

CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For The Year Ended June 30, 2009



Dedicated to Excellence
Cherry Creek Schools

4700 SOUTH YOSEMITE STREET, GREENWOOD VILLAGE, CO 80111



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2009

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CherryCreek
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Dedicated to Excellence

CHERRY CREEK SCHOOL DISTRICT NO. 5**ARAPAHOE COUNTY, COLORADO****COMPREHENSIVE ANNUAL FINANCIAL REPORT**

For the Year Ended June 30, 2009

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ARAPAHOE COUNTY, COLORADO

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ARAPAHOE COUNTY, COLORADO

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INTRODUCTORY SECTION



CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO
BOARD OF EDUCATION
2008-2009



From Left to Right Standing

Jennifer Churchfield, Vice President

Claudine R. McDonald, Secretary

From Left to Right Sitting

Randy Perlis, Assistant Secretary/Treasurer

Aagje C. Barber, President

Jim O'Brien, 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



CherryCreek
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CherryCreek
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October 26, 2009

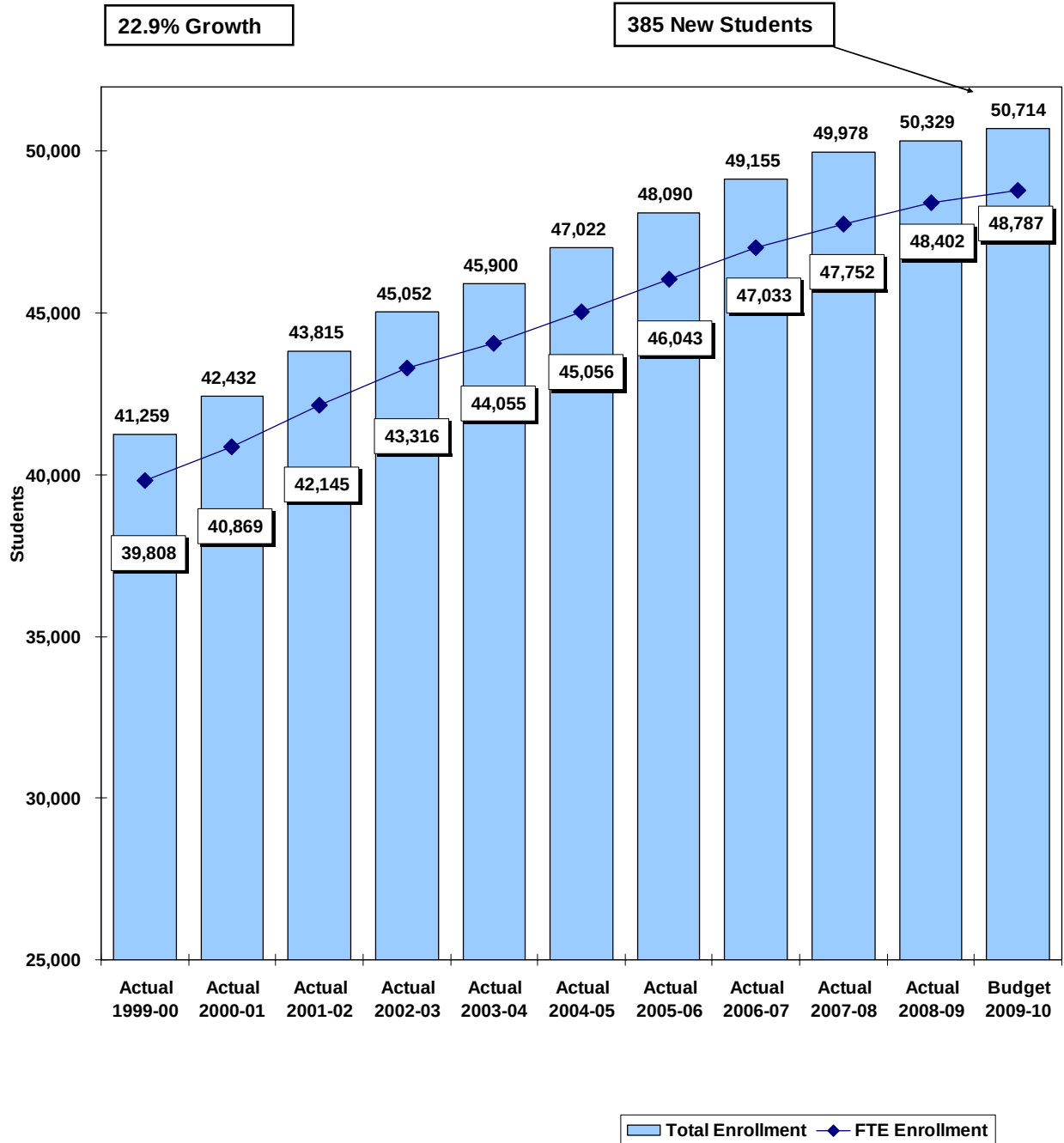
Members of the Board of Education and
Community
Cherry Creek School District No. 5
Arapahoe County, Colorado

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, 2009. The Comprehensive Annual Financial Report 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, 2009 have been included.

The Comprehensive Annual Financial Report 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 29-41.

The Comprehensive Annual Financial Report 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 Cherry Creek School District, an organization chart of the District, and the mission statement of the District. The Financial Section includes the Independent Auditor's Report, Management's Discussion and Analysis, the Basic Financial Statements, Notes to Basic Financial Statements, and Supplemental Information, which includes financial statements by fund type. The Basic Financial Statements, together with the Independent Auditor's Report, Management's Discussion and Analysis, and the Notes to Basic Financial Statements are designed to provide a financial overview of the District; the Supplemental Information provides more detailed financial information on a fund-by-fund basis. Also included in the Financial Section as supplemental 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 auditor's 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*.

CHERRY CREEK SCHOOLS
Enrollment Growth For Ten Years



Note: 2009-2010 enrollment numbers are projected.

THE DISTRICT AND ITS SERVICES

This report includes all of the activities of Cherry Creek School District No. 5 (the Primary Government), as well as its component units. The Cherry Creek School District Capital Finance Corporation (Corporation) is a legally separate entity for which the District is financially accountable (component unit). Although the Corporation is a separate legal entity, it is, in substance, part of the District's operations and is blended with the District. Accordingly, the Corporation is reported as a special revenue fund of the District. 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 the 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 School District includes approximately 108 square miles and is located in the southeast portion of the Denver, Colorado 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 570,000 residents, has the third largest population of the counties in Colorado. The District, with approximately 50,700 students projected for fiscal year 2009-2010, is currently the fourth largest of the 178 school districts in the state.

The following economic data was obtained from the September 2009 revenue forecast for the State of Colorado, prepared by the Office of State Planning and Budgeting.

The national downturn continues to influence the Colorado economy. The forecast for the Colorado economy, like the forecast for the national economy, suggests continued weakness through 2009 with a modest recovery in 2010. Among the weakest indicators for the near term are housing permits, labor market, and retail sales; improvement in these areas is expected to occur gradually. While expected to remain below 2008 levels in 2009, personal income and total housing permits issued are expected to increase in 2010. Improvement in most areas is expected in 2011.

Relative to the nation, Colorado, strengthened by its concentration of hi-tech companies, is anticipated to be among those states that lead the economic recovery and experience job growth before others. By comparison of several key variables, such as nonagricultural employment and personal income, Colorado has fared better than many other states during the current recession. In 2008, Colorado had the fourth-fastest growing Gross Domestic Product (GDP) rate in the country and is anticipated to have among the strongest this year as well. Colorado added 5,400 payroll jobs in July 2009 from June 2009, the first month-over-month increase since August 2008.

In July 2009, the Colorado seasonally adjusted unemployment rate increased to 7.8 percent. Since March 2009, Colorado's unemployment rate has increased only 0.3 percent, which suggests potential stabilization. In July 2009, household employment was down 115,900 from last July's level of 2,597,200, but actual jobs shed since January 2009 equal only 10,600. According to the Colorado Department of Labor and Employment, nearly all of Colorado's labor market areas saw modest improvements in midsummer 2009.

