,402,117
State education of handicapped	10,733,620	-	-	-	10,733,620
State vocational education	1,242,237	-	-	-	1,242,237
Other state	889,512	-	-	-	889,512
Earnings on investments	244,107	121,587	450,997	8,333	825,024
Other					
Tuition	513,624	-	-	16,415,766	16,929,390
Fees and fines	1,166,896	-	-	-	1,166,896
Pupil activities	-	-	-	12,528,299	12,528,299
Donations	-	-	-	2,391,203	2,391,203
Miscellaneous	1,942,237	-	-	-	1,942,237
Total revenues	<u>455,107,702</u>	<u>50,644,771</u>	<u>450,997</u>	<u>50,144,287</u>	<u>556,347,757</u>
EXPENDITURES					
Current					
Instruction	300,654,577	-	-	30,153,744	330,808,321
Indirect instructional					
Pupil services	26,607,415	-	-	4,189,025	30,796,440
Instructional staff services	14,114,213	-	-	-	14,114,213
School administration	23,052,768	-	-	-	23,052,768
Support services					
General administration	3,813,769	-	-	-	3,813,769
Business services	3,555,479	-	-	192,639	3,748,118
Operations and maintenance	34,781,310	-	-	-	34,781,310
Pupil transportation	19,611,022	-	-	-	19,611,022
Central services	13,123,683	-	-	-	13,123,683
Community services	374,691	-	-	354,798	729,489
Pupil activities	-	-	-	12,391,480	12,391,480
Non-departmental	508,888	-	-	-	508,888
Capital outlay	202,710	-	55,952,526	14,541,968	70,697,204
Debt service					
Principal	-	28,410,000	-	1,217,902	29,627,902
Interest and fiscal charges	-	22,305,361	-	51,900	22,357,261
Total expenditures	<u>440,400,525</u>	<u>50,715,361</u>	<u>55,952,526</u>	<u>63,093,456</u>	<u>610,161,868</u>
Excess of revenues over (under) expenditures	<u>14,707,177</u>	<u>(70,590)</u>	<u>(55,501,529)</u>	<u>(12,949,169)</u>	<u>(53,814,111)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	1,160,762	-	-	6,556,522	7,717,284
Transfers out	(5,666,869)	-	(1,824,526)	(1,160,762)	(8,652,157)
Capital lease proceeds	-	-	-	9,923,605	9,923,605
Sale of bonds	-	31,215,000	-	-	31,215,000
Premium on bonds	-	4,319,741	-	-	4,319,741
Bond refunding escrow agent	-	(35,345,000)	-	-	(35,345,000)
Total other financing sources (uses)	<u>(4,506,107)</u>	<u>189,741</u>	<u>(1,824,526)</u>	<u>15,319,365</u>	<u>9,178,473</u>
Net change in fund balances	10,201,070	119,151	(57,326,055)	2,370,196	(44,635,638)
Fund balances, Beginning	<u>54,448,417</u>	<u>46,446,343</u>	<u>130,524,610</u>	<u>9,238,467</u>	<u>240,657,837</u>
Fund balances, Ending	<u>\$ 64,649,487</u>	<u>\$ 46,565,494</u>	<u>\$ 73,198,555</u>	<u>\$ 11,608,663</u>	<u>\$ 196,022,199</u>

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, 2014

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

Total net change in fund balances - governmental funds	\$ (44,635,638)
--	-----------------

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	\$ 64,020,168	
Depreciation expense	<u>(30,016,311)</u>	34,003,857

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.

5,637,530

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.

(8,444,919)

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.

(511,446)

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.

29,627,902

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.

(10,113,181)

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

974,741

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.

67,849

Total change in net position - governmental activities

\$ 6,606,695

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, 2014

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Taxes				
Property taxes	\$ 197,229,432	\$ 198,276,028	\$ 203,275,515	\$ 4,999,487
Specific ownership taxes	16,090,000	16,290,000	17,605,225	1,315,225
Intergovernmental - State				
State equalization aid	211,276,287	211,633,340	211,633,340	-
Transportation	4,186,900	4,267,368	4,402,117	134,749
Education of handicapped	10,404,263	10,483,963	10,733,620	249,657
Vocational education	2,039,500	1,804,126	1,242,237	(561,889)
Other state	931,400	914,762	889,512	(25,250)
Intergovernmental - Federal	1,434,692	1,459,272	1,459,272	-
Earnings on investments	284,541	222,098	244,107	22,009
Other				
Tuition	611,300	587,800	513,624	(74,176)
Fees and fines	907,900	791,300	1,166,896	375,596
Miscellaneous	3,064,640	2,076,596	1,942,237	(134,359)
Total revenues	<u>448,460,855</u>	<u>448,806,653</u>	<u>455,107,702</u>	<u>6,301,049</u>
EXPENDITURES				
Current				
Instruction	305,611,795	305,539,351	300,654,577	4,884,774
Indirect instructional				
Pupil services	26,408,342	26,776,717	26,607,415	169,302
Instructional staff services	13,622,682	14,175,193	14,114,213	60,980
School administration	22,781,757	23,174,609	23,052,768	121,841
Support services				
General administration	3,616,738	3,820,757	3,813,769	6,988
Business services	3,546,399	3,562,744	3,555,479	7,265
Operations and maintenance	34,779,047	35,444,721	34,781,310	663,411
Pupil transportation	18,872,341	18,914,886	19,611,022	(696,136)
Central services	14,512,973	13,331,974	13,123,683	208,291
Community services	414,237	402,434	374,691	27,743
County treasury fees	517,500	517,500	508,888	8,612
Facilities construction services	221,494	221,716	202,710	19,006
Total expenditures	<u>444,905,305</u>	<u>445,882,602</u>	<u>440,400,525</u>	<u>5,482,077</u>
Excess of revenues over expenditures	3,555,550	2,924,051	14,707,177	11,783,126
OTHER FINANCING SOURCES (USES)				
Transfers in	1,199,950	1,199,950	1,160,762	(39,188)
Transfers out	(4,755,500)	(5,666,869)	(5,666,869)	-
Total other financing sources (uses)	<u>(3,555,550)</u>	<u>(4,466,919)</u>	<u>(4,506,107)</u>	<u>(39,188)</u>
Net change in fund balance	-	(1,542,868)	10,201,070	11,743,938
Fund balance, Beginning	54,448,417	54,448,417	54,448,417	-
Fund balance, Ending	<u>\$ 54,448,417</u>	<u>\$ 52,905,549</u>	<u>\$ 64,649,487</u>	<u>\$ 11,743,938</u>

See accompanying notes to basic financial statements.

CHERRY CREEK SCHOOL DISTRICT NO. 5

ARAPAHOE COUNTY, COLORADO

STATEMENT OF NET POSITION

PROPRIETARY FUND

June 30, 2014

	Business-Type Activities Enterprise Fund
	Food Services Fund
ASSETS	
Current Assets	
Cash	\$ 2,426,545
Investments	4,007,166
Receivables, net	
Other governments	78,372
Other	9,942
Prepays	6,236
Inventories	769,063
Total Current Assets	7,297,324
Capital Assets	
Equipment, net of accumulated depreciation	2,170,445
Total Assets	<u>\$ 9,467,769</u>
LIABILITIES	
Current liabilities	
Accounts payable	\$ 397,954
Interfund payables	864,435
Accrued salaries and benefits	293,030
Unearned revenue	495,244
Compensated absences payable	190,484
Total Current Liabilities	<u>2,241,147</u>
NET POSITION	
Net investment in capital assets	2,170,445
Restricted for Emergency Reserve	229,000
Unrestricted	4,827,177
Total Net Position	<u>\$ 7,226,622</u>

See accompanying notes to basic financial statements.

CHERRY CREEK SCHOOL DISTRICT NO. 5

ARAPAHOE COUNTY, COLORADO

STATEMENT OF REVENUES, EXPENSES

AND CHANGES IN FUND NET POSITION

PROPRIETARY FUND

For The Year Ended June 30, 2014

	Business-Type Activities Enterprise Fund
	<u>Food Services Fund</u>
OPERATING REVENUES	
Food sales - school meals	\$ 7,829,975
Other	<u>203,435</u>
Total operating revenues	<u>8,033,410</u>
OPERATING EXPENSES	
Purchases	6,028,659
Salaries and benefits	7,082,111
Donated commodities	963,338
Depreciation	317,755
Utilities	449,280
Workers' compensation insurance	66,667
Indirect costs	105,167
Other	<u>342,812</u>
Total operating expenses	<u>15,355,789</u>
Operating (loss)	<u>(7,322,379)</u>
NONOPERATING REVENUES (EXPENSES)	
Federal aid	
Breakfast reimbursement	995,493
Lunch reimbursement	5,763,023
Fruit and vegetable reimbursement	30,108
USDA commodity contribution	963,338
State aid	215,938
Earnings on investments	<u>3,986</u>
Total nonoperating revenues	<u>7,971,886</u>
Income before transfers	<u>649,507</u>
TRANSFERS	
Transfers in	<u>934,873</u>
Total transfers in	<u>934,873</u>
Change in net position	1,584,380
Total net position, Beginning	<u>5,642,242</u>
Total net position, Ending	<u><u>\$ 7,226,622</u></u>

See accompanying notes to basic financial statements.

CHERRY CREEK SCHOOL DISTRICT NO. 5

ARAPAHOE COUNTY, COLORADO

STATEMENT OF CASH FLOWS

PROPRIETARY FUND

For The Year Ended June 30, 2014

	Business-Type Activities Enterprise Fund
	Food Services Fund
CASH FLOWS FROM (USED FOR) OPERATING ACTIVITIES	
Receipts from sales	\$ 7,946,030
Payments to vendors	(5,220,941)
Payments to employees	(7,599,670)
Other operating revenues	203,435
Other operating expenses	(969,527)
Net cash (used for) operating activities	<u>(5,640,673)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Grants received	7,001,186
Transfers in	934,873
Net cash provided from noncapital financing activities	<u>7,936,059</u>
CASH FLOWS (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of capital assets	<u>(583,080)</u>
CASH FLOWS FROM (USED FOR) INVESTING ACTIVITIES	
Interest received	4,449
Net cash (used for) investing activities	<u>4,449</u>
Net decrease in cash and cash equivalents	1,716,755
Cash and cash equivalents, Beginning	<u>709,790</u>
Cash and cash equivalents, Ending	<u>\$ 2,426,545</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM (USED FOR) OPERATING ACTIVITIES	
Operating income (loss)	\$ (7,322,379)
Adjustments to reconcile operating (loss) to net cash from (used for) operating activities:	
Depreciation	317,755
Donated food	963,338
(Increase) decrease in receivables	(6,698)
(Increase) decrease in inventories	(192,108)
(Increase) decrease in prepaids	(5,601)
Increase (decrease) in accounts payable and accruals	999,826
Increase (decrease) in accrued salaries/benefits	(517,559)
Increase (decrease) in unearned revenue	122,753
Total adjustments	<u>1,681,706</u>
Net cash (used for) operating activities	<u>\$ (5,640,673)</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES	
Donated food commodities	\$ 963,338

See accompanying notes to basic financial statements.



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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, 2014

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 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, 2014. 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, as are the proprietary fund statements. 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. Exceptions to this general rule are charges between the District's governmental and business-type activities. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.



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)

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

The proprietary fund types are accounted for on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred. The measurement focus in these funds is on the flow of economic resources and emphasizes the determination of net income. All assets and all liabilities associated with their activity are included on their balance sheets. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net position.

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



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).

The District reports the following major proprietary fund - business-type activities:

Enterprise Funds account for operations that are financed and operated in a manner similar to private business enterprises, where the intent is that the costs (including depreciation) of providing goods or services to the general public on a continuing basis to be financed or recovered primarily through user charges. Enterprise funds are considered major funds because of community interests in the activities and sources of funding supporting these operations.

The *Food Services Fund* accounts for all financial activities associated with the District's school breakfast and lunch programs.

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 2013 but not yet collected in 2014 are identified as property taxes receivable and deferred inflows of resources in the governmental funds balance sheet at June 30, 2014, and are presented in the amount of \$5,637,530. Intergovernmental receivable of \$4,733,543 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 \$1,803,461 and as a part of unrestricted net position in the amount of \$769,063 in the business-type activities.

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 \$430,971 in the General Fund, \$267,712 in the Capital Reserve Fund and \$11,841 in the Extended Child Services Fund.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 \$1,604,808 for governmental activities and \$102,080 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 2014 is as follows:

Tax Year

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

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, 2014, in the amount of \$5,637,530. 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.

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, and proprietary fund types in the fund financial statements, long-term debt, and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or proprietary fund type statement of net position. 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, 2014.

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, 2014, was \$9,350,520 with a current portion due within one year of \$1,319,627. 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, 2014, 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.

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.

3) BUDGETARY INFORMATION (Continued)

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.

The budgets for the Proprietary Fund are prepared on a basis consistent with generally accepted accounting principles.

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, 2014, 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, 2014, the District had bank deposits of \$121,214,800 and a carrying balance of \$120,954,849, the difference is checks issued but not yet cashed. The District had cash of \$4,118,762 held by the county treasurer.