Further nonagricultural employment declines and sluggish improvement will likely serve to impede the economic recovery both nationally and in Colorado. Consumer spending contributes significantly to the GDP and is adversely affected by high unemployment levels. Diminished consumer confidence and perceptions of instability have compelled increased saving and diminished aggregate demand, as evidenced by curtailed retail sales. Additionally, because unemployment is a lagging indicator, it will take some time before Colorado returns to more traditional levels of unemployment. This forecast projects unemployment rates of 7.6 percent in 2009 and 8.0 percent in 2010.

The Consumer Price Index (CPI) measures the average price of a specified market basket of goods and services purchased by consumers. Measured by the federal Bureau of Labor Statistics every six months for the Denver-Boulder

metropolitan area, the CPI identifies price fluctuations for many components, including: food, housing, medical care, transportation, education, energy, entertainment, etc.

Expectations of a gradual economic recovery, coupled with expectations of persistent and significant slack in product and labor markets, minimize the likelihood of inflationary pressures through calendar year 2010. However, movement toward higher rates is anticipated as the economy recovers. This forecast projects prices will decrease 1.6 percent in 2009 and 0.6 percent in 2010. Projected decline in Colorado's CPI relative to the national forecast is a reflection of continued job loss and reduced wages within Colorado for 2010, which has an immediate impact on demand for goods and services, and ultimately drives prices lower.

In 2008, Colorado personal income increased 4.9 percent above the prior year, while national personal income increased 2.9 percent. Colorado personal income is expected to decrease 0.9 percent in calendar year 2009 and increase 1.6 percent in 2010 as the economy recovers. Personal income is projected to decrease in 2009 due predominately to labor market difficulties and is expected to increase in 2010 as other variables continue to stabilize, particularly as nonagricultural employment increases.

Colorado wage and salary income is projected to decrease 2.4 percent in 2009 and 1.6 percent in 2010. Wage and salary income expectations are influenced by current labor market conditions and recently reduced prices for goods and services. Wage and salary income is expected to increase in 2011 as the labor market improves and prices increase on returned consumer demand.



In 2008, net in-migration to Colorado was approximately 50,000 and total population growth was 2.0 percent. Colorado benefits from a broad economic base and unique tourist attractions, which make the state appealing to both businesses and people. Additionally, because Colorado is positioned as a state likely to lead the recovery, population growth is expected to increase as the state's economy recovers. This forecast projects the Colorado population to increase by 1.6 percent in 2009 and by 1.8 percent in 2010.

Housing starts in Colorado were down 35.5 percent in 2008. The housing sector continues to remain sluggish as the economy slowly changes course. This forecast projects housing starts to decrease 42.3 percent in 2009 and then increase 41.5 percent in 2010.

Colorado nonresidential construction value declined 12.5 percent in 2008. Nonresidential construction value is projected to decrease 31.1 percent in 2009 and 1.2 percent in 2010. Improvement is expected in 2011 as corporations return to greater levels of profitability and expansion becomes a possibility once again.

While housing markets generally remain distressed around the nation, the Denver housing market, which has not experienced the volatility seen in many other states, remains relatively stable and is positioned to fare well as the economy expands. While still negative, home values in the Denver metropolitan area have been more stable and were about 6.0 percent below 2005 values.

Retail sales remain weak both nationwide and in Colorado. As evidenced by diminished demand for both durable and non-durable goods, consumer activity has been highly responsive to the severity of the recession. High unemployment and increased consumer saving have interacted to reduce Colorado retail trade sales, which contracted 0.8 percent in 2008. Retail trade sales are forecast to decline further in 2009 by 11.8 percent before increasing slightly in 2010. Retail sales are projected to increase 3.7 percent in 2011

as the economy recovers broadly and labor market conditions align with the recovery.

Enrollment

Enrollment increased last fall by 649.8 Full Time Equivalent (FTE) students. Historically, kindergarten students had been counted as one half an FTE because they attended a half school day. Starting with the 2008-2009 school year, the state provides partial funding for full day kindergarten. The state now funds all kindergarten students at .58 FTE. This additional funding allowed the District to offer full day kindergarten at six elementary schools. The additional funding of .08 FTE for each kindergartener enrolled accounts for 297.8 of the 649.8 increase in student FTE during the 2008-2009 school year.

While the District continues to be a growing school district, the rate of growth has slowed. Over the last 10 years, the enrollment growth has averaged about 950 FTE per year. Enrollment for the 2009-2010 school year is budgeted to increase by 385 FTE. The lower enrollment growth than previous years is a result of the economic recession and less new home construction, along with a decrease in migration of population into the District. The most current enrollment information available indicates that the District should exceed the budgeted enrollment.

Maintaining and improving the quality of the educational services remains the focus of the District. Key success factors in accomplishing this goal include dedicated efforts to provide excellent opportunities for student achievement and continued success with parent and community involvement in our schools.



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 yearly. Funding provided under this Act, which is from local property taxes, specific ownership taxes from vehicle registration, and state equalization aid is approximately 95 percent of the District's General Fund revenues for fiscal year 2008-2009.

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% for 10 years. For 2008-2009 an increase of 3.6% percent per student was expected under the provisions of the school finance legislation. This increase in funding was expected to be greater than inflation of 2.2% plus 1.0% Amendment 23 funding. The legislature provided additional funding to assist districts in attracting and retaining teachers and to preserve the amount allocated to educating students in the face of escalating costs of operations and education of students. The state also provided partial funding of full day kindergarten for the 2008-2009 school year at an additional .08 FTE for each kindergartener enrolled, as mentioned on the previous page. Due to the economic recession and the effects on tax collections for the State of Colorado, the State rescinded the additional funding over the mandated Amendment 23 limits, along with other rescissions. Final funding for the District for the 2008-2009 school year was approximately 3.1% higher than the previous year.

Inflation for calendar year 2008 was 3.9%, along with 1.0% Amendment 23 funding would produce expected additional funding of 4.9% for the 2009-2010 school year. The state has also continued to provide partial funding of full day kindergarten for the 2009-2010 school year at an additional .08 FTE for each kindergartener enrolled. However, for fiscal year 2009-2010, the Colorado General Assembly determined that a state financial crisis requires each school district to budget an amount to a fiscal emergency restricted reserve. The total statewide amount to be held in reserve is \$110

million. The Cherry Creek School District portion is budgeted at \$6.7 million. The portion of the monthly State Equalization Aid that represents this reserve must be segregated and is not available for the District's use. If the General Assembly has not taken action by January 29, 2010, the money may be released for expenditure; otherwise, the amount received by the District must be returned to the State. Due to the current economic realities of the State, recognition of this revenue in the current or subsequent fiscal years is remote. The net increase in State funding is, therefore, expected to be about 2.9% for the 2009-2010 school year. If all or some part of the fiscal reserve is released by the State, the District will increase teachers' salaries on a percentage basis up to one half of one percent if the full amount is released.

The District continues to review budget reductions, cost containment measures, and funding reallocations to better focus its financial resources in the classroom on student achievement. To mitigate reductions in state revenue due to the economic downturn at the state level, the District is implementing an \$8.6 million cost containment plan. General Fund administrative and non-classroom expenditures were reduced \$3.2 million. Maintenance and some technology expenditures of \$2.5 million were refinanced to the Capital Reserve Fund and overall annual capital expenditures were reduced by \$2.9 million from the Capital Reserve Fund. For the current fiscal year, 2009-2010, the District's projections are within available funding to be in balance with expenditures. However, the State's economic condition continues to decline and the State may further impact school funding.

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 the Taxpayer's Bill of Rights (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 percent 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.

Under Senate Bill 07-199, 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. In total, the State saved approximately \$118 million in State General Fund revenues in fiscal 2008, and \$130 million in fiscal 2009 from the passage of SB 07-199. 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 Cherry Creek School 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 Cherry Creek School District's mill rate will continue to fluctuate downward with rising property assessment values that are in excess of the TABOR limits.

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

MAJOR INITIATIVES

Colorado Student Assessment Program Tests (CSAP)

The District's schools are accountable for many standards and practices, including achievement for special student subgroups. Most of these achievement indicators focus on student reading, writing, mathematics, and science proficiencies as measured by the mandated CSAP tests at grades 3-10. On CSAP tests, students perform within one of four performance levels: *Advanced* (superior; substantially above grade level expectations), *Proficient* (competent; at to somewhat above grade level expectations), *Partially Proficient* (low; below grade level expectations) or *Unsatisfactory* (substantially below grade level expectations).

The District Achievement Goal focuses on performance and growth on the CSAP tests. *Proficient* or higher is the target performance range for all students.

Federal "No Child Left Behind" Act

The Elementary and Secondary Education Act (ESEA) was reauthorized in 2001 as the *No Child Left Behind (NCLB)* Act. The primary focus in *NCLB* is on closing the pervasive difference in average performance – the "achievement gap" – between specific groups of students. Students who are Native American/Alaskan Native, Asian/Pacific Islander, Black, Hispanic, and White, limited English proficient, economically disadvantaged, and students with handicapping conditions define these eight student groups. Statewide *Adequate Yearly Progress (AYP)* targets were established for all students, and yearly determinations are made regarding whether each student group achieved the targeted goals. *AYP* is determined by student performance on the CSAP, along with other indicators, and is calculated separately for reading and math. To meet *AYP*, all schools and districts in Colorado must meet all target levels in reading and math for the overall group as well as for all eight subgroups (of 30 students or more). Target levels increase through 2014, when 100% of all students are to perform at the state-defined proficient level. Specific sanctions take effect for districts and schools that continue to fail to meet *AYP*. The District is committed to continue to increase student achievement with an emphasis on closing the achievement gap.

American Recovery and Reinvestment Act of 2009

The District is participating in funding available from the American Recovery and Reinvestment Act (ARRA). The District has applied for and expects ARRA funding in the 2009-2010 school year for Title I, Part A; Title I, Part D and Title II-D. These funds are awarded to supplement current Title grant funding. The District also expects ARRA special education funding to supplement the current IDEA funding and State Fiscal Stabilization Funding within the state equalization aid funding.

Performance Improvement Report

The District's Office of Assessment and Evaluation prepares a comprehensive Performance Improvement Report. This report provides a data framework with which to evaluate status and progress on District student achievement goals and benchmarks, as well as State and Federal accountability indicators and reporting requirements. The report includes summaries of performance on the CSAP tests as well as the status of *Adequate Yearly Progress* under the *No Child Left Behind* Act. Areas of interest include: proficiencies in reading, writing, and mathematics; student achievement growth as a function of time in the District; minority student achievement and performance improvement; early literacy, reading proficiency at grades 1 and 3; performance improvement for students new to the District; and achievement gains for high performing students.

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 22.9 percent or over 9,000 students. Current projections show that enrollment will continue to increase, although at a slower rate than the past few years. Enrollment for the 2009-2010 school year is projected at over 50,700 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 2008 to 2012. 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.

In November 2008, voters approved a bond issue for additional resources to sustain and strengthen the District's commitment to excellence and prepare students for success in college and the workforce. With continued growth, the District needs to build schools as well as renovate and repair existing schools, maintain class size, and continue to strengthen curriculum and instruction.

The bond election provides \$203.5 million for long-term costs, including: renovation of 14 elementary schools, two middle schools, and two high schools which were built between 1958 and 1982; upgrades to wiring, fire protection, heating, air conditioning, and plumbing systems at 50 schools and other facilities; improve technology throughout the District; build a Math, Science and Technology Center; and construction of three elementary schools (one in 2010, the second in 2011, the third in 2011 or 2012) to handle projected student growth.

The District is also funding \$2.8 million from the District's capital reserve for capital improvements at the Cherry Creek Academy Charter School. The Cherry Creek Academy is contributing \$0.5 million toward the cost of the capital project from accumulated reserves.

District voters also approved a increase in property taxes in November 2008, that provides \$18.0 million for operating expenditures, including: maintaining class sizes in kindergarten through twelfth grade; provide curriculum and instruction necessary for success in college and the workplace; meet the increased costs of continuing the District's commitment to academic excellence and providing an educational program of the highest quality and standards; and utilize technology and computer applications to ensure student success in the 21st century.

Curriculum Overview

The District has also been working on a concept called the Guaranteed and Viable Curriculum. Guaranteed is the opportunity to learn and Viable is achievable in the time available. The process involves sifting through hundreds of pages of standards and benchmarks to define essential standards. Teaching all of the standards in the time available is not viable. 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.

Guaranteed & Viable Technology (GVT) is a new District initiative designed to provide and guarantee adequate and up-to-date technology to be used for instruction by teachers in classrooms. Currently, the District has determined that the baseline of the GVT is to equip every teacher with a laptop computer with high speed connection to the Internet in the classroom. In addition, every instructional classroom will contain a multimedia projector and sound system. Future GVT items will be determined by the Instructional Strategic Planning Team made up of building level Student Achievement Specialists – building level technology integration specialists, school and District administrators, and members of the Office of Information Systems.

The District is committed to providing a "world class" curriculum for all students. Emphasis is placed on ensuring that every student successfully completes the academic core (language arts, mathematics, science, and social studies) prior to high school graduation. District standards describe what students are expected to know and be able to do at the completion of fifth, eighth, and 12th grades. The District curriculum is designed to ensure students achieve these standards.

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

Middle School (6-8): The middle school program builds on the academic fundamentals of the elementary grades, ensuring a strong foundation for student achievement in high school and post-secondary education. Students must master a broad and thorough knowledge base in reading, writing, mathematics, science, history, and geography. To further enhance their education, students may also participate in enhanced core curriculum programs including the arts, media skills, foreign language, computer, applied

technology, physical education, health, and consumer and family studies.

High School (9-12): The high school curriculum is comprehensive and ensures students have the essential preparation for college and career. American College of Testing (ACT) defines the following specific courses as comprising the academic core:

- 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, World Geography are required for admission to the University of Colorado)
- Natural Sciences - three or more years (Physical/Earth Science, Biology, Chemistry, Physics)
- SAT defines the academic core as the 20+ credits in the areas mentioned above plus foreign language.

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.

Alternative Programs (6-12): Since 1992, an alternative high school program, Cherry Creek P.R.E.P., is available for students who qualify. Since 2001, an alternative middle school program, C.A.R.E. - Core Academic ReEngagement, is also available.

Challenge School (K-8): The Challenge School is Cherry Creek's magnet school designed to meet the needs of academically advanced and motivated students from kindergarten through eighth grade. The school focuses on high student achievement through the rigorous study of language arts, mathematics, science, social studies, and foreign language, along with the creative integration of art, music, drama, technology, and physical education.

Rocky Mountain School of Expeditionary Learning (K-12): Students in the Cherry Creek School District may attend a school offered cooperatively by the Public Education and Business Coalition, the Colorado Outward Bound School, and the school districts of Cherry Creek, Denver, Douglas County, and Littleton. The Rocky Mountain School of Expeditionary Learning involves students in interdisciplinary learning organized around expeditions of discovery and real-life applications.

Cherry Creek Academy (K-8): In 1995, Cherry Creek Academy (CCA) became the first charter school in the District. CCA focuses on high academic achievement for students including rigorous curriculum, extended school day and year, uniforms, and expectations that each student will reach their full academic potential. Relying on the content-rich Core Knowledge Curriculum, students are taught specific knowledge of facts and relationships within the subjects of history, geography, science, art, literature, music, math, language arts, and computer skills. Actual knowledge combined with critical thinking skills enable students to think and function in our literate society. CCA values academic performance, strong parental involvement, parental governance, and a commitment to exceptional staff and administrators.