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

Cash	\$ 14,041,523
Equity in pooled cash	<u>106,913,326</u>
Total	<u>\$ 120,954,849</u>

Component unit:

As of June 30, 2014, the charter school had bank deposits of \$1,887,185 and a carrying balance of \$1,803,225 and cash on hand of \$300. At June 30, 2014, 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, 2014, are classified in the accompanying financial statements as follows:

Investments held by the District	\$ 100,959,099
Investments held by an escrow agent	<u>45,201,794</u>
Total	<u>\$ 146,160,893</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	\$ 19,417,814	13%	N/A	\$ 19,417,814
Farmer Mac	1,995,603	1%	N/A	1,995,603
Freddie Mac	4,243,567	3%	N/A	4,243,567
Repurchase Agreement	74,307,195	51%	N/A	74,307,195
Money Market Funds	45,201,794	31%	N/A	45,201,794
Federal Farm Credit Bank	<u>994,920</u>	<u>1%</u>	N/A	<u>994,920</u>
Total	<u>\$ 146,160,893</u>	<u>100%</u>		<u>\$ 146,160,893</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, 2014, 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	13 to 24 Months
<u>Investment Type</u>			
Federal Home Loan Bank	\$ 19,417,814	\$ 19,417,814	\$ -
Farmer Mac	1,995,603	1,995,603	-
Freddie Mac	4,243,567	4,243,567	-
Repurchase Agreement	74,307,195	-	74,307,195
Money Market Funds	45,201,794	45,201,794	-
Federal Farm Credit Bank	994,920	994,920	-
Total	<u>\$146,160,893</u>	<u>\$ 71,853,698</u>	<u>\$ 74,307,195</u>

Component Unit:

At June 30, 2014, the charter school had invested \$422,265 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>				
	Balance <u>July 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2014</u>
Non-depreciable assets:				
Land	\$ 19,396,597	\$ -	\$ -	\$ 19,396,597
Projects in progress	<u>26,055,972</u>	<u>43,323,433</u>	<u>21,819,511</u>	<u>47,559,894</u>
Total non-depreciable assets	<u>45,452,569</u>	<u>43,323,433</u>	<u>21,819,511</u>	<u>66,956,491</u>
Depreciable assets:				
Land improvements	23,209,007	1,289,324	-	24,498,331
Buildings	840,986,226	29,691,737	-	870,677,963
Equipment & vehicles	<u>71,772,080</u>	<u>11,535,185</u>	<u>199,769</u>	<u>83,107,496</u>
Total depreciable assets	<u>935,967,313</u>	<u>42,516,246</u>	<u>199,769</u>	<u>978,283,790</u>
Less accumulated depreciation for:				
Land improvements	18,681,992	798,173	-	19,480,165
Buildings	272,978,719	22,437,327	-	295,416,046
Equipment & vehicles	<u>63,684,608</u>	<u>6,780,811</u>	<u>199,769</u>	<u>70,265,650</u>
Total accumulated depreciation	<u>355,345,319</u>	<u>30,016,311</u>	<u>199,769</u>	<u>385,161,861</u>
Total capital assets being depreciated, net	<u>580,621,994</u>	<u>12,499,935</u>	<u>-</u>	<u>593,121,929</u>
Net capital assets	<u>\$ 626,074,563</u>	<u>\$ 55,823,368</u>	<u>\$ 21,819,511</u>	<u>\$ 660,078,420</u>
<u>Business-type activities</u>				
A summary of changes in Enterprise Fund capital assets is as follows:				
	Balance <u>July 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2014</u>
Capital assets:				
Projects in progress	\$ 199,221	\$ -	\$ (199,221)	\$ -
Equipment & Vehicles	5,212,989	782,301	-	5,995,290
Accumulated depreciation	<u>(3,507,090)</u>	<u>(317,755)</u>	<u>-</u>	<u>(3,824,845)</u>
Total capital assets, net	<u>\$ 1,905,120</u>	<u>\$ 464,546</u>	<u>\$ (199,221)</u>	<u>\$ 2,170,445</u>

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

Governmental activities:	
Instruction	\$ 27,941,849
Indirect instruction	145,166
General administration	3,720
School administration	1,472
Business services	98,295
Operations and maintenance	851,990
Pupil transportation	630,784
Central services	322,330
Community services	615
Other support services	20,090
Total depreciation expense - governmental activities	<u>\$ 30,016,311</u>
Business-type activities:	
Food services	<u>\$ 317,755</u>
Total depreciation expense - business-type activities	<u>\$ 317,755</u>

Component unit activities

	Balance <u>July 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2014</u>
Governmental activities:				
Land	\$ 744,711	\$ -	\$ -	\$ 744,711
Projects in progress	-	274,378	-	274,378
Buildings	6,483,825	-	-	6,483,825
Building improvements	540,653	-	-	540,653
Furniture and equipment	53,948	53,913	-	107,861
Accumulated depreciation	<u>(1,254,943)</u>	<u>(152,019)</u>	<u>-</u>	<u>(1,406,962)</u>
Total Capital Assets, net	<u>\$ 6,568,194</u>	<u>\$ 176,272</u>	<u>\$ -</u>	<u>\$ 6,744,466</u>

Construction commitments: The District has active construction projects as of June 30, 2014. The projects include renovation, new construction, and site improvements.

A list of significant commitments as of June 30, 2014, is as follows:

	Commitment <u>Total</u>	Completed <u>to Date</u>	Remaining <u>Commitment</u>
Grandview High School Addition	\$ 6,299,321	\$ 5,993,750	\$ 305,571
Cherokee Trail High School Addition	6,136,447	5,204,047	932,400
High School Renovations	29,446,622	15,066,344	14,380,278
Middle School Renovations	8,140,164	5,172,447	2,967,717
Elementary School Renovations	3,144,850	1,196,963	1,947,887
Facility Upgrades	4,625,466	2,201,323	2,424,143
Major Maintenance	3,399,411	1,953,723	1,445,688
Instructional Technology	2,378,069	1,398,873	979,196
			<u>\$ 25,382,880</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 2013 - 2014 fiscal year were as follows:

	Transfers In		
			Nonmajor Funds
<u>Transfers Out</u>	<u>General Fund</u>	<u>Food Services Fund</u>	<u>Capital Reserve Fund</u>
General Fund	\$ -	\$ 934,873	\$ 4,731,996
Building Fund	-	-	1,824,526
Nonmajor Funds:			
Extended Child Services Fund	1,160,762	-	-
Total	<u>\$ 1,160,762</u>	<u>\$ 934,873</u>	<u>\$ 6,556,522</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	\$ 197,907
General Fund	Food Services Fund	864,435
Total		<u>\$ 1,062,342</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, 2014, are estimated to be \$39,863,944 for the General Fund. Additional accrued salaries and benefits earned by non-contracted employees, including other hourly employees, are \$1,138,829 at June 30, 2014.

9) COMPENSATED ABSENCES PAYABLE

As of June 30, 2014, compensated absences payable are as follows:

	<u>Current</u>	<u>Long-term</u>	<u>Total</u>
Governmental activities	\$ 6,340,953	\$ 26,498,930	\$ 32,839,883
Proprietary fund (Food Service)	<u>190,484</u>	<u>-</u>	<u>190,484</u>
Total	<u>\$ 6,531,437</u>	<u>\$ 26,498,930</u>	<u>\$ 33,030,367</u>

The current portion for Governmental Funds and the total amount for Proprietary (Enterprise) Fund Types of accrued compensated absences have been recorded in the respective funds and as current liabilities in the governmental financial statements in the amount of \$3,981,437. 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, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2014</u>
Governmental funds	<u>\$ 31,875,318</u>	<u>\$ 6,852,399</u>	<u>\$ 5,887,834</u>	<u>\$ 32,839,883</u>
Proprietary funds	<u>\$ 169,540</u>	<u>\$ 190,484</u>	<u>\$ 169,540</u>	<u>\$ 190,484</u>

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, 2014, 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
School building bonds in the original amount of \$67,500,000 (Series 2005A) due in varying installments through December 15, 2024, interest at 3.5% - 5.0%	46,960,000
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%	70,375,000
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%	94,050,000
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%	14,655,000
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%	48,855,000
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, 2033, interest at 2.0% - 5.0%	<u>31,215,000</u>
Total general obligation bonds payable	<u>\$ 531,365,000</u>

Long-term debt maturities for all general obligation bonds outstanding at June 30, 2014, including interest, are as follows:

<u>Fiscal year ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 29,890,000	\$ 20,632,243	\$ 50,522,243
2016	33,250,000	19,341,818	52,591,818
2017	34,220,000	18,118,773	52,338,773
2018	35,335,000	16,926,633	52,261,633
2019	29,405,000	15,769,288	45,174,288
2020-2024	158,215,000	59,771,663	217,986,663
2025-2029	141,195,000	28,657,135	169,852,135
2030-2033	<u>69,855,000</u>	<u>3,989,485</u>	<u>73,844,485</u>
Total	<u>\$ 531,365,000</u>	<u>\$ 183,207,038</u>	<u>\$ 714,572,038</u>

Capital Lease Obligations

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. This amount was funded into an escrow account on August 16, 2013 with a current interest rate of 1.046%. The lease has the following additional

parameters: 1) a term of four years; 2) an interest rate that is to not exceed 2.0%; 3) the lease shall not be subject to prepayment at the option of the District. The District's first payment on the capital lease was made during the current fiscal year and will be made annually until fiscal year 2018.

Lease obligations for the fiscal year ended June 30, 2014 comprise the following:

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
Capital lease	\$ -	\$ 9,923,440	\$ 1,217,902	\$ 8,705,538

The following is a schedule of the future minimum lease payments under this capital lease 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>
2015	\$ 2,454,945	\$ 84,657	\$ 2,539,602
2016	2,480,691	58,911	2,539,602
2017	2,506,707	32,895	2,539,602
2018	1,263,195	6,607	1,269,802
Total	<u>\$ 8,705,538</u>	<u>\$ 183,070</u>	<u>\$ 8,888,608</u>

The computer equipment purchased by the District under the capital lease cost \$9,923,440 less accumulated depreciation of \$3,317,878 for a net book value as of June 30, 2014 in the amount \$6,605,562.

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, 2014, are \$885,514,410 and \$403,677,142, respectively. As of June 30, 2014, 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 December 13, 2013 the District refunded \$35.3 million of the 2004 Series general obligation bonds with the proceeds from the issuance of 2013 Series refunding general obligation bonds. Total debt service on the 2013 refunding bonds will be \$39,064,903 through December 15, 2022. This refunding decreases total debt service and will result in a savings to taxpayers of \$4.2 million (\$3.8 million net present value) 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 \$1,459,272 from the United States Treasury for the fiscal year ended June 30, 2014, 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, 2014, the following changes occurred in long-term debt:

	Balance <u>July 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	Outstanding <u>June 30, 2014</u>
Governmental Activities:				
General obligation bonds payable	\$ 563,905,000	\$ 31,215,000	\$ 63,755,000	\$ 531,365,000
Unamortized premiums	<u>17,160,357</u>	<u>4,319,741</u>	<u>1,932,441</u>	<u>19,547,657</u>
Total bonds payable	581,065,357	35,534,741	65,687,441	550,912,657
 Capital lease	-	9,923,440	1,217,902	8,705,538
Compensated absences	<u>31,875,318</u>	<u>6,852,399</u>	<u>5,887,834</u>	<u>32,839,883</u>
Total	<u>\$ 612,940,675</u>	<u>\$ 52,310,580</u>	<u>\$ 72,793,177</u>	<u>\$ 592,458,078</u>

Due within one year:	
Governmental Activities:	
General obligation bonds payable	\$ 29,890,000
Capital lease	2,454,945
Compensated absences	<u>6,340,000</u>
 Total	<u>\$ 38,684,945</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>
2015	\$ 135,000	\$ 140,525	\$ 275,525
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
2020-2024	870,000	503,489	1,373,489
2025-2029	1,085,000	285,236	1,370,236
2030	530,000	25,175	555,175
Totals	<u>\$ 3,200,000</u>	<u>\$ 1,470,975</u>	<u>\$ 4,670,975</u>

During the year ended June 30, 2014, the following changes occurred in the charter school's long-term debt:

	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2014</u>
Building Lease, Series 2012	\$ 3,330,000	\$ -	\$ 130,000	\$ 3,200,000
Lease Discount	(20,251)	-	(1,209)	(19,042)
Total	<u>\$ 3,309,749</u>	<u>\$ -</u>	<u>\$ 128,791</u>	<u>\$ 3,180,958</u>
Due within one year:				
Building Lease				<u>\$ 135,000</u>

11) SHORT-TERM DEBT

During the year ended June 30, 2014, the District borrowed \$41,244,448 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, 2014. The amount borrowed was paid in full by the maturity date June 25, 2014.

12) 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).

Basis of Accounting for the SDTF

The financial statements of SDTF are prepared using the accrual basis of accounting. Member and employer contributions are recognized as revenue in the period in which the employer pays compensation to the member and the employer is statutorily committed to pay these contributions to the SDTF. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. The SDTF plan investments are presented at fair value except for short-term investments, which are recorded at cost, which approximates fair value.

Funding Policy

Plan members and the District are required to contribute to the SDTF at a rate set by statute. The contribution requirements of plan members and the District are established under Title 24, Article 51, Part 4 of the CRS, as amended. The contribution rate for members is 8.0% and for the District is 16.55% of covered salary from July 1, 2013 through December 31, 2013 and 17.45% from January 1, 2014 to June 30, 2014. The District contribution rate will increase to 18.35% on January 1, 2015 and will increase each January 1 through 2018 until reaching a contribution rate of 20.15%. The District's contributions to SDTF for the years ending June 30, 2014, 2013, and 2012 were \$54,626,043, \$50,154,263, and \$47,116,804, respectively, equal to its required contributions for each year. The employees' contributions to SDTF for the years ending June 30, 2014, 2013, and 2012 were \$25,213,814, \$24,306,093, and \$24,364,970, respectively, equal to their required contributions for each year.

13) 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, 2014, 2013, and 2012, was \$3,276,818, \$3,177,170, and \$3,160,289, respectively, equal to its required contributions for each year.

14) 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.

14) RISK MANAGEMENT (Continued)

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, 2014, the amount of workers compensation liability was \$550,494. Changes in the reported liability for the years ended June 30, 2014, and 2013, were as follows:

	<u>2014</u>	<u>2013</u>
Beginning of fiscal year liability	\$ 639,433	\$ 536,553
Current-year claims and changes in estimate	3,107,567	2,966,289
Claim payments	<u>(3,196,506)</u>	<u>(2,863,409)</u>
Balance at fiscal year-end liability	<u>\$ 550,494</u>	<u>\$ 639,433</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.

15) COMMITMENTS

CONSTRUCTION COMMITMENTS

The District had commitments of \$25,382,880 for capital projects at June 30, 2014, of which \$25,382,880 have been encumbered through the purchase order process. Future expenditures related to these commitments are expected to be financed through available resources.

16) 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.

16) 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, 2014, the District has restricted 3 percent of its fiscal year 2013-2014 spending as follows:

Governmental Activities:	
General Fund	\$ 13,383,000
Capital Projects Fund: Capital Reserve Fund	475,000
Special Revenue Funds:	
Extended Child Services Fund	452,000
Pupil Activities Fund	372,000
Business-type Activities:	
Food Service Fund	<u>229,000</u>
Total	<u>\$ 14,911,000</u>



17) 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, 2014, was \$215,381.