Intensive Treatment Program (ITP) (K-12): Is a special education program designed to meet the needs of students with significant emotional disabilities. This program provides educational and mental health services for District students in a separate public school facility. The staff is committed to providing high quality academic programming while addressing emotional and behavioral needs of each student. Treatment goals focus on success in the school setting. Students will return to their neighborhood schools when treatment goals have been met.

The Teaching/Learning Cycle

The Cherry Creek School 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.

The Teaching/Learning Cycle

Cherry Creek's Framework for World Class Instruction



Dedicated to Excellence
Cherry Creek Schools

Excellence in Action

The District's Strategic Action Plan ensures that all District improvement efforts reflect the Vision, Mission and Values and support the District's long-term Strategic Goals and Objectives. This cultural framework drives all of the District's efforts toward two top priorities: Excellence and Equity and College Preparedness for all students.

Excellence and Equity refers to raising the academic achievement of all students and reducing the gap between the lowest- and the highest- performing students, while eliminating the predictability of scores by student characteristics.

College Preparedness means ensuring that the District's graduates are not just college eligible, but are also college ready – equipped with the knowledge and skills they need to succeed in higher education, regardless of the path they plan to follow after high school. In today's world, students need similar knowledge and skills whether they plan to go to college, into military service, or directly into the workforce.

These priorities are incorporated into the District's Strategic Goals and Objectives. Together they describe what the District is trying to accomplish now and in the future.

The District Strategic Goals and Objectives

1. Strengthen the organization.
 - A. Define and communicate District direction within a strategic framework of vision, mission, goals, objectives, and actions, and use the framework to drive organizational improvement.
 - B. Put into action a rigorous and aligned organizational plan that increases administration accountability, and support for schools, principals, and staff in order to meet District goals.
 - C. Enhance development of current and aspiring leaders.
 - D. Develop and implement a comprehensive and futuristic technology plan that significantly expands the use of technology to improve achievement and increase productivity.
2. Elevate student achievement, close the achievement gap, and prepare all students for college access and success.
 - A. Increase the number of schools rated "High" and "Excellent" while ensuring that no Cherry Creek schools are rated "Low" or "Unsatisfactory."
 - B. Reduce the achievement gap by 5% on each CSAP and ACT test annually while improving the District's average score on each assessment.
 - C. Improve K-12 programming and staff development to ensure that graduation from a Cherry Creek school results in success in higher education.
3. Bolster school safety and security.
 - A. Implement and monitor prevention, preparedness, response, and recovery plans at the District and school levels to insure the physical and psychological safety of all students and staff.
 - B. Reduce risk-taking behaviors by increasing prevention and intervention programs, while holding students accountable for their actions.
4. Develop citizenship, civility, and character.
 - A. Increase the percentage of seniors who indicate they are prepared for participation in a democratic society and intend to engage in various civic activities (e.g., knowledgeable about government operation, voting, volunteering, and other forms of community service).
 - B. Increase the percentage of students who indicate that their school environment is characterized by civility and that they have displayed character traits such as honesty, respect for others, and appreciation for different cultures and racial groups.

5. Fuel our vision of excellence.
 - A. Prepare annual financial plans that are aligned with the achievement focus of the School District.
 - B. Plan for facility needs and procure resources to meet those needs.
 6. Recruit, retain, and develop the finest licensed personnel and support staff.
 - A. Ensure that salaries and benefits are competitive and working conditions reflect a climate of excellence in order to attract and retain the finest teachers and support staff.
 - B. Align compensation and professional development with the District vision and goals.
3. Ensure district-wide alignment in areas critical to District goals, and monitor implementation.
 - A. Identify areas where alignment is necessary to achieve District goals.
 - B. Train all teachers and administrators to understand the expectations for student performance and use them in their work.
 - C. Use the common assessments and ideals to make the District expectations clear to students and parents.
 - D. Monitor and report on the implementation of the Guaranteed and Viable Curriculum at every school.
 - E. Provide targeted training and resources to teachers and schools based on student need.

The District Action Plan

1. Ensure that all teachers have the knowledge and skills to teach the current and future student population.
 - A. Identify critical teaching practices/skill set.
 - B. Develop a professional development plan to implement that skill set.
 - C. Train all building administrators to supervise and monitor those instructional practices.
 - D. Provide all teachers with electronic access to student achievement data and train them to use it effectively to guide instruction.
 - E. Provide all schools with a baseline level of instructional and productivity technology and software and the training and support to use them effectively.
 - F. Implement the Teaching/Learning Cycle as a framework for classroom instruction and school and District goals.
 2. Ensure that all students have access to and the opportunity to learn the Essential Benchmarks in the Guaranteed and Viable Curriculum.
 - A. Develop a definition of rigor in terms of the Essential Benchmarks that combines common assessments and examples of student work and provides common expectations for instruction and student performance district-wide.
3. Ensure district-wide alignment in areas critical to District goals, and monitor implementation.
 - A. Identify areas where alignment is necessary to achieve District goals.
 - B. Communicate alignment plan to district staff.
 - C. Develop alignment monitoring system and report results.
 - D. Align, where possible, assessment, budget, and curriculum planning to work together.
 - E. Develop a new evaluation process for administrators focused on results.
 - F. Develop and implement strategies to improve communication with non-English speaking parents and community members.
 - G. Make District instructional documents and resources available to staff in an easy to access electronic format.



District Action Items

1. Framework for World Class Instruction
 - A. Ensure that all teachers and supervisors understand the components of the Cherry Creek Instructional Framework and utilize it to improve teaching and learning.
2. Curriculum
 - A. Integrate 21st Century Skills into the Guaranteed and Viable Curriculum.
3. Assessment
 - A. Provide all teachers with electronic access to large-scale assessment data.
 - B. Ensure that appropriate staff are trained to interpret large-scale assessment data and use that information in planning for instruction.
 - C. Identify key indicators of post-secondary readiness and report progress toward the District goals of Excellence and Equity.
4. Instruction
 - A. Make training in Assessment for Learning available to all teachers.
 - B. Provide a variety of opportunities for all teachers to learn about and implement Culturally Responsive Instruction



District Goals

1. All schools will have an above-average growth rating on the state longitudinal growth model.
2. The percentage of students who are proficient and/or advanced on CSAP will increase by three percentage points.
3. The percentage of students who meet or exceed the ACT College Readiness Benchmarks will increase by five percentage points.
4. The percent of Black and Hispanic students who demonstrate above-average academic growth will increase by three percentage points.

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, 2009 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 reservations 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 the goods or services are received as required by GAAP. These adjustments, as well as others to convert actual expenditures to the budgetary basis of accounting, are reflected in Note 4 - Budgetary Basis of Accounting - Legal Compliance, on pages 64-66.

Budgets for the Governmental Fund Types are adopted on a basis consistent with GAAP except that expenditures for budgetary purposes exclude changes in encumbrances as mentioned above, as well as excluding amounts for salaries and benefits earned but unpaid and the change in the current portion of the compensated absence payable for the General Fund. The budget for the Proprietary (Enterprise) Fund is 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 55-83, 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 2008-2009 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 Clifton Gunderson LLP was selected by the District's audit committee to perform the audit for the fiscal year ended June 30, 2009. 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 Auditor's Report on the basic financial statements, the combining and individual fund statements and schedules, and supplemental information included in the financial section is on pages 27-28 of the Financial Section. The Independent Auditor's 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, 2008. 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 sixteen 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 2008-2009 budget document. In addition, the ASBO awarded its Meritorious Budget Award to the District for the fiscal year 2008-2009 budget document.

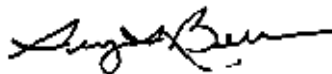
Acknowledgments

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,



Mary F. Chesley
Superintendent



Guy G. Bellville
Chief Financial Officer

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL



This Certificate of Excellence in Financial Reporting is presented to

CHERRY CREEK SCHOOL DISTRICT NO. 5

For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2008

Upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

President

Executive Director

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, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

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

**List of Elected and Appointed Officials
June 30, 2009**

Elected Officials

Board of Education

District A	Jim O'Brien
District B	Claudine R. McDonald
District C	Aagje C. Barber
District D	Randy Perlis
District E	Jennifer Churchfield

Appointed Officials

District Leadership Team

Superintendent	Mary F. Chesley
Assistant Superintendent	Eric Flor
Assistant Superintendent	Dr. Elliott Asp
Assistant Superintendent	Steven G. McGrath
Assistant Superintendent	Dr. Scott Siegfried
Chief Financial Officer	Guy G. Bellville
Internal Legal Counsel	Amanda Hesterman

CHERRY CREEK SCHOOL DISTRICT NO. 5

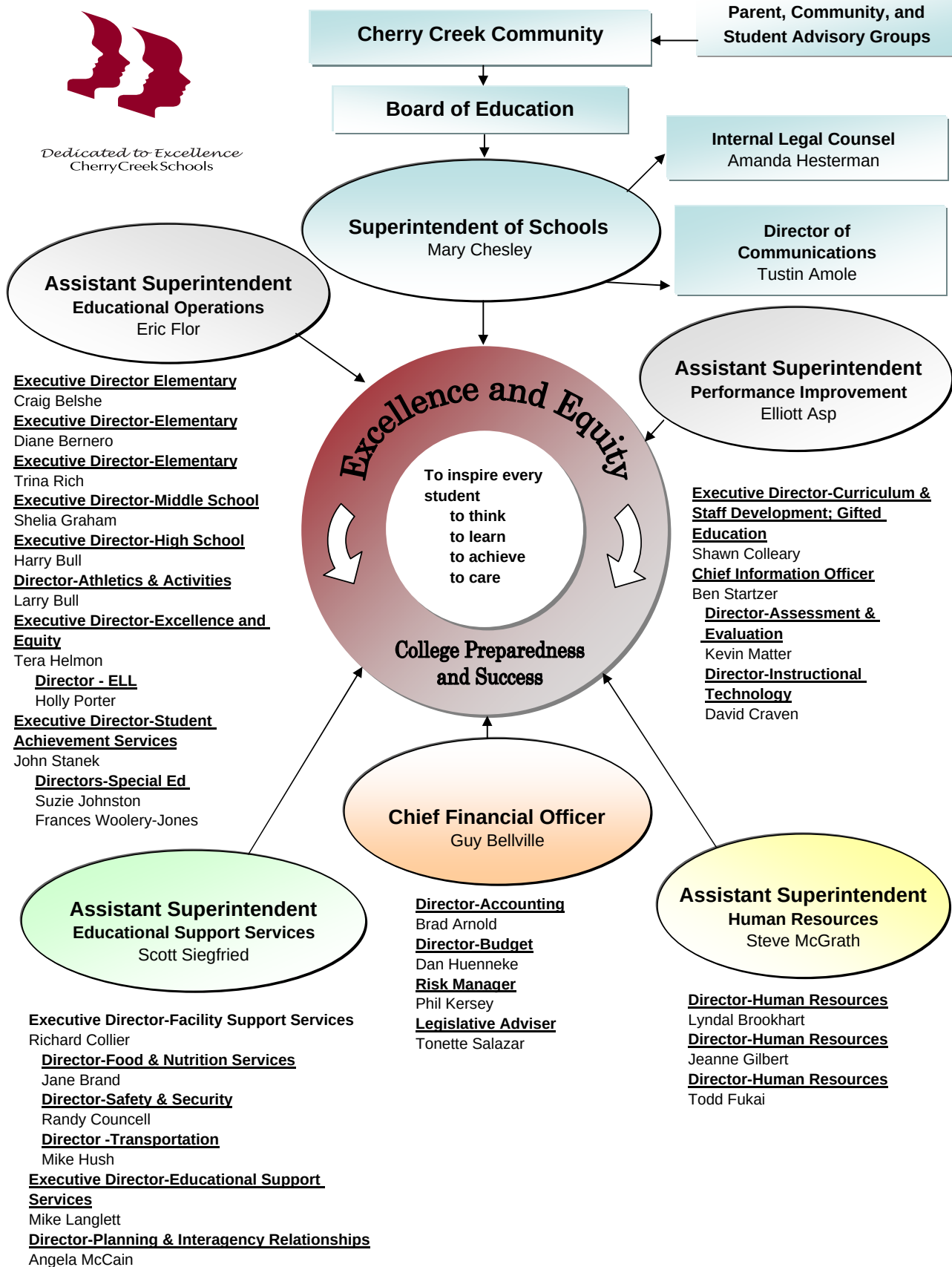
ARAPAHOE COUNTY, COLORADO

ADMINISTRATIVE ORGANIZATIONAL CHART

as of July 1, 2009



Dedicated to Excellence
Cherry Creek Schools



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

**ADMINISTRATIVE FUNCTIONS
as of July 1, 2009**

Assistant Superintendent
Educational Operations
Eric Flor

Supervision of Schools

Elementary

Challenge School
Cherry Creek Academy
Elementary School Principals
Extended Child Services

Middle School

Middle School Principals
C.A.R.E.

High School

P.R.E.P.
Expulsion School
High School Principals
North Area Achievement Support

Athletics and Activities

Career and Technical Education

Excellence and Equity

AVID
English Language Acquisition
Multicultural Services

Student Achievement Services

Colorado Preschool
District Attendance
Early Childhood
Foote Detention Center
Head Start
Interdisciplinary Teams
Mental Health
Out-of-District Placements
Prevention/Asset Building
School Nurses



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Cherry Creek Schools

Assistant Superintendent
Performance Improvement
Elliott Asp

Supervision of Departments
Federal/State Grants

Curriculum and Staff Development

Content Coordinators
Reading Recovery®

Information Systems

Business Information Systems
Data Processing
Student Information Systems
Technology Customer Service
Telecommunications

Assessment and Evaluation

Districtwide Testing
Performance Improvement Report

Instructional Technology

Media Services
On-Line Learning

Gifted and Talented

Chief Financial Officer
Guy Bellville

Elections
Fiscal Services
Legislative Liaison

Accounting

Accounts Payable
Accounting/Reporting
General Fixed Assets
Investments
Payroll

Budget

Budget Preparation
Financial Planning/Projections

Risk Management

Insurance
Printing Services
Purchasing
Risk Assessment
Safety Programs
Warehouse/Mail Delivery

Assistant Superintendent
Educational Support Services
Scott Siegfried

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

Safety and Security

School Safety Planning
Security

Transportation

Planning and Interagency

Relationships

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

Assistant Superintendent
Human Resources
Steve McGrath

Administrative Leadership
Background Checks
Benefits-Health Insurance
Employee Negotiations
Employee Relations
Licensure
New Teacher Orientation
NCLB Liaison
Personnel Investigations
Post-Employment Certified
Relations
Pre-Employment Recruitment
STAR Mentor Program
Student-Teacher Placement
Substitutes
Teacher and Administrator
Recruitment
Teacher and Classified Evaluations



CherryCreek
Schools
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FINANCIAL SECTION



Independent Auditor's Report

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

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 as of and for the year ended June 30, 2009 which collectively comprise Cherry Creek School District No. 5's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Cherry Creek School District No. 5's management. 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 Charter School, which represents 100 percent of the assets and revenues of the discretely presented component unit. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for Cherry Creek Academy Charter School, is based 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 of material misstatement. The financial statements of Cherry Creek Academy Charter School were not audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of the other auditors provides a reasonable basis for our opinions.