18) RESTATEMENT OF NET POSITION

For the year ended June 30, 2014, The District adopted GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This statement requires that debt

issuance costs be expensed in the current period rather than capitalized and amortized over the life of the related debt issue. Under the provisions of this statement, unamortized debt issuance costs do not meet the definition of a deferred outflow of resources since they are not applicable to a future period and as such, are considered an outflow of resources. As a result, the District adjusted the July 1, 2013 beginning net position in the amount of \$2,709,538 for the primary government and \$109,252 for the charter school component unit.

	Primary Government Governmental Activities	Component Unit Charter School
Net Position, Beginning	\$ 269,891,184	\$ 5,288,931
Unamortized debt issuance costs	(2,709,538)	(109,252)
Net Position, Beginning (restated)	\$ 267,181,646	\$ 5,179,679



19) NEW PRONOUNCEMENTS

The GASB issued Statement No. 68 *Accounting and Financial Reporting for Pensions* (Statement No. 68), which revised and establishes new financial reporting requirements for most 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).

Statement No. 68 requires cost-sharing employers participating in the PERA program, such as the District, to record their proportionate share, as defined in Statement No. 68, of PERA's unfunded pension liability. The District has no legal obligation to fund this shortfall nor does it have any ability to affect funding, benefits, or annual required contribution decisions made by PERA. The requirement of Statement No. 68 to record a portion of PERA's unfunded liability will negatively impact the District's future unrestricted net position. Statement No. 68 is effective for fiscal year 2015. At this time, management is unable to estimate the magnitude of this impact. Information regarding PERA's current funding status can be found in its Comprehensive Annual Financial Report.

20) SUBSEQUENT EVENTS

On Thursday, October 2, 2014, the District successfully sold \$37,585,000 of District General Obligation debt. The bonds were sold competitively with bids received electronically via the internet. The winning bid was submitted by J.P. Morgan Securities with a True Interest Cost of 1.69%. The issue refinances \$43,540,000 of Series 2005 bonds which were outstanding and which carried an interest rate of 4.18%. The bond issue was structured as tax exempt bonds maturing over the period 2015-2024.



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.



CherryCreek
Schools
Dedicated to Excellence



CherryCreek
Schools
Dedicated to Excellence

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

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

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, 2014

	Capital Reserve Fund	Designated Purpose Grants Fund	Extended Child Services Fund	Pupil Activities Fund	Total Nonmajor Governmental Funds
ASSETS					
Cash	\$ -	\$ 250	\$ 2,105,157	\$ 5,364,552	\$ 7,469,959
Equity in pooled cash	1,077,602	1,676,335	2,606,941	-	5,360,878
Investments	-	-	2,969,226	-	2,969,226
Receivables, net					
Other governments	-	4,733,543	-	-	4,733,543
Other	92,868	-	3,701	-	96,569
Prepayments and deposits	267,712	-	11,841	-	279,553
Total Assets	<u>\$ 1,438,182</u>	<u>\$ 6,410,128</u>	<u>\$ 7,696,866</u>	<u>\$ 5,364,552</u>	<u>\$ 20,909,728</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 344,992	\$ 504,678	\$ 150,304	\$ 20,192	\$ 1,020,166
Accrued salaries and benefits	-	1,587,277	910,226	1,791	2,499,294
Interfund payables	-	-	-	197,907	197,907
Unearned revenues	-	4,318,173	1,122,146	-	5,440,319
Compensated absences	-	-	143,379	-	143,379
Total Liabilities	<u>344,992</u>	<u>6,410,128</u>	<u>2,326,055</u>	<u>219,890</u>	<u>9,301,065</u>
Fund balances					
Nonspendable for:					
Prepayments and deposits	267,712	-	11,841	-	279,553
Restricted for:					
Emergency reserve	475,000	-	452,000	372,000	1,299,000
Committed for:					
Extended Child Services Fund activities	-	-	3,296,205	-	3,296,205
Pupil Activities Fund activities	-	-	-	4,772,662	4,772,662
Assigned for:					
Future year transfers	-	-	1,610,765	-	1,610,765
Capital Reserve Fund activities	350,478	-	-	-	350,478
Total Fund balances	<u>1,093,190</u>	<u>-</u>	<u>5,370,811</u>	<u>5,144,662</u>	<u>11,608,663</u>
Total Liabilities and Fund balances	<u>\$ 1,438,182</u>	<u>\$ 6,410,128</u>	<u>\$ 7,696,866</u>	<u>\$ 5,364,552</u>	<u>\$ 20,909,728</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, 2014

	Capital Reserve Fund	Designated Purpose Grants Fund	Extended Child Services Fund	Pupil Activities Fund	Total Nonmajor Governmental Funds
REVENUES					
Intergovernmental					
Federal - grants	\$ -	\$ 17,819,435	\$ -	\$ -	\$ 17,819,435
State - grants	-	981,251	-	-	981,251
Tuition	-	-	16,415,766	-	16,415,766
Earnings on investments	6	-	1,561	6,766	8,333
Pupil activities	-	-	-	12,528,299	12,528,299
Cash in lieu of land	200,574	-	-	-	200,574
Donations	-	2,190,629	-	-	2,190,629
Other	-	-	-	-	-
Total revenues	200,580	20,991,315	16,417,327	12,535,065	50,144,287
EXPENDITURES					
Current					
Instruction	-	16,802,290	13,351,454	-	30,153,744
Pupil services	-	4,189,025	-	-	4,189,025
Business services	-	-	192,639	-	192,639
Community services	-	-	354,798	-	354,798
Pupil activities	-	-	-	12,391,480	12,391,480
Capital outlay	14,541,968	-	-	-	14,541,968
Debt service					
Principal	1,217,902	-	-	-	1,217,902
Interest and fiscal charges	51,900	-	-	-	51,900
Total expenditures	15,811,770	20,991,315	13,898,891	12,391,480	63,093,456
Excess of revenues over (under) expenditures	(15,611,190)	-	2,518,436	143,585	(12,949,169)
OTHER FINANCING SOURCES (USES)					
Transfers in	6,556,522	-	-	-	6,556,522
Transfers out	-	-	(1,160,762)	-	(1,160,762)
Capital lease proceeds	9,923,605	-	-	-	9,923,605
Total other financing sources (uses)	16,480,127	-	(1,160,762)	-	15,319,365
Excess of revenues and other sources over (under) expenditures and other uses	868,937	-	1,357,674	143,585	2,370,196
Fund balances, Beginning	224,253	-	4,013,137	5,001,077	9,238,467
Fund balances, Ending	\$ 1,093,190	\$ -	\$ 5,370,811	\$ 5,144,662	\$ 11,608,663

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, 2014

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Taxes				
Property	\$ 50,509,133	\$ 50,509,133	\$ 50,523,184	\$ 14,051
Earnings on investments	30,000	30,000	121,587	91,587
Premium on bonds	-	4,319,741	4,319,741	-
Sale of bonds	-	31,215,000	31,215,000	-
Total revenues	<u>50,539,133</u>	<u>86,073,874</u>	<u>86,179,512</u>	<u>105,638</u>
EXPENDITURES				
Debt service				
Principal	28,410,000	28,410,000	28,410,000	-
Interest	22,233,535	22,121,429	22,121,429	-
Fiscal charges	5,000	183,932	183,932	-
Transfer to escrow agent	-	35,345,000	35,345,000	-
Total expenditures	<u>50,648,535</u>	<u>86,060,361</u>	<u>86,060,361</u>	<u>-</u>
Net change in fund balance	(109,402)	13,513	119,151	105,638
Fund balance, Beginning	<u>47,336,048</u>	<u>46,446,343</u>	<u>46,446,343</u>	<u>-</u>
Fund balance, Ending	<u>\$ 47,226,646</u>	<u>\$ 46,459,856</u>	<u>\$ 46,565,494</u>	<u>\$ 105,638</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, 2014

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Earnings on investments	\$ 450,000	\$ 450,997	\$ 450,997	\$ -
Total revenues	450,000	450,997	450,997	-
EXPENDITURES				
Capital outlay				
Building and improvements	40,461,052	49,479,351	49,479,351	-
Furniture and equipment	8,260,977	5,783,617	5,783,617	-
Other	461,495	689,558	689,558	-
Total expenditures	49,183,524	55,952,526	55,952,526	-
Excess of revenues over (under) expenditures	(48,733,524)	(55,501,529)	(55,501,529)	-
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,824,526)	(1,824,526)	(1,824,526)	-
Total other financing sources (uses)	(1,824,526)	(1,824,526)	(1,824,526)	-
Net change in fund balance	(50,558,050)	(57,326,055)	(57,326,055)	-
Fund balance, Beginning	126,261,360	130,524,610	130,524,610	-
Fund balance, Ending	\$ 75,703,310	\$ 73,198,555	\$ 73,198,555	\$ -

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, 2014

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Earnings on investments	\$ -	\$ -	\$ 6	\$ 6
Cash in lieu of land	-	-	200,574	200,574
Capital lease proceeds	-	9,923,605	9,923,605	-
Total revenues	-	9,923,605	10,124,185	200,580
EXPENDITURES				
Capital outlay				
Building and improvements	2,388,000	8,253,495	8,186,478	67,017
Furniture and equipment	2,287,000	6,410,605	6,355,490	55,115
Debt service				
Principal	-	1,217,902	1,217,902	-
Interest	-	51,900	51,900	-
Total expenditures	4,675,000	15,933,902	15,811,770	122,132
Excess of revenues over (under) expenditures	(4,675,000)	(6,010,297)	(5,687,585)	322,712
OTHER FINANCING SOURCES				
Transfers in	4,675,000	6,499,526	6,556,522	56,996
Total other financing sources	4,675,000	6,499,526	6,556,522	56,996
Net change in fund balances	-	489,229	868,937	379,708
Fund balance, Beginning	274,116	224,253	224,253	-
Fund balance, Ending	\$ 274,116	\$ 713,482	\$ 1,093,190	\$ 379,708

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, 2014

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Intergovernmental				
Federal - Grants	\$ 19,634,600	\$ 19,634,600	\$ 17,819,435	\$ (1,815,165)
State - Grants	290,000	290,000	981,251	691,251
Donations	2,750,000	2,750,000	2,190,629	(559,371)
Total revenues	<u>22,674,600</u>	<u>22,674,600</u>	<u>20,991,315</u>	<u>(1,683,285)</u>
EXPENDITURES				
Current				
Instruction	19,304,897	18,204,897	16,802,290	1,402,607
Pupil services	1,472,201	1,972,201	1,775,098	197,103
Instructional staff services	1,696,813	2,296,813	2,230,738	66,075
School administration	200,689	200,689	183,189	17,500
Total expenditures	<u>22,674,600</u>	<u>22,674,600</u>	<u>20,991,315</u>	<u>1,683,285</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, 2014

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Tuition	\$ 16,436,098	\$ 16,436,098	\$ 16,415,766	\$ (20,332)
Earnings on investments	5,000	5,000	1,561	(3,439)
Total revenues	16,441,098	16,441,098	16,417,327	(23,771)
EXPENDITURES				
Current				
Instruction	13,164,839	13,064,839	12,948,377	116,462
Instructional staff services	204,796	424,796	403,077	21,719
Business services	405,428	255,428	192,639	62,789
Community services	334,387	364,387	354,798	9,589
Total expenditures	14,109,450	14,109,450	13,898,891	210,559
Excess of revenues over expenditures	2,331,648	2,331,648	2,518,436	186,788
OTHER FINANCING SOURCES (USES)				
Transfers in	80,500	80,500	-	(80,500)
Transfers out	(1,199,950)	(1,199,950)	(1,160,762)	39,188
Total other financing sources (uses)	(1,119,450)	(1,119,450)	(1,160,762)	(41,312)
Net change in fund balances	1,212,198	1,212,198	1,357,674	145,476
Fund balance, Beginning	3,063,643	4,013,137	4,013,137	-
Fund balance, Ending	\$ 4,275,841	\$ 5,225,335	\$ 5,370,811	\$ 145,476

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, 2014

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Earnings on investments	\$ -	\$ -	\$ 6,766	\$ 6,766
Pupil activities	11,590,200	12,391,500	12,528,299	136,799
Total revenues	11,590,200	12,391,500	12,535,065	143,565
EXPENDITURES				
Current				
Pupil activities	11,590,200	12,391,500	12,391,480	20
Net change in fund balances	-	-	143,585	143,585
Fund balance, Beginning	5,185,403	5,001,077	5,001,077	-
Fund balance, Ending	\$ 5,185,403	\$ 5,001,077	\$ 5,144,662	\$ 143,585



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Capital Assets
Used in the
Operation of
Governmental Funds



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CHERRY CREEK SCHOOL DISTRICT NO. 5

ARAPAHOE COUNTY, COLORADO

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

SCHEDULE BY SOURCE

June 30, 2014

GOVERNMENTAL FUNDS CAPITAL ASSETS

Land	\$ 19,396,597
Improvements	24,498,331
Buildings	870,677,963
Projects in progress	47,559,894
Equipment and vehicles	<u>83,107,496</u>
Total Governmental Funds Capital Assets	<u><u>\$ 1,045,240,281</u></u>

INVESTMENT IN GOVERNMENTAL FUNDS CAPITAL ASSETS

General Fund	\$ 19,137,263
Building Funds:	
Capital Projects Fund	869,454,027
Capital Reserve Fund	151,305,306
Special Revenue Funds:	
Designated Purpose Grants Fund	3,582,941
Extended Child Services Fund	<u>1,760,744</u>
Total Investment in Governmental Funds Capital Assets	<u><u>\$ 1,045,240,281</u></u>

CHERRY CREEK SCHOOL DISTRICT NO. 5

ARAPAHOE COUNTY, COLORADO

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

SCHEDULE BY FUNCTION AND ACTIVITY

June 30, 2014

	Land and Improvements	Buildings and Projects In Progress	Equipment and Vehicles	Total
Instruction				
Elementary education	\$ 12,265,076	\$ 322,668,190	\$ 16,786,678	\$ 351,719,944
Middle school education	5,391,092	199,203,631	8,035,253	212,629,976
High school education	19,692,905	278,096,682	14,163,563	311,953,150
Special programs	3,285,802	56,158,222	4,177,317	63,621,341
Support services				
Administrative	1,441,082	40,732,823	11,759,554	53,933,459
Maintenance	361,366	2,407,927	1,394,347	4,163,640
Transportation	1,150,312	17,807,088	26,122,904	45,080,304
Warehouse	307,293	1,163,294	667,880	2,138,467
Total capital assets	<u>\$ 43,894,928</u>	<u>\$ 918,237,857</u>	<u>\$ 83,107,496</u>	<u>\$ 1,045,240,281</u>

CHERRY CREEK SCHOOL DISTRICT NO. 5

ARAPAHOE COUNTY, COLORADO

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY

For The Year Ended June 30, 2014

	Governmental Funds Capital Assets June 30, 2013	Additions	Deductions	Governmental Funds Capital Assets June 30, 2014
Instruction				
Elementary education	\$ 340,752,683	\$ 26,784,866	\$ 15,817,605	\$ 351,719,944
Middle school education	203,608,982	9,020,994	-	212,629,976
High school education	275,752,853	42,082,102	5,881,805	311,953,150
Special programs	63,609,802	51,640	40,101	63,621,341
Support services				
Administrative	47,385,062	6,628,397	80,000	53,933,459
Maintenance	3,887,715	275,925	-	4,163,640
Transportation	44,288,158	991,915	199,769	45,080,304
Warehouse	2,134,627	3,840	-	2,138,467
Total capital assets	<u>\$ 981,419,882</u>	<u>\$ 85,839,679</u>	<u>\$ 22,019,280</u>	<u>\$ 1,045,240,281</u>



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State Required Schedules

Enterprise Funds:

Food Service Fund - Schedule of Revenues, Expenses
and Changes in Net Position - Compared to Budget

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

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

COMPARED TO BUDGET

ENTERPRISE FUND - FOOD SERVICES FUND

For The Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Food sales	\$ 9,255,320	\$ 8,332,175	\$ 7,829,975	\$ (502,200)
Earnings on investments	6,000	6,000	3,986	(2,014)
Other	296,850	140,900	203,435	62,535
Transfer in	327,950	1,028,910	934,873	(94,037)
State aid	216,070	216,068	215,938	(130)
Federal aid				
Reimbursement for meals	6,747,900	6,646,567	6,788,624	142,057
USDA commodities	1,031,560	1,031,560	963,338	(68,222)
Total revenues	17,881,650	17,402,180	16,940,169	(462,011)
EXPENSES				
Salaries and benefits	8,324,541	7,238,541	7,082,111	156,430
Purchased services	386,500	436,500	409,479	27,021
Supplies and materials	8,781,859	8,600,359	7,441,277	1,159,082
Depreciation	280,000	320,000	317,755	2,245
Indirect costs	14,000	105,500	105,167	333
Total expenses	17,786,900	16,700,900	15,355,789	1,345,111
Excess of revenues over expenses	94,750	701,280	1,584,380	883,100
Net Position, Beginning	5,871,900	5,642,242	5,642,242	-
Net Position, Ending	\$ 5,966,650	\$ 6,343,522	\$ 7,226,622	\$ 883,100

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, 2014

Total Expenditures for All Funds Listed Below

(Total Expenditures, Plus Changes in Fund Balance, Less Transfers)

General Fund	\$ 453,470,836	
Designated-Purpose Grants Fund	22,131,267	
Capital Reserve Fund	107,712	
Extended Child Services Fund	16,419,513	
Pupil Activities Fund	12,535,687	
Other Special Revenue Funds	N/A	
Building Fund	N/A	
Bond Redemption Fund	50,416,309	
Food Service Fund	16,087,867	
Total Expenditures		\$ 571,169,191
Deduct the following expenditures included in totals above:		
Expenditures from Gifts/Foundations	2,190,629	
Expenditures from Federal Grants	25,748,011	
Amendment No. 23, November 2000	133,628,421	
Repayment of Voter-Approved Debt	50,416,309	
Post 1991 Voter-Approved Referendum	67,500,000	
Total Deductions		<u>279,483,370</u>
Total Spending Subject to TABOR for Current Year		<u>291,685,821</u>
Total Spending Subject to TABOR Prior Year		282,342,908
% Change in Denver/Boulder Consumer Price Index for Prior Year		
	2.80	
% Change in Student Enrollment		
	<u>1.51</u>	
Total % Change	<u>4.31</u>	
Change in Spending Permitted		<u>12,168,979</u>
Maximum Spending Subject to TABOR Allowed for Current Year		<u>294,511,887</u>
Spending Over (Under) Allowable Amount		<u>\$ (2,826,066)</u>

Statistical Section

STATISTICAL SECTION



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

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

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Financial Trends:

These schedules contain trend information to help the user understand how the District's financial position has changed over time.

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Schedule 4	Changes in Fund Balances, Governmental Funds	122-124

Revenue Capacity:

These schedules contain information to help the user understand and assess the factors affecting the District's most significant local revenue source, property tax.

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Demographic and Economic Information:

These schedules offer demographic and economic indicators to help the user understand the socioeconomic environment within which the District's financial activities take place.

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Operating Information:

These schedules contain service and infrastructure data to provide the user with contextual information about the District's operations and resources to assist in using financial statement information to understand and assess the District's economic condition.

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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)

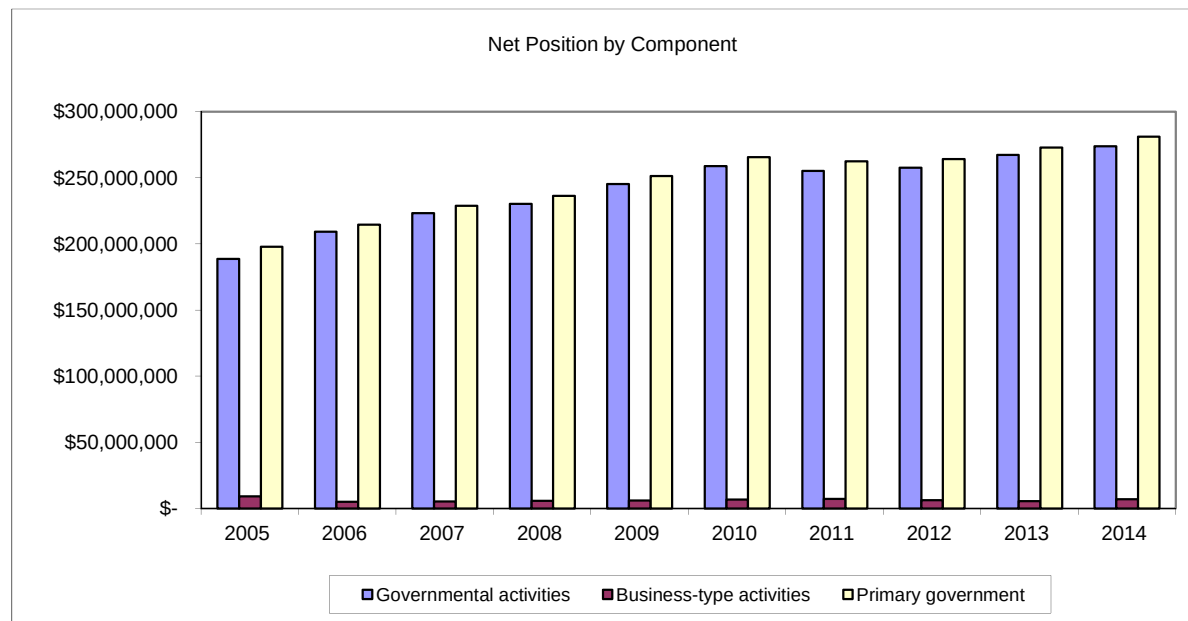
	Fiscal Year			
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Governmental activities				
Net investment in capital assets	\$ 149,094,843	\$ 157,731,564	\$ 165,944,054	\$ 180,282,382
Restricted	43,514,037	45,912,121	50,528,449	56,904,127
Unrestricted	(4,017,444)	5,701,242	6,758,344	(6,849,551)
Total governmental activities net position	<u><u>\$ 188,591,436</u></u>	<u><u>\$ 209,344,927</u></u>	<u><u>\$ 223,230,847</u></u>	<u><u>\$ 230,336,958</u></u>
Business-type activities				
Net investment in capital assets	\$ 1,335,391	\$ 1,012,102	\$ 959,849	\$ 944,783
Restricted	580,000	252,000	255,000	257,000
Unrestricted	7,442,401	3,945,411	4,289,231	4,834,411
Total business-type activities net position	<u><u>\$ 9,357,792</u></u>	<u><u>\$ 5,209,513</u></u>	<u><u>\$ 5,504,080</u></u>	<u><u>\$ 6,036,194</u></u>
Primary government				
Net investment in capital assets	\$ 150,430,234	\$ 158,743,666	\$ 166,903,903	\$ 181,227,165
Restricted	44,094,037	46,164,121	50,783,449	57,161,127
Unrestricted	3,424,957	9,646,653	11,047,575	(2,015,140)
Total primary government net position	<u><u>\$ 197,949,228</u></u>	<u><u>\$ 214,554,440</u></u>	<u><u>\$ 228,734,927</u></u>	<u><u>\$ 236,373,152</u></u>

Notes:

(1) Includes all funds. (GAAP Basis)

Schedule 1

Fiscal Year					
<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$ 184,821,149	\$ 187,845,000	\$ 175,535,480	\$ 172,640,583	\$ 178,096,324	\$ 173,658,780
58,044,822	54,983,140	56,639,073	60,204,062	59,368,003	60,360,003
2,478,303	16,035,640	22,929,078	24,837,243	29,717,319	39,769,558
<u>\$ 245,344,274</u>	<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>
\$ 1,131,800	\$ 964,686	\$ 1,113,297	\$ 1,293,612	\$ 1,905,120	\$ 2,170,445
259,000	236,000	243,000	274,000	282,000	229,000
4,704,388	5,623,665	5,977,288	4,849,788	3,455,122	4,827,177
<u>\$ 6,095,188</u>	<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>
\$ 185,952,949	\$ 188,809,686	\$ 176,648,777	\$ 173,934,195	\$ 180,001,444	\$ 175,829,225
58,303,822	55,219,140	56,882,073	60,478,062	59,650,003	60,589,003
7,182,691	21,659,305	28,906,366	29,687,031	33,172,441	44,596,735
<u>\$ 251,439,462</u>	<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>



CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO

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

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Expenses:				
Governmental activities:				
Instruction	\$ 245,423,028	\$ 264,844,642	\$ 288,668,360	\$ 306,386,804
Indirect instruction				
Pupil services	21,082,513	21,568,550	23,019,380	25,204,203
Instructional staff services	13,897,657	13,843,270	14,409,001	14,552,126
School administration	19,121,067	19,962,085	20,817,498	21,640,585
Support services				
General administration	2,618,690	2,806,143	3,169,042	3,281,998
Business services	3,202,596	3,066,894	3,504,958	3,636,338
Operations and maintenance	30,147,954	32,809,665	33,002,853	34,244,558
Pupil transportation	13,188,614	13,093,193	15,598,597	17,433,438
Central services	9,072,623	9,965,888	9,535,413	11,725,014
Community services	350,923	875,268	1,044,669	1,241,794
Pupil activities	10,311,846	11,189,035	11,501,773	11,852,886
Non-departmental	1,135,871	595,535	603,777	600,163
Assets conveyed to other governments	-	-	-	-
Interest on long-term debt	18,897,061	20,111,698	19,023,785	17,775,387
Total governmental activities expenses	<u>388,450,443</u>	<u>414,731,866</u>	<u>443,899,106</u>	<u>469,575,294</u>
Business-type activities:				
Food services operations	11,661,626	12,658,997	13,207,896	13,841,369
Extended child services	10,620,946	-	-	-
Total business-type activities expenses	<u>22,282,572</u>	<u>12,658,997</u>	<u>13,207,896</u>	<u>13,841,369</u>
Total primary government expenses	<u>\$ 410,733,015</u>	<u>\$ 427,390,863</u>	<u>\$ 457,107,002</u>	<u>\$ 483,416,663</u>

Notes:

(1) Includes all funds. (GAAP Basis)

(2) Beginning with fiscal year 2006, the Extended Child Services Fund is reported within governmental activities.

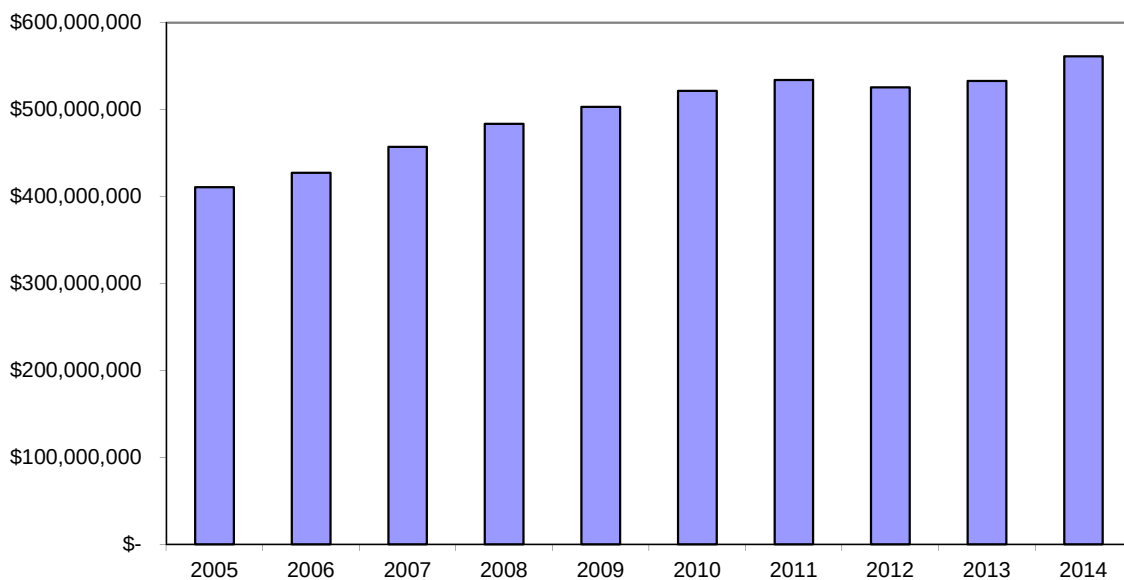
(3) Beginning with fiscal year 2010, Non-departmental expenses are allocated to other functional expenses.