In our opinion, based on our audit and the report of the 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 Cherry Creek School District No. 5 as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 26, 2009 on our consideration of Cherry Creek School District No. 5'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 results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 29 through 41 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Cherry Creek School District No. 5's basic financial statements. The combining and individual fund financial statements and schedules, Auditor's Electronic Financial Data Integrity Check Figures Report, and the schedule of expenditures of federal awards required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations listed in the table of contents are presented for purposes of legal compliance and additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the report of the other auditors, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The introductory section and statistical tables listed in the table of contents have not been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Clifton Gunderson LLP

Greenwood Village, Colorado
October 26, 2009

Management's Discussion and Analysis



CherryCreek
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Management's Discussion and Analysis

Cherry Creek School District No. 5

Arapahoe County, Colorado

June 30, 2009

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 this narrative and analysis of the financial activities of the District for the fiscal year ended June 30, 2009. 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 5-20.

Financial Highlights

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$251.4 million (net assets).
- Net assets of the District include \$185.9 million invested in capital assets, net of related debt; net assets of \$58.3 million restricted for debt service payments and reserves required under the Taxpayer Bill of Rights; and an unrestricted net asset balance of \$7.2 million. The unrestricted balance is less than what would be reflected on a governmental fund accounting basis and a budgetary 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. Budgetary fund balance also excludes earned but unpaid salaries and benefits associated with teachers and other employee contracts that will not be paid until the following fiscal year as allowed under Colorado Revised Statutes.
- Business-type activities have unrestricted net assets of \$4.7 million, which may be used to meet the District's ongoing obligations of the enterprise related activities.
- The total net assets of the District increased by \$15.1 million during fiscal year 2009. The majority of this increase is attributable to the General Fund. The General Fund net assets increase includes the effect of an \$18.0 million property tax revenue increase that was approved by the voters in November 2008. The additional funding will provide for the ongoing operational expenditures of the District. Taxes, including the new increase of \$18.0 million, are levied in December for collection in calendar year 2009. The District received the majority of the increase in taxes this fiscal year; however, expenses were contained during the fiscal year within original budgeted amounts. The additional revenue from the increased taxes will be used in the coming fiscal years to maintain class size and to provide curriculum and instruction necessary to continue the District's commitment to academic excellence. Total net assets also increased from the effects of an expanding asset base from an additional bond issue passed by voters in November 2008 as detailed on the next page.

- Fund balance of the District's governmental funds increased by \$107.4 million resulting in an ending fund balance of \$194.2 million. The increase in fund balance under governmental accounting is much larger than the increase in net assets under government-wide accounting primarily due to the treatment of long term debt. The sale of bonds is reflected as other financing sources and increased the fund balance of the Capital Projects – Building Fund. Voters approved a \$203.5 million bond issue in November 2008 to repair and renovate 14 elementary schools, two middle schools, and two high schools which were built between 1958 and 1982; upgrades to wiring, fire protection, heating, air conditioning and plumbing systems at 50 schools and other facilities; and construction of three elementary schools, and other facilities. The approved capital expenditures are being financed with two bond issues. A bond issue for \$101.8 million was issued in January 2009 while the remainder will be issued in the first quarter of 2010.
- During the current fiscal year, the fund balance in the General Fund increased by \$8.5 million. This increase in fund balance is the result of several factors. A large portion of the increase is the result of \$18.0 million in additional taxes discussed on the previous page. This increase in revenue was offset to some extent by a rescission of state funding during the current fiscal year of approximately \$1.7 million. The state rescinded this money because of lower tax collections at the state level due to the economic recession. Revenue was also reduced due to lower than expected student enrollment. Original projections anticipated an increase of 935.0 full time equivalent students however; the actual increase in students was 649.8. This resulted in a \$1.9 million decrease in funding. Specific ownership tax revenue was also lower than originally anticipated by almost \$2.0 million due to poor economic conditions and lower car sales that produce the revenue tax. The budget was initially prepared on the basis that the budget override election may not be successful. To maintain the academic mission of the District, the original budget

expected to reduce reserves by approximately \$8.3 million. Actual expenditures were favorable to original budget projections. The containment of expenditures and the positive budget override election resulted in the increase to fund balance. Positive expenditure variances include utilities, plant operations and general supplies, and teacher salaries due to less teachers because enrollment was lower than anticipated. Transportation expenditures were greater than anticipated.

- The District's long-term obligations increased by \$81.8 million to \$496.4 million, which is the result of the combined issuance of new debt and the scheduled current year payments on existing debt.

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 43-83 are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This comprehensive annual financial report 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 Comprehensive Annual Financial Report 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 assets and the statement of activities.

The statement of net assets presents information about all of the District's assets and liabilities. The difference between assets and liabilities is reported as net assets. Over time, changes in net assets 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 assets of the District changed during the current fiscal year. Changes in net assets 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 Fund, and Special Revenue Funds. Business-type activities include the Food Service Fund.

The District's Capital Finance Corporation, although a legally separate entity, provides services entirely to the District with regard to the issuance of certificates of participation and related transactions. The Corporation has been included as an integral part of the primary government and is included within governmental activities.

The government-wide financial statements can be found on pages 43-45 of this report.

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 report information using the same functions, it is useful to compare the information presented. Because the focus of each report differs, a reconciliation is provided on the fund financial statements to assist the reader in comparing the near-term requirements with the long-term needs.

The District maintains eight different governmental funds. The major funds are the General Fund, the Building Capital Projects Fund, and the Bond Redemption Debt Service Fund. They are presented separately in the fund financial statements with the remaining governmental funds combined into a single aggregated presentation labeled other governmental funds. Individual fund information for the other governmental (non-major) funds is presented as supplemental 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 supplemental information.

The basic governmental fund financial statements can be found on pages 46-50 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 supplemental information.

The basic proprietary fund financial statements are presented on pages 51-53 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 55-83 of this report.

Supplemental 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 86-94 of this report. The additional schedules required as part of the Colorado Public School Finance Act can be found on pages 99-100 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 94% of the annual property tax assessment by the end of June.

Noncurrent assets include deferred charges which include bond issuance costs and 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.

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 2010. 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 2010.

The assets of the primary government activities exceed liabilities by \$251.4 million. Total net assets of the primary government do not include internal balances.

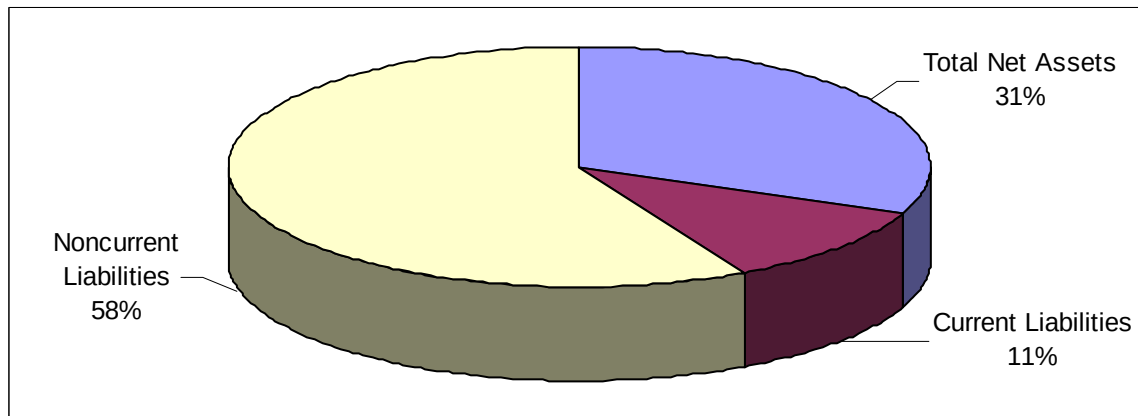
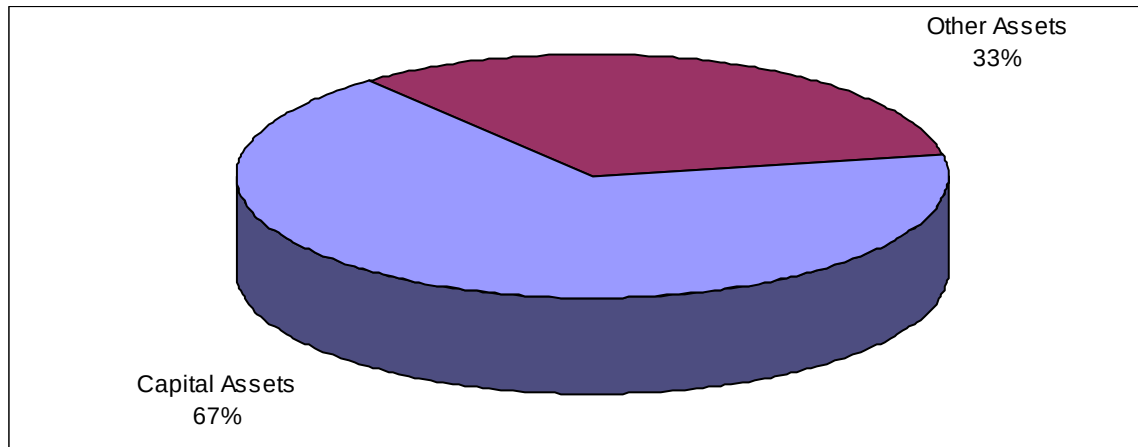
A net investment of \$185.9 million in land, improvements, buildings, equipment, and vehicles, which provide the services to the District's 50,329 public school students, represents 74% of the District's net assets. Net assets of \$45.0 million, accumulated due to voter approved bonded debt mill levy assessments, have been restricted to provide resources to liquidate the current general obligation bond principal and related interest payments. The legally required TABOR reserves have also been restricted.