(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>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$ 320,917,408	\$ 335,698,599	\$ 344,545,552	\$ 336,630,175	\$ 346,453,219	\$ 365,185,697
25,445,100	29,282,610	28,659,690	28,729,476	29,536,406	31,021,527
14,713,440	14,917,608	13,703,092	13,149,405	12,675,181	13,857,314
22,569,955	22,568,207	22,348,882	21,859,294	21,952,033	23,204,153
3,242,318	3,247,376	2,745,940	3,226,398	3,620,491	4,054,572
3,741,106	3,933,573	4,177,634	3,773,499	3,947,340	3,901,097
36,145,126	35,331,594	35,131,333	34,177,502	35,008,799	36,209,203
19,158,870	19,858,334	19,458,476	19,693,624	20,458,952	20,472,241
12,123,792	10,086,142	10,191,118	11,533,499	12,766,547	13,600,777
877,783	968,945	1,195,266	1,202,570	872,855	786,233
11,520,567	10,983,274	10,665,631	10,807,898	11,751,012	12,391,480
628,921	-	-	-	-	-
-	-	2,781,306	-	-	-
17,770,954	19,969,292	23,104,156	24,622,384	17,009,979	21,314,671
488,855,340	506,845,554	518,708,076	509,405,724	516,052,814	545,998,965
14,387,086	14,563,755	15,252,619	16,270,439	16,944,341	15,355,789
-	-	-	-	-	-
14,387,086	14,563,755	15,252,619	16,270,439	16,944,341	15,355,789
\$ 503,242,426	\$ 521,409,309	\$ 533,960,695	\$ 525,676,163	\$ 532,997,155	\$ 561,354,754

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)

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Program Revenues				
Governmental activities:				
Charges for services:				
Instruction	\$ 2,581,027	\$ 15,579,084	\$ 17,022,126	\$ 18,118,834
Pupil activities	10,674,825	11,300,849	11,571,481	11,571,446
Other activities	742,525	861,208	1,151,383	1,476,045
Operating grants and contributions	21,927,192	28,047,976	27,846,901	28,940,825
Capital grants and contributions	646,286	619,349	538,520	541,869
Total governmental activities program revenues	<u>36,571,855</u>	<u>56,408,466</u>	<u>58,130,411</u>	<u>60,649,019</u>
Business-type activities:				
Charges for services:				
Food services operations	7,775,879	8,264,051	8,353,484	8,631,867
Extended child services	11,584,062	-	-	-
Operating grants and contributions	3,929,896	4,447,409	4,907,235	5,518,150
Total business-type activities program revenues	<u>23,289,837</u>	<u>12,711,460</u>	<u>13,260,719</u>	<u>14,150,017</u>
Total primary government program revenues	<u>\$ 59,861,692</u>	<u>\$ 69,119,926</u>	<u>\$ 71,391,130</u>	<u>\$ 74,799,036</u>
 Net (Expense)/Revenue				
Governmental activities	\$ (351,878,588)	\$ (358,323,400)	\$ (385,768,695)	\$ (408,926,275)
Business-type activities	<u>1,007,265</u>	<u>52,463</u>	<u>52,823</u>	<u>308,648</u>
Total primary government net expense	<u>\$ (350,871,323)</u>	<u>\$ (358,270,937)</u>	<u>\$ (385,715,872)</u>	<u>\$ (408,617,627)</u>

Notes:

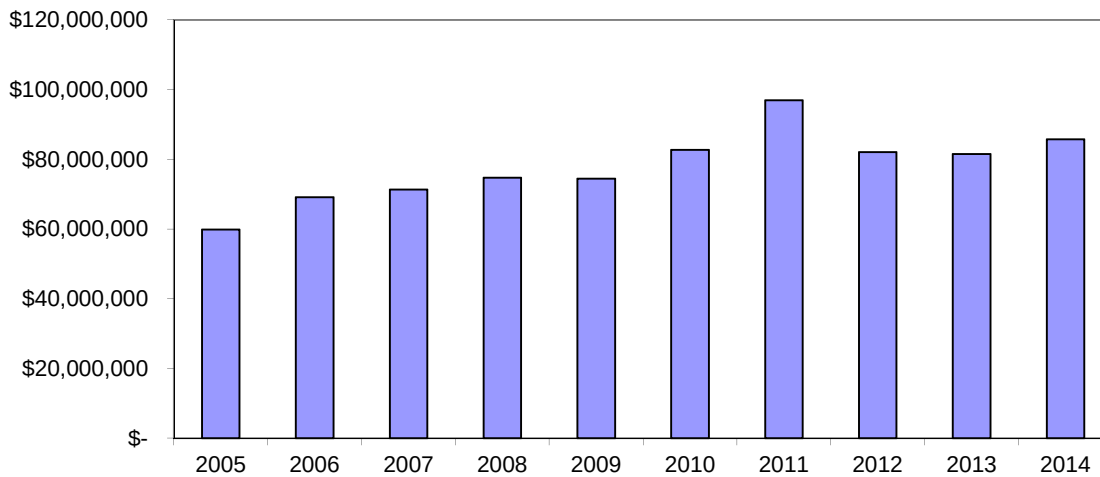
(1) Includes all funds. (GAAP Basis)

(2) Beginning with fiscal year 2006, the Extended Child Services Fund is reported within governmental activities.

Schedule 2 (continued)

Fiscal Year					
2009	2010	2011	2012	2013	2014
\$ 17,672,587	\$ 18,117,416	\$ 17,306,277	\$ 17,887,323	\$ 17,907,531	\$ 18,256,500
11,464,290	11,217,970	10,744,849	11,002,470	11,554,515	12,528,299
1,385,941	1,576,975	1,466,473	1,334,298	1,058,037	550,790
29,333,487	35,984,390	50,919,702	35,338,499	34,657,536	37,404,200
280,737	575,230	866,172	1,212,331	460,861	1,055,175
60,137,042	67,471,981	81,303,473	66,774,921	65,638,480	69,794,964
8,269,413	8,344,224	8,266,385	7,975,985	8,105,311	8,033,410
-	-	-	-	-	-
6,027,800	6,948,094	7,390,992	7,376,254	7,781,614	7,967,900
14,297,213	15,292,318	15,657,377	15,352,239	15,886,925	16,001,310
\$ 74,434,255	\$ 82,764,299	\$ 96,960,850	\$ 82,127,160	\$ 81,525,405	\$ 85,796,274
\$ (428,718,298)	\$ (439,373,573)	\$ (437,404,603)	\$ (442,630,803)	\$ (450,414,334)	\$ (476,204,001)
(89,873)	728,563	404,758	(918,200)	(1,057,416)	645,521
\$ (428,808,171)	\$ (438,645,010)	\$ (436,999,845)	\$ (443,549,003)	\$ (451,471,750)	\$ (475,558,480)

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)

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes:				
Property taxes	\$ 193,916,033	\$ 191,435,995	\$ 200,318,318	\$ 206,915,772
Specific ownership taxes	17,984,695	17,658,917	17,450,360	16,768,029
Investment earnings	2,574,816	4,374,881	4,740,873	2,895,107
Other revenues	2,260,767	2,083,166	2,151,510	1,776,439
State equalization aid	151,055,322	159,224,806	175,076,405	187,758,523
Transfers	574,796	(178,352)	(82,851)	(81,484)
Total governmental activities	<u>368,366,429</u>	<u>374,599,413</u>	<u>399,654,615</u>	<u>416,032,386</u>
Business-type activities:				
Investment earnings	110,205	98,384	158,893	141,982
Transfers	(574,796)	178,352	82,851	81,484
Total business-type activities	<u>(464,591)</u>	<u>276,736</u>	<u>241,744</u>	<u>223,466</u>
Total primary government	<u>\$ 367,901,838</u>	<u>\$ 374,876,149</u>	<u>\$ 399,896,359</u>	<u>\$ 416,255,852</u>
Change in Net Position				
Governmental activities	\$ 16,487,841	\$ 16,276,013	\$ 13,885,920	\$ 7,106,111
Business-type activities	542,674	329,199	294,567	532,114
Total primary government	<u>\$ 17,030,515</u>	<u>\$ 16,605,212</u>	<u>\$ 14,180,487</u>	<u>\$ 7,638,225</u>

Notes:

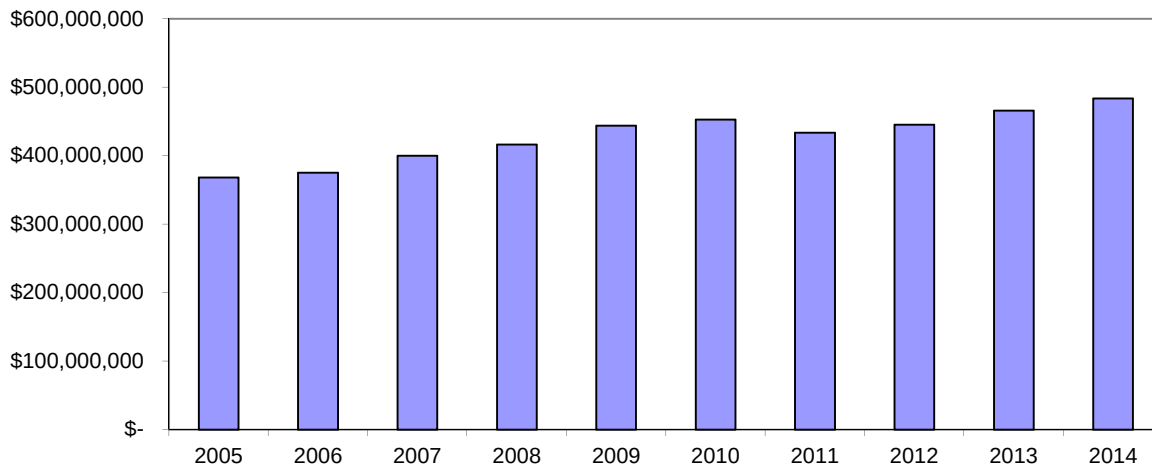
(1) Includes all funds. (GAAP Basis)

(2) Beginning with fiscal year 2006, the Extended Child Services Fund is reported within governmental activities.

Schedule 2 (continued)

Fiscal Year					
2009	2010	2011	2012	2013	2014
\$ 222,411,349	\$ 223,752,825	\$ 229,323,293	\$ 229,771,527	\$ 244,443,241	\$ 250,991,310
15,903,660	15,360,501	14,449,208	14,509,101	16,057,777	17,605,225
1,745,780	1,687,500	751,113	440,924	633,081	825,024
3,596,646	2,908,257	2,960,316	3,179,402	2,695,837	2,690,670
200,186,015	209,183,996	186,263,975	197,308,106	201,778,792	211,633,340
(117,836)	-	(103,451)	-	(275,560)	(934,873)
443,725,614	452,893,079	433,644,454	445,209,060	465,333,168	482,810,696
31,031	600	1,025	2,015	6,698	3,986
117,836	-	103,451	-	275,560	934,873
148,867	600	104,476	2,015	282,258	938,859
\$ 443,874,481	\$ 452,893,679	\$ 433,748,930	\$ 445,211,075	\$ 465,615,426	\$ 483,749,555
\$ 15,007,316	\$ 13,519,506	\$ (3,760,149)	\$ 2,578,257	\$ 14,918,834	\$ 6,606,695
58,994	729,163	509,234	(916,185)	(775,158)	1,584,380
\$ 15,066,310	\$ 14,248,669	\$ (3,250,915)	\$ 1,662,072	\$ 14,143,676	\$ 8,191,075

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

<u>Fiscal Year</u>	<u>Nonspendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>	<u>Unassigned</u>	<u>Total</u>
2005	\$ 1,487,614	\$ 9,491,000	\$ 1,122,200	\$ 2,041,512	\$ (3,159,393)	\$ 10,982,933
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

All Other Governmental Funds

<u>Fiscal Year</u>	<u>Nonspendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>	<u>Unassigned</u>	<u>Total</u>
2005	\$ -	\$ 133,589,235	\$ 4,380,099	\$ 2,217,472	\$ -	\$ 140,186,806
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

Notes:

(1) Other governmental funds from fiscal year 2004 through fiscal year 2005 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. Beginning with fiscal year 2006, the Extended Child Services Fund is also reported within governmental funds.