As mentioned earlier, unrestricted net assets are less than what would be reflected on a budgetary basis primarily due to the accounting treatment of accrued salaries and benefits earned but unpaid, and compensated absences payable. The \$24.8 million long term portion of compensated absences are recorded as a liability on the government-wide statements, but not on the governmental or budgetary statements because they are not payable with current funds. The \$39.1 million of accrued salaries and benefits as of June 30, 2009 includes \$34.9 million of general fund earned but unpaid salaries and benefits associated with teacher and other employee contracts for the 2009 school year requiring resources from fiscal year 2010 to liquidate. This practice was first adopted by the Board of Education in 1990 and is allowed under Colorado Revised Statutes.

Cherry Creek School District No. 5
Comparative Summary of Net Assets
as of June 30, 2009 and 2008
(in millions)

	Primary Government					
	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Assets:						
Capital assets	\$534.6	\$547.4	\$ 1.1	\$ 0.9	\$535.7	\$548.3
Other assets	258.6	147.3	6.2	6.1	264.8	153.4
Total assets	793.2	694.7	7.3	7.0	800.5	701.7
Liabilities:						
Current liabilities	85.5	82.0	1.2	1.0	86.7	83.0
Noncurrent liabilities	462.4	382.4	-	-	462.4	382.4
Total liabilities	547.9	464.4	1.2	1.0	549.1	465.4
Net assets:						
Invested in capital assets, net of related debt	184.8	180.3	1.1	0.9	185.9	181.2
Restricted	58.0	56.9	0.3	0.3	58.3	57.2
Unrestricted	2.5	(6.9)	4.7	4.8	7.2	(2.1)
Total Net assets	\$245.3	\$230.3	\$ 6.1	\$ 6.0	\$251.4	\$236.3

**Government-wide Total Assets as compared to Total Liabilities and Total Net Assets
as of June 30, 2009:**

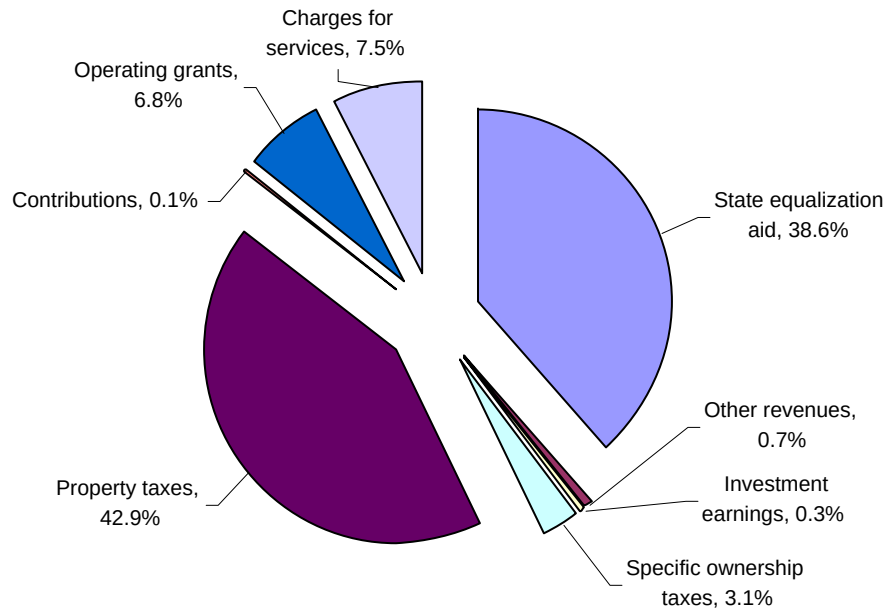


Government-wide Activities

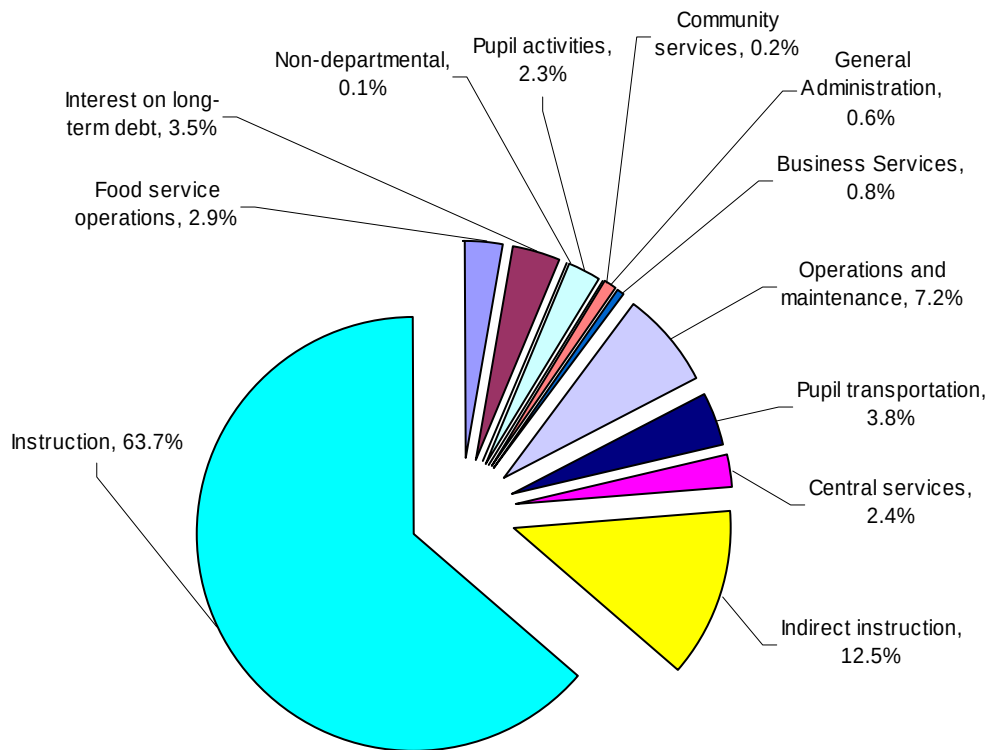
Governmental activities increased the net assets of the District by \$15.0 million accounting for the majority of total growth in the net assets of the District.