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



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

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

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Revenues				
Local sources				
Property taxes	\$ 190,964,705	\$ 194,339,986	\$ 199,571,172	\$ 207,013,865
Specific ownership taxes	17,984,695	17,658,917	17,450,360	16,768,029
Tuition	770,158	13,713,445	15,247,271	16,373,319
Earnings on investments	2,574,816	4,374,881	4,740,873	2,895,107
Pupil activities	10,674,825	11,300,849	11,571,481	11,571,446
Other	7,484,071	7,322,820	6,920,467	8,687,906
State sources				
Equalization aid	151,055,322	159,224,806	175,076,405	187,758,523
Vocational education	1,113,314	2,002,053	723,110	1,491,395
Education of handicapped	5,417,924	7,149,487	7,587,737	7,507,649
Transportation	2,363,142	2,570,702	2,612,078	3,086,331
Other	1,243,568	1,090,670	2,017,101	665,442
Federal sources	9,745,340	13,350,891	13,657,343	13,956,561
Total revenues	<u>401,391,880</u>	<u>434,099,507</u>	<u>457,175,398</u>	<u>477,775,573</u>
Expenditures				
Instruction	220,457,921	240,390,990	260,993,962	277,624,127
Pupil services	21,135,995	21,549,955	22,955,861	24,991,634
Instructional staff services	13,529,753	13,431,218	14,186,080	14,376,166
School administration	18,690,096	20,189,689	20,883,529	21,766,883
General administration	2,641,443	2,774,131	3,231,813	3,192,004
Business services	2,885,117	2,979,475	3,159,154	3,428,093
Operations & maintenance	29,027,240	31,893,410	32,998,360	34,454,985
Pupil transportation	10,589,929	11,409,808	13,345,503	17,043,796
Central supporting services	8,878,048	9,967,331	9,465,979	11,538,222
Non-departmental	702,992	1,223,626	1,318,533	1,539,238
Pupil activities	10,311,846	11,189,035	11,501,773	11,852,886
Capital outlay	83,434,386	48,882,913	41,017,521	24,093,682
Debt service				
Interest	20,679,967	20,580,649	19,626,055	18,372,291
Principal	21,495,000	24,275,000	26,560,000	30,850,000
Total expenditures	<u>464,459,733</u>	<u>460,737,230</u>	<u>481,244,123</u>	<u>495,124,007</u>
Excess of revenues over (under) expenditures	(63,067,853)	(26,637,723)	(24,068,725)	(17,348,434)
Other Financing Sources (Uses):				
Transfers in	1,614,472	1,294,903	1,297,107	2,324,723
Transfers out	(1,039,676)	(1,473,255)	(1,379,958)	(2,406,207)
General obligation bonds issued	199,715,000	-	-	-
Bond premium	14,402,671	-	-	-
Refunding bonds issued	-	-	-	-
Bond refunding escrow agent	(144,743,873)	-	-	-
Equipment lease	-	-	-	-
Total other financing sources (uses)	<u>69,979,836</u>	<u>(165,127)</u>	<u>(82,851)</u>	<u>(81,484)</u>
Net change in fund balances	<u>\$ 6,911,983</u>	<u>\$ (26,802,850)</u>	<u>\$ (24,151,576)</u>	<u>\$ (17,429,918)</u>
Debt service as a percentage of noncapital expenditures	10.7%	10.1%	10.3%	10.3%

Schedule 4

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$ 220,133,193	\$ 223,900,561	\$ 230,897,870	\$ 228,223,103	\$ 244,241,017	\$ 253,798,699
15,903,660	15,360,501	14,449,208	14,509,101	16,057,777	17,605,225
15,912,029	16,288,980	15,591,988	16,142,958	16,401,196	16,929,390
1,745,780	1,687,500	751,113	440,924	633,081	825,024
11,464,290	11,217,970	10,744,849	11,002,470	11,554,515	12,528,299
9,402,234	8,083,985	6,540,245	6,683,263	6,101,978	5,500,336
200,186,015	209,183,996	186,263,975	197,308,106	201,778,792	211,633,340
1,078,451	1,892,460	1,927,762	1,999,301	1,770,487	1,242,237
7,778,024	8,196,245	8,260,881	8,756,893	8,876,181	10,733,620
3,576,970	3,921,767	3,986,143	3,893,457	3,976,050	4,402,117
753,524	1,398,444	1,414,238	1,254,837	1,179,010	1,870,763
13,795,224	19,380,387	35,797,683	20,221,144	18,474,903	19,278,707
501,729,394	520,512,796	516,625,955	510,435,557	531,044,987	556,347,757
291,739,767	304,555,053	311,451,823	310,493,043	317,066,517	330,808,321
25,393,727	28,875,655	28,261,343	28,749,259	29,402,945	30,796,440
14,452,430	14,327,494	13,056,852	13,171,119	12,535,219	14,114,213
22,483,945	22,514,168	22,241,396	21,789,567	22,010,548	23,052,768
3,160,948	3,043,541	2,704,992	3,175,239	3,586,078	3,813,769
3,555,377	3,622,878	3,843,164	3,633,546	3,697,875	3,748,118
34,861,871	33,606,542	33,299,583	32,933,622	33,742,097	34,781,310
17,415,623	17,352,382	16,586,304	18,380,112	19,179,400	19,611,022
11,973,210	10,043,521	10,178,782	11,355,195	12,180,195	13,123,683
1,236,573	1,348,519	1,582,783	1,566,324	1,275,301	1,238,377
11,520,567	10,983,274	10,665,631	10,807,898	11,751,012	12,391,480
18,955,829	98,698,111	80,911,468	25,393,161	26,531,263	70,697,204
18,681,896	21,797,565	23,974,385	31,340,000	21,770,399	22,357,261
25,830,000	27,600,000	29,050,000	21,821,250	28,940,000	29,627,902
501,261,763	598,368,703	587,808,506	534,609,335	543,668,849	610,161,868
467,631	(77,855,907)	(71,182,551)	(24,173,778)	(12,623,862)	(53,814,111)
1,928,953	8,648,452	14,540,447	5,163,573	9,270,877	7,717,284
(2,046,789)	(8,648,452)	(14,643,898)	(5,163,573)	(9,546,437)	(8,652,157)
101,775,000	101,775,000	-	48,855,000	125,000,000	31,215,000
5,269,031	1,280,672	-	4,870,000	4,411,897	4,319,741
-	-	-	-	-	-
-	-	-	(53,567,932)	-	(35,345,000)
-	-	-	-	-	9,923,605
106,926,195	103,055,672	(103,451)	157,068	129,136,337	9,178,473
\$ 107,393,826	\$ 25,199,765	\$ (71,286,002)	\$ (24,016,710)	\$ 116,512,475	\$ (44,635,638)
9.0%	9.7%	10.1%	10.3%	9.0%	9.2%

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 2006, the Extended Child 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

<u>Fiscal Year Ended June 30,</u>	<u>Residential Property</u>	<u>Commercial Property</u>	<u>Other Property</u>	<u>Less: Tax-Exempt Property</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Taxable Value</u>	<u>Assessed Value as a Percentage of Actual Value</u>
2005	\$1,891,841	\$1,636,079	\$ 700,540	\$ 396,753	\$ 3,831,707	51.1320	\$ 30,455,556	12.58%
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%

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>
2005	7.96	29.0	2003
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

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

**Direct and Overlapping Property Tax Rates,
Last Ten Tax Years
(rate per \$1,000 of assessed value)**

Schedule 6

Cherry Creek School District Number 5							
Collection Year	General Fund	Debt Service Fund	Total District	Total Cities and Towns	Total County	Total Special Districts (1)	Total (2)
2005	39.110	12.022	51.132	69.316	15.451	1,367.688	1,503.587
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

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 4.00 to 75.00 mills. The total is not representative of the mill levy assessed to an individual taxpayer.

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

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

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

Schedule 7

Taxpayer	2014			2005		
	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	\$ 76,971,120	1	1.73%	\$ 34,096,570	2	0.89%
Verizon Wireless	52,084,540	2	1.17%	14,681,790	5	0.38%
Qwest	41,196,900	3	0.93%	49,455,600	1	1.29%
Greenwood Property Corporation	33,350,000	4	0.75%	29,000,000	3	0.76%
GPI Plaza Tower LP	23,925,000	5	0.54%	-		0.00%
GPI Peakview Tower LLC	14,210,000	6	0.32%	-		-
Palazzo Verdi LLC	13,920,000	7	0.31%	-		-
CREF Tuscany Plaza LLC	13,630,001	8	0.27%	-		-
Village Center Station I LLC	12,470,001	9	0.28%	-		-
5251 DTC Parkway LLC	12,180,000	10	0.27%	-		-
Property Colorado OBJLW One	-		-	17,400,010	4	0.45%
Galleria Acquisition Inc.	-		-	12,614,990	6	0.33%
Trinet Realty Investors V Inc	-		-	11,455,000	7	0.30%
EOP - Millennium LLC	-		-	10,730,000	8	0.28%
M&S Terrace Tower II LLC	-		-	10,150,010	9	0.26%
GS Centennial LLC	-		-	10,150,000	10	0.26%
	<u>\$ 216,966,442</u>		<u>4.85%</u>	<u>\$ 199,733,970</u>		<u>5.20%</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 \$4,442,572,050. The total assessed valuation upon which the 2004 tax levy is based for collection in 2005 is \$3,381,706,750.

**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
2005	\$ 195,922,830	\$ 191,719,622	97.85%	\$ 911,042	\$ 192,630,664	98.32%
2006	198,024,067	193,962,837	97.95%	649,821	194,612,658	98.28%
2007	201,036,940	197,160,029	98.07%	1,220,500	198,380,529	98.68%
2008	211,148,521	206,670,244	97.88%	(250,759)	206,419,485	97.76%
2009	224,621,021	218,325,366	97.20%	1,753,883	220,079,249	97.98%
2010	231,224,256	223,701,797	96.75%	(254,539)	223,447,258	96.64%
2011	238,383,887	229,597,846	96.31%	2,519,731	232,117,577	97.37%
2012	233,311,851	227,541,817	97.53%	1,366,072	228,907,889	98.11%
2013	248,885,279	240,722,903	96.72%	4,048,008	244,770,911	98.35%
2014	254,202,850	252,258,135	99.23%	-	252,258,135	99.23%

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

Notes:

(1) Includes General and Debt Service Funds.

(2) The current tax collections and delinquent tax collected amounts for the 2014 collection year include actual collections through June 30, 2014, 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 and 2010. 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**

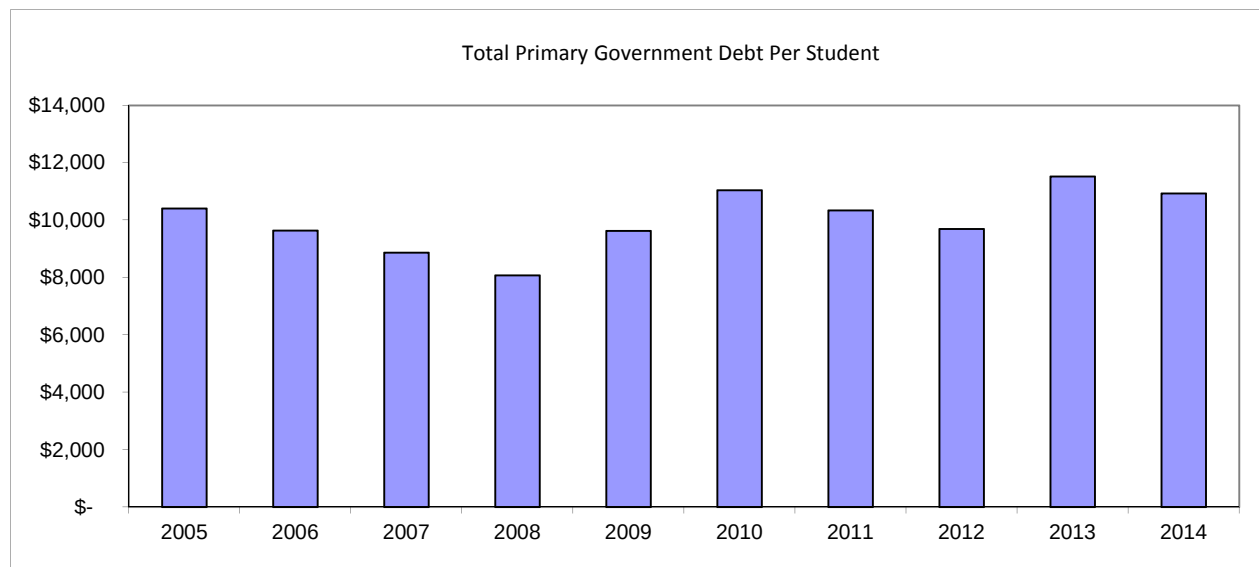
**Ratios of Outstanding Debt by Type,
Last Ten Fiscal Years**
(dollars in thousands, except per student)

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					
2005	\$ 458,548	\$ 10,005	\$ 69	\$ 468,622	1.54%	1.88%	\$ 1,913	\$ 10,401
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%	1,561	9,626
2010	537,017	3,550	-	540,567	1.46%	1.97%	1,793	11,037
2011	508,008	2,700	-	510,708	1.37%	1.78%	1,677	10,339
2012	480,762	1,815	-	482,577	1.40%	1.58%	1,557	9,693
2013	581,065	-	-	581,065	1.68%		1,841	11,521
2014	550,913	-	8,705	559,618	1.60%		1,742	10,931

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 2013 and 2014.



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

**Ratios of General Bonded Debt Outstanding,
Last Ten Fiscal Years**
(dollars in thousands, except per capita and per student)

Schedule 10

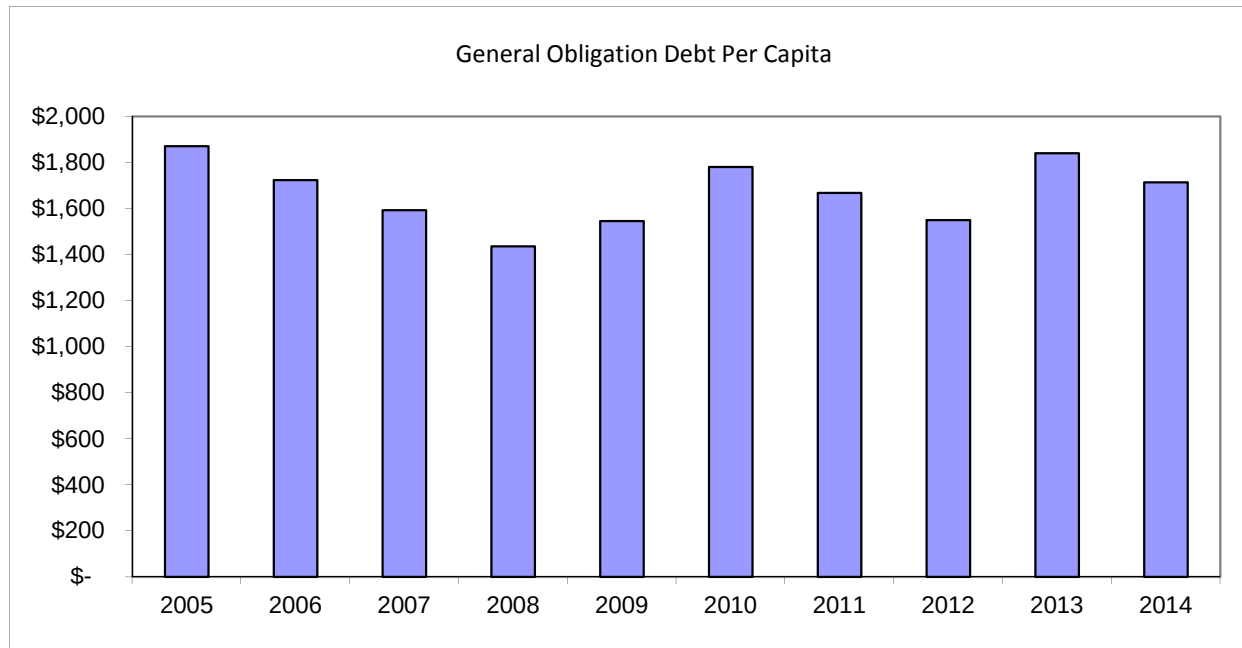
<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Percentage of Estimated Actual Value of Taxable Property</u>	<u>Per Capita</u>	<u>Per Student</u>
2005	\$ 458,548	1.51%	\$ 1,872	\$ 10,177
2006	435,162	1.39%	1,724	9,451
2007	409,452	1.27%	1,593	8,706
2008	380,168	1.05%	1,437	7,961
2009	461,541	1.24%	1,546	9,536
2010	537,017	1.45%	1,781	10,964
2011	508,008	1.37%	1,668	10,284
2012	480,762	1.40%	1,551	9,656
2013	581,065	1.68%	1,841	11,521
2014	550,913	1.57%	1,715	10,761

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, 2014
(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	\$ 4,465	100.00 %	\$ 4,465
Arapahoe Park & Recreation District	10,630	100.00	10,630
Arapahoe Water & Wastewater Public Improvement District	112,171	100.00	112,171
Beacon Point Metropolitan District	16,555	100.00	16,555
Centennial 25 Metropolitan District	915	100.00	915
Cherry Creek Vista Metro Park & Rec District	4,638	100.00	4,638
City of Aurora	31,423	38.36	12,054
City of Englewood	20,185	3.63	733
Columbia Metropolitan District	635	100.00	635
Conservatory Metropolitan District	23,665	100.00	23,665
Country Homes Metropolitan District #A	250	100.00	250
Dove Valley Metropolitan District	48,645	100.00	48,645
Eagle Bend Metropolitan District #A	35,290	100.00	35,290
East Cherry Creek Valley Water & Sanitation	438	100.00	438
East Quincy Highlands Metro District #1	3,045	100.00	3,045
East Smoky Hill Metro District #1	3,845	100.00	3,845
East Smoky Hill Metro District #2	7,370	100.00	7,370
Fiddler's Green Business Improve. District	58,745	100.00	58,745
Galleria Metropolitan District	5,086	100.00	5,086
Goldsmith Metropolitan District	4,960	47.76	2,369
Goodman Metropolitan District	3,540	100.00	3,540
Greenwood Metropolitan District	1,635	98.50	1,610
Heather Gardens Metropolitan District	9,380	40.16	3,767
High Plains Metropolitan District	23,675	100.00	23,675
Highline Glen Metropolitan District	110	100.00	110
Inverness Metropolitan Improvement District	5,185	71.10	3,687
Inverness Water & Sanitation District	18,405	69.32	12,758
Liverpool Metropolitan District	3,215	100.00	3,215
Panorama Metropolitan District	6,220	100.00	6,220
Parker Jordan Metropolitan District	14,440	100.00	14,440
Piney Creek Metropolitan District	6,185	100.00	6,185
Saddle Rock Metro District	9,980	100.00	9,980
Saddle Rock South Metropolitan District #2	4,080	100.00	4,080
Saddle Rock South Metropolitan District #3	3,955	100.00	3,955
Saddle Rock South Metropolitan District #4	7,360	100.00	7,360
Serenity Ridge Metropolitan District No. 2	6,710	100.00	6,710
Sorrel Ranch Metropolitan District	11,280	100.00	11,280
South Suburban Metropolitan Park & Recreation District	18,465	36.17	6,679
Southeast Public Improvement Metro District	3,515	57.70	2,028
Southgate Corporate Center Metropolitan District	136	100.00	136
Southlands Metropolitan District No. 1	54,735	100.00	54,735
Southlands Metropolitan District No. 2	2,265	100.00	2,265
Sundance Hills Metropolitan District	310	100.00	310
Town of Foxfield	262	100.00	262
Tallgrass Metropolitan District	17,925	100.00	17,925
Tallyn's Ranch Metropolitan District No. 2	6,091	100.00	6,091
Tallyn's Ranch Metropolitan District No. 3	33,520	100.00	33,520
Willow Trace Metropolitan District	9,045	100.00	9,045
Total overlapping debt	674,580		607,112
Direct debt:			
Cherry Creek School District Number Five	550,913	100.00	550,913
Total	\$ 1,225,493		\$ 1,158,025

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 2014

	Assessed Value
Assessed Value	\$ 4,442,572,050
Legal debt limit percentage	20%
Legal debt limit	\$ 888,514,410
Amount of debt applicable to debt limit:	
Total bonded debt	\$ 531,365,000
Less Debt Service Fund available	46,527,732
Total amount of debt applicable to debt limit	484,837,268
Legal debt margin	\$ 403,677,142

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
2005	\$ 766,341,350	\$ 416,113,294	\$ 350,228,056	54.3%
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%

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

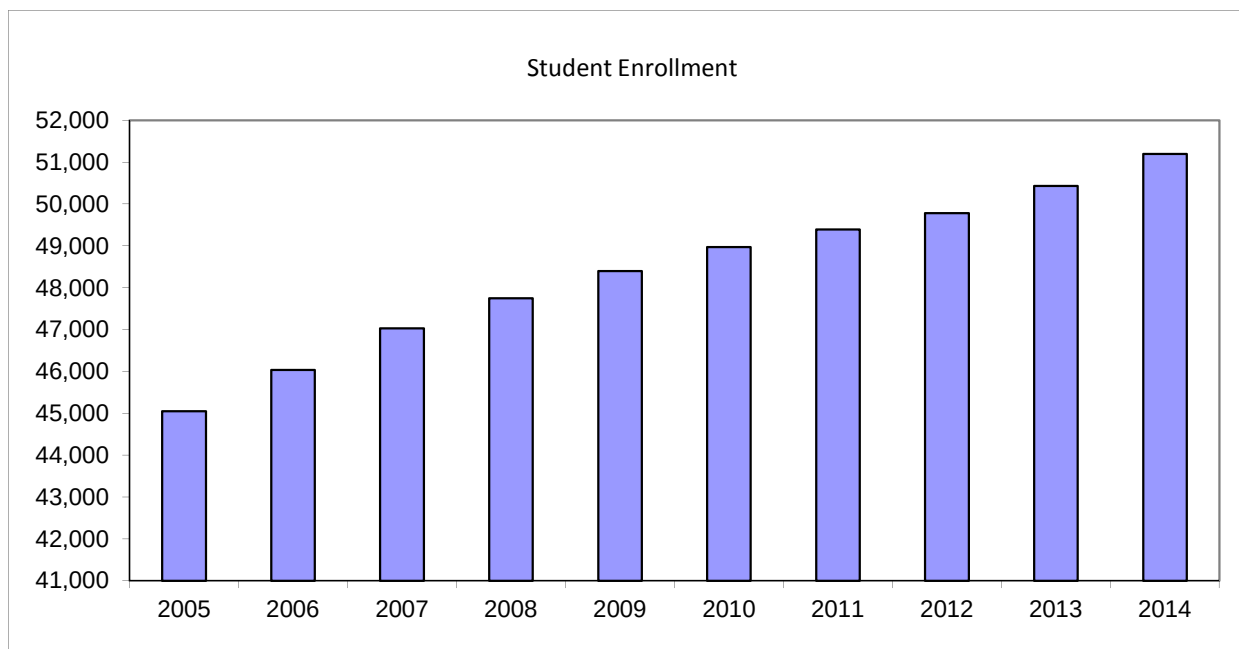
Fiscal Year	Arapahoe County				Cherry Creek School District	
	Population	Personal Income (millions of dollars)	Per Capita Personal Income	Unemployment Rate	Population	FTE Student Enrollment
2005	531,741	\$ 24,898	\$ 47,039	5.6%	245,000	45,056
2006	543,033	26,421	49,458	5.1%	252,350	46,043
2007	551,724	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%	298,500	48,402
2010	572,153	27,426	47,704	8.1%	301,485	48,979
2011	584,948	28,656	48,989	8.8%	304,500	49,396
2012	585,000	30,470	51,163	8.2%	310,000	49,788
2013	595,546	-	-	7.3%	315,580	50,435
2014	607,070	-	-	5.4%	321,260	51,198

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 2013 and 2014.

(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>2014</u>			<u>2005</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	7,800	1	2.64%	7,100	1	2.63%
Adams Arapahoe Aurora Schools	5,500	2	1.86%	4,400	2	1.63%
City of Aurora	3,400	3	1.15%	3,300	3	1.22%
Raytheon Company	2,500	4	0.85%	2,200	6	0.82%
Littleton School District	2,400	5	0.81%	2,500	4	0.93%
CenturyLink (Qwest Corp)	2,000	6	0.68%	1,500	10	0.56%
Arapahoe County	1,900	7	0.64%	1,800	8	0.67%
Columbia HCA Swedish	1,900	8	0.64%	1,900	7	0.71%
Columbia HCA Med Ctr Aurora	1,500	9	0.51%	-		-
Jeppesen Sanderson Inc	1,400	10	0.47%	-		-
EchoSphere	-		-	1,700	9	0.63%
Great West Life & Annuity Insurance	-		-	2,400	5	0.89%
Total	<u>30,300</u>		<u>10.25%</u>	<u>28,800</u>		<u>10.69%</u>

Source:

Employer data was obtained from Arapahoe County's 2013 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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund										
Administrators	128	134	136	138	140	139	141	143	146	148
Teachers	3,020	3,080	3,157	3,241	3,262	3,262	3,285	3,188	3,219	3,285
Teacher Assistants & Aides	190	182	180	179	179	189	192	187	185	184
Staff Support	365	369	376	388	391	389	333	336	365	368
Secretarial	371	371	370	382	385	379	380	349	327	333
Maintenance	60	64	68	70	71	70	70	66	66	69
Custodians	85	89	90	91	92	94	90	89	93	94
Bus Drivers	195	209	223	241	252	259	222	222	222	243
Mechanics	20	20	20	21	21	22	22	22	22	22
Mental Health	86	90	93	94	95	96	96	95	98	106
Nurses	55	56	57	59	60	60	59	58	61	62
Bus Aides	76	76	80	80	81	101	88	87	88	89
Designated purpose grants	162	189	203	192	202	212	175	181	156	162
Extended child services	488	496	511	514	532	532	532	565	566	560
Other governmental funds	20	14	12	21	11	18	15	16	7	7
Food services operations	185	201	208	228	236	233	346	243	253	254
Total	<u>5,506</u>	<u>5,640</u>	<u>5,784</u>	<u>5,939</u>	<u>6,010</u>	<u>6,055</u>	<u>6,046</u>	<u>5,847</u>	<u>5,873</u>	<u>5,986</u>

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.



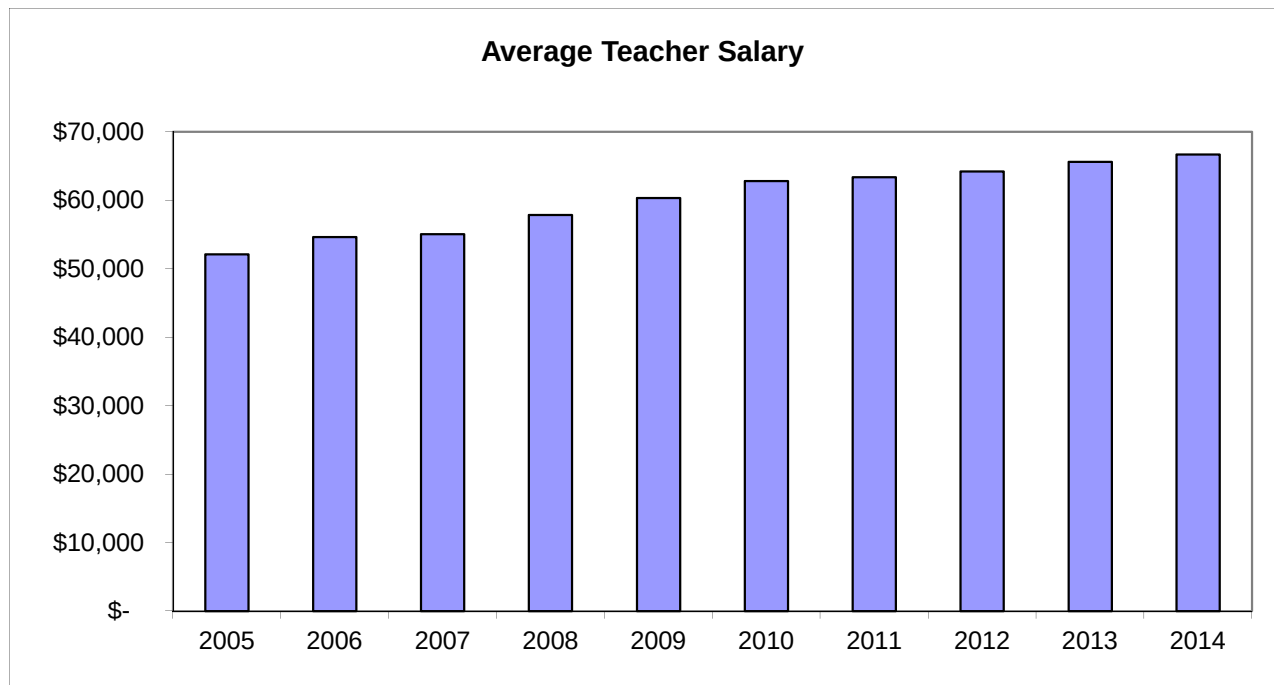
**CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO**

**Teacher Salary
Last Ten Fiscal Years**

Schedule 17

Fiscal Year	Contract Length	Salary		
		Beginning Teacher	Maximum Teacher	Average Teacher
2005	185	\$ 31,231	\$ 70,722	\$ 52,132
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

Source: School District





CherryCreek
Schools
Dedicated to Excellence

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

**Operating Statistics,
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Governmental Activities Expenses (in thousands)</u>	<u>FTE Enrollment</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Pupil FTE / Teacher Ratio</u>	<u>Students Receiving Free or Reduced Meals</u>	<u>Percent of Students Receiving Free or Reduced Meals</u>
2005	\$ 388,450	45,056	\$ 8,621	1.80%	3,020	14.9	8,151	18.1%
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%

Notes:

(1) Includes all funds. (GAAP Basis)

(2) 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.

(3) 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.