Cherry Creek School District No. 5 Comparative Schedule of Changes in Net Assets as of and for the fiscal year ended June 30, 2009 and 2008 (in millions)						
	Primary Government					
	Governmental Activities		Business-type Activities		Total	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Revenues:						
Program revenues						
Charges for services	\$ 30.5	\$ 31.2	\$ 8.3	\$ 8.6	\$ 38.8	\$ 39.8
Operating grants and contributions	29.3	28.9	6.0	5.5	35.3	34.4
Capital grants and contributions	0.3	0.5	-	-	0.3	0.5
General unrestricted revenues						
Property taxes	222.4	206.9	-	-	222.4	206.9
Specific ownership taxes	15.9	16.8	-	-	15.9	16.8
Investment earnings	1.7	2.9	0.1	0.1	1.8	3.0
Other revenues	3.6	1.8	-	-	3.6	1.8
State equalization aid	200.2	187.8	-	-	200.2	187.8
Total revenues	<u>503.9</u>	<u>476.8</u>	<u>14.4</u>	<u>14.2</u>	<u>518.3</u>	<u>491.0</u>
Expenses:						
Governmental activities						
Instruction	320.9	306.4	-	-	320.9	306.4
Indirect instruction	62.7	61.4	-	-	62.7	61.4
Supporting services	74.4	70.3	-	-	74.4	70.3
Community services	0.9	1.2	-	-	0.9	1.2
Pupil activities	11.5	11.9	-	-	11.5	11.9
Non-departmental	0.6	0.6	-	-	0.6	0.6
Interest on long-term debt	17.8	17.8	-	-	17.8	17.8
Business-type activities						
Food services operations	-	-	14.4	13.8	14.4	13.8
Total expenses	<u>488.8</u>	<u>469.6</u>	<u>14.4</u>	<u>13.8</u>	<u>503.2</u>	<u>483.4</u>
Increase in net assets before transfers	15.1	7.2	-	0.4	15.1	7.6
Transfers	<u>(0.1)</u>	<u>(0.1)</u>	<u>0.1</u>	<u>0.1</u>	<u>-</u>	<u>0.0</u>
Changes in net assets	15.0	7.1	0.1	0.5	15.1	7.6
Net assets beginning of year	<u>230.3</u>	<u>223.2</u>	<u>6.0</u>	<u>5.5</u>	<u>236.3</u>	<u>228.7</u>
Net assets end of year	<u>\$ 245.3</u>	<u>\$ 230.3</u>	<u>\$ 6.1</u>	<u>\$ 6.0</u>	<u>\$ 251.4</u>	<u>\$ 236.3</u>

Government-Wide Revenues fiscal year ended June 30, 2009



Government-Wide Expenses fiscal year ended June 30, 2009



Key elements of the increase in net assets for governmental activities are as follows:

- State equalization aid increased by \$12.4 million (6.6%) during the fiscal year, with property taxes increasing by \$15.5 million (7.4%) during the year. The significant increase in property taxes relates to the successful voter approval in November 2008 of \$18.0 million in additional taxes. General Fund property taxes also increased from a higher assessed value of property. Bond Redemption Fund property taxes decreased in proportion to lower debt payments required this year. Without the effect of the additional \$18 million in revenue taxes approved by the voters, State equalization aid increased at a higher rate than property taxes due to the effect of state funding calculations. The Colorado Public School Finance Act provides for the majority of the funding of local school districts based on a funded pupil count formula and a maximum property tax mill levy determined for each school district. Most of the other school districts in the state have had voter elections to retain revenues beyond the tax limitations of the Taxpayer Bill of Rights (TABOR). Those districts are subject to Senate Bill 07-199 effective starting fiscal year 2007-2008. Mill levy rates are frozen at their 2006-2007 budget year rates, up to a cap of 27 mills. The Cherry Creek School 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 TABOR limits. Increased enrollment of 649.8 FTE (1.4%) also contributed to the increased funding in state equalization.
- School financial issues are discussed in more detail in the Letter of Transmittal on pages 10-12.
- Total governmental activities expenses increased by 4.1%. District's expenses for the instruction and indirect instruction functions increased by 4.3% for this fiscal year, while support services and other non-instructional functions increased by 3.3% for this fiscal year. The increase in expenses is the result of increased enrollment of 1.4% and related staffing and direct expenses related to those students, along with employee's salary increases of approximately 3.1%, increases in health benefits, and staffing levels and operating cost associated with opening a new middle school.

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

- The Food Services Fund operated at a loss of approximately \$59,000 before transfers for the fiscal year, transfers equaled approximately \$118,000 resulting in an increase in change in net assets of approximately \$59,000. Total net assets at year end are approximately \$6.1 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, unreserved 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 \$194.2 million, an increase of \$107.4 million in comparison with the prior year. The majority of this increase relates to bond proceeds recorded in the Capital Projects – Building Fund from the first of two bond issues in the amount of \$101.8 million. As noted on page 30, voters approved a \$203.5 million bond issue in November 2008, with half issued in January of this fiscal year and the remainder to be issued in the first quarter of 2010. Fund balance also increased in the General Fund. A majority of the General Fund increase is the result of the passage of a vote to increase the District's property taxes by \$18.0 million. Other factors affecting the increase in General Fund balance are described on page 30.

The unreserved fund balance for the District at the end of the fiscal year includes \$7.5 million for the General Fund and \$8.5 million for Special Revenue Funds. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) to liquidate contracts and purchase orders of the prior period, \$17.1 million; 2) to pay debt service, \$45.9 million; 3) to pay for construction commitments and related costs, \$98.8 million; 4) reserved for TABOR amendment, \$13.0 million; 5) restricted cash reserved for the debt payment related to the purchase of buses, \$0.9 million; and 6) for a variety of other restricted purposes, \$2.5 million.

The General Fund is the chief operating fund of the District. Student enrollment increased by 649.8 student FTEs during the fiscal year. This enrollment increase amounts to approximately \$4.4 million in increased funding from the state's school finance act.

The Debt Service Fund - Bond Redemption Fund has adequate resources accumulated to make the December 2009 principal and interest payments. The mill levy to accumulate resources for the June 2010 and December 2010 principal and interest payments will be certified in December 2009.

The Capital Projects Fund - Building Fund is used to record the proceeds, interest earnings, and corresponding construction expenditures for the 2004, 2005, and 2009 bond issues. This fund holds the remaining funding of the capital improvement plans. The fund balance increased by \$97.7 million during the year. The increase in fund balance is due primarily to the 2009 bond issue of \$101.8 million which is the first half of funding the \$203.5 million in renovation and capital projects approved by voters in November 2008.

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 Budgetary Highlights

Differences between the original budget and the final amended budget include supplemental budget appropriations approved at Board of Education meetings. The supplemental budget appropriations included certification of the mill rate for taxation purposes for the fiscal year.

The unreserved fund balance for the General Fund at the end of the fiscal year is \$7.5 million for GAAP purposes. However, the current available resources for the General Fund can be computed as follows:

	(in millions)
Fund balance - GAAP basis	\$ 23.5
Plus effect of salaries earned but unpaid	34.9
Less effect of compensated absences payable	(0.6)
Less effect of encumbrances and other adjustments	<u>(1.1)</u>
Total fund balance (budgetary basis)	56.7
Less reserved for: TABOR	(11.9)
Multiple year commitments	(1.3)
Inventory	<u>(1.2)</u>
Unreserved fund balance (budgetary basis)	<u><u>\$ 42.3</u></u>

As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance (budgetary basis) and total fund balance (budgetary basis) to total fund expenditures. Actual (budgetary basis) expenditures of the General Fund including

other financing uses amounted to \$393.0 million. Unreserved fund balance (budgetary basis) represents 10.8% of expenditures while total fund balance (budgetary basis) represents 14.4% of budget-based expenditures.



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, 2009, amounts to \$535.7 million (net of accumulated depreciation). This investment in capital assets includes land, improvements, buildings, equipment and vehicles, and projects in progress. The total decrease in the District's investment in capital assets for the current fiscal year was \$12.6 million, or a 2.3% decrease. This decrease is the result of depreciation expense for the current year in excess of new construction.

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 \$5.1 million.
- Major projects include work on Arapahoe Campus Transportation and Maintenance