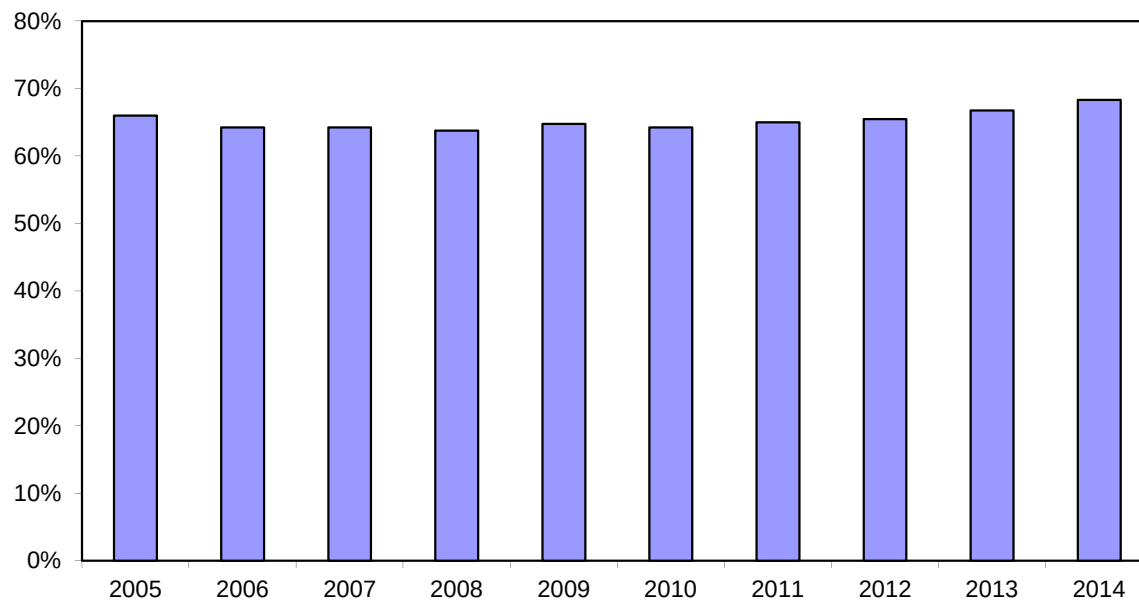
(4) The State of Colorado tests student performance annually in the spring through the administration of the Transitional Colorado Assessment Program (TCAP). Prior to the 2011-2012 school year, these tests were known as Colorado Student Assessment Tests (CSAP). Students in grades 3 through 10 are tested in reading, writing, and math. Students in grades 5, 8 and 10 are tested in science. Students are rated as Advanced, Proficient, Partially Proficient, and Unsatisfactory. This table reflects District TCAP and CSAP performance collapsed across grades 3-10 for reading, writing, and math. Science results for fiscal years 2006 forward reflect the collapsed results for grades 5, 8, and 10. Prior to fiscal year 2006, only 8th grade was tested for science. Data is obtained from the Colorado Department of Education. Some information is not yet available for fiscal year 2014.

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

(6) Data is obtained from the Colorado Department of Education. Graduation and dropout rates for fiscal year 2014 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			
-	-	-	75%	66%	62%	61%	21.5	90.1%	2.3%
-	-	-	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	-	-

**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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
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	2,347	2,647
Enrollment	809	1,235	1,599	1,901	2,131	2,293	2,354	2,414	2,499	2,588
Cherry Creek (1956)										
Square feet	475,101	475,101	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	3,601	3,619	3,732	3,659	3,490	3,437	3,379	3,387	3,417	3,461
Eaglecrest (1989)										
Square feet	355,300	355,300	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	2,532	2,394	2,402	2,389	2,363	2,290	2,311	2,256	2,341	2,450
Grandview (1999)										
Square feet	352,672	349,552	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	2,316	2,616
Enrollment	2,539	2,665	2,697	2,693	2,580	2,539	2,528	2,541	2,537	2,534
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	2,173	2,423
Enrollment	2,026	2,014	2,036	2,084	1,995	2,088	2,139	2,193	2,139	2,235
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	2,582	2,496	2,417	2,422	2,329	2,307	2,261	2,124	2,027	2,093
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	1,317	1,238	1,270	1,348	1,443	1,408	1,421	1,400	1,434	1,409
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	1,142	1,160	1,143	1,118	1,127	1,075	1,060	1,014	1,051	1,026
Fox Ridge (2009)										
Square feet					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
Enrollment					531	734	812	913	989	1,123
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	1,442	1,264	1,183	1,130	1,038	1,000	947	950	984	997
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	1,398	1,346	1,286	1,227	1,207	1,168	1,163	1,155	1,128	1,118
Liberty (2002)										
Square feet	145,500	145,500	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	1,123	1,169	1,233	1,211	964	951	1,046	1,055	1,082	1,073
Prairie (1978)										
Square feet	156,240	156,240	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	1,440	1,740
Enrollment	1,536	1,534	1,523	1,568	1,507	1,530	1,552	1,692	1,687	1,697
Sky Vista (2006)										
Square feet		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
Enrollment		508	742	838	785	784	820	830	867	886
Thunder Ridge (1993)										
Square feet	183,168	181,376	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	1,486	1,266	1,170	1,159	1,137	1,197	1,172	1,214	1,258	1,291
West (1967)										
Square feet	158,500	158,500	158,500	158,500	158,500	158,500	158,500	158,500	158,500	158,500
Capacity (students)	1,590	1,590	1,590	1,590	1,590	1,590	1,590	1,590	1,590	1,590
Enrollment	1,305	1,244	1,164	1,170	1,174	1,120	1,113	1,093	1,135	1,208

(continued)

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

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

Schedule 19 (continued)

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
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	673	672	692	682	698	699	700	647	585	579
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	593	613	597	587	597	597	593	577	578	542
Aspen Crossing (2006)										
Square feet		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
Enrollment		273	409	367	447	454	481	478	504	534
Bellevue (1955)										
Square feet	51,120	51,120	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	502	510	513	531	528	563	537	543	506	516
Black Forest Hills (2012)										
Square feet									68,866	68,866
Capacity (students)									648	648
Enrollment									308	455
Buffalo Trail (2008)										
Square feet				66,380	66,380	66,380	66,380	66,380	66,380	66,380
Capacity (students)				648	648	648	648	648	648	648
Enrollment				337	504	620	420	501	529	578
Canyon Creek (2003)										
Square feet	63,810	63,810	63,810	63,810	63,810	63,810	66,380	66,380	66,380	66,380
Capacity (students)	668	810	810	810	810	810	648	648	648	648
Enrollment	602	619	636	653	659	672	604	583	303	587
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	503	494	494	493	507	527	566	567	568	563
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	518	497	510	490	495	476	465	451	439	477
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	506	529	531	550	564	582	609	595	594	579
Coyote Hills (2007)										
Square feet			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
Enrollment			342	444	549	629	718	781	572	595
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	839	671	671	671	671	671	671	671	701
Enrollment	810	684	535	586	610	648	652	656	677	673
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	730	722	761	750	747	754	741	748	751	742
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	345	361	344	356	369	397	391	386	384	380
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	646	643	705	725	662	697	716	720	723	736
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)	648	810	810	810	810	810	810	810	810	810
Enrollment	636	686	677	700	722	723	776	769	710	653
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	372	381	386	384	380	376	364	390	388	394

(continued)

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

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

Schedule 19 (continued)

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
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	221	234	230	234	237	261	276	273	270	259
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	490	411	412	403	444	499	481	482	476	489
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	565	566	553	539	564	566	550	564	567	593
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	231	261	261	262	273	221	236	324	276	286
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	218	221	210	214	256	289	292	263	282	314
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	466	461	482	484	480	479	481	495	513	502
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	474	478	456	457	475	471	440	429	447	440
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	574	563	567	549	534	540	531	516	490	476
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	517	515	543	513	502	451	404	374	397	405
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	664	671	656	637	604	606	584	579	623	598
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	598	574	567	576	581	557	535	518	549	525
Pine Ridge (2011)										
Square feet							58,976	58,976	58,976	58,976
Capacity (students)							648	648	648	758
Enrollment							451	575	726	744
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	398	389	424	397	379	366	390	427	408	405
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	661	711
Enrollment	544	540	563	545	585	601	627	649	683	694
Red Hawk Ridge (2006)										
Square feet		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
Enrollment		369	446	508	504	542	609	629	640	624
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	749	761	736	723	683	657	625	619	615	603
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	561	572	579	550	576	558	524	524	500	519

(continued)

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

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

Schedule 19 (continued)

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Elementary Schools (cont.)										
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	509	493	491	489	479	445	428	421	370	352
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	648	638	643	623	618	595	583	597	581	570
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	646	640	638	590	609	607	578	576	573	551
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	503	512	491	499	490	492	500	542	500	466
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	603	592	605	653	739	755	733	714	763
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	330	356	380	373	370	338	350	338	319	321
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	330	356	491	492	494	513	508	499	507	501
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	538	527	522	523	525	526	524	523	525	522
Cherry Creek Academy (1998)										
Square feet	44,500	44,500	44,500	44,500	44,500	44,500	44,500	50,735	50,735	50,735
Capacity (students)	450	450	450	450	450	450	450	588	588	588
Enrollment	428	433	435	430	437	449	451	461	466	476
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	333	387	398	396	461	460	461	461	370	280
I-Teams - 3 facilities										
Square feet	39,568	39,568	39,568	39,568	22,336	22,336	22,336	22,336	22,336	22,336
Joliet (2002)										
Square feet	4,320	14,297	14,297	14,297	14,297	14,297	14,297	14,297	14,297	14,297
Capacity (students)	20	90	90	90	90	90	90	90	90	90
Enrollment	36	27	28	30	41	33	23	26	51	45
Administrative and Support										
10 Current Facilities										
Square feet	220,089	220,089	220,089	220,089	220,089	220,089	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.



CherryCreek
Schools
Dedicated to Excellence

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

**SCHEDULE OF INSURANCE IN FORCE
June 30, 2014**

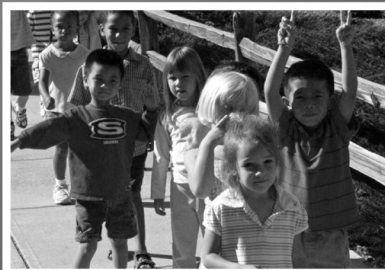
<u>Insurer</u>	<u>Policy Number</u>	<u>Type of Policy</u>	<u>Policy Period</u>
Colorado School Districts Self Insurance Pool	0305-13-00003	"All Risk" (A) Property Insurance Total Reported values 1) Buildings 2) Contents and Inland Marine - Cameras, Projection Equipment - Musical Instruments, etc. - Contractor's 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	07-01-13 to 07-01-14
Joint School Districts Workers' Compensation Self Insurance Pool	28-C	Statutory Workers' Compensation Insurance	07-01-13 to 07-01-14
ACE American Insurance Co	PHFD38406097001	Foreign Liability Insurance	07-01-13 to 07-01-14
QBE Insurance Corporation	AHH 007253	Travel Accident Insurance	07-01-13 to 07-01-14

Limits		Deductible
Per Occurrence	\$ 1,000,000,000	(Pool limit)
	\$ 1,038,887,086	\$ 100,000 per occurrence
	\$ 165,788,124	
	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	\$ 0 deductible per loss
Per accident	\$ 15,000	\$ - deductible



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Single Audit Reports Section



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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, 2014

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	<u>Federal CFDA Number</u>	<u>State Grant Number</u>
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
Neglected and Delinquent State Agency and Local Education (Title I, Part D)	84.010	7010
Special Education--Grants to States (IDEA, Part B)	84.027	4027
Special Education--Preschool Grants (IDEA Preschool)	84.173	4173
Special Education--Preschool Grants (IDEA Preschool)	84.173	6173
English Language Acquisition Grants (Title III)	84.365	4365
English Language Acquisition Grants (Title III, Set Aside)	84.365	7365
Improving Teacher Quality State Grants (Title IIA)	84.367	4367
Special Education--Grants to States (IDEA, Part D)	84.323	4323
Graduation Pathways	84.360	4360
Race to the Top	84.413	4413
 Passed through Colorado Community College and Occupational Education System		
Vocational Education - Basic Grants To States (Perkins III)	84.048	
Total U.S. Department of Education		
U.S. DEPARTMENT OF AGRICULTURE		
Passed through State Department of Education		
School Breakfast Program	10.553	4553
Fresh Fruit and Vegetable Program	10.582	4582
National School Lunch Program	10.555	4555
Total U.S. Department of Agriculture		
OTHER FEDERAL AWARDS		
Passed through State Department of Human Services		
Rehabilitation Services - Vocational Rehabilitation Grants To States	84.126	6126
Passed through Other Agencies		
Through Sheridan School District No. 2		
Head Start	93.600	
Total Other Federal Awards		
 Total Federal Awards		

Accrued (Deferred) Revenue 06/30/2013	Cash/ Inventory Receipts	Disbursements/ Expenditures	Accrued (Deferred) Revenue 06/30/2014
\$ 1,103,099	\$4,290,930	\$ 4,221,727	\$ 1,033,896
10,876	103,035	110,591	18,432
3,772,702	10,596,043	9,932,137	3,108,796
34,904	138,391	151,739	48,252
(540)	-	-	(540)
106,645	398,227	346,918	55,336
-	152,674	185,192	32,518
230,640	748,397	750,888	233,131
(4,000)	-	-	(4,000)
23,625	43,778	37,587	17,434
16,617	123,591	109,138	2,164
28,851	205,834	217,874	40,891
5,323,419	16,800,900	16,063,791	4,586,310
12,525	994,186	995,493	13,832
-	30,108	31,107	999
61,451	6,724,270	6,726,361	63,542
73,976	7,748,564	7,752,961	78,373
39,666	179,936	175,822	35,552
55,442	292,470	312,906	75,878
95,108	472,406	488,728	111,430
\$ 5,492,503	\$ 25,021,870	\$ 24,305,480	\$ 4,776,113

CHERRY CREEK SCHOOL DISTRICT NO. 5

ARAPAHOE COUNTY, COLORADO

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For The Year Ended June 30, 2014

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 \$963,338, 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.



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

Board of Education
Cherry Creek School District No. 5
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 business-type 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, 2014, 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 20, 2014. 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 "Clifton Larson Allen LLP". The signature is written in a cursive, flowing style.

Greenwood Village, Colorado
October 20, 2014

**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, 2014. 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's 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, 2014.

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.



Greenwood Village, Colorado
October 20, 2014

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2014**

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
84.027, 84.173	IDEA Part B and Pre-School

Dollar threshold used to distinguish between type A and type B programs \$729,164

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, 2014**

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, 2014**

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, 2013.

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, 2013.



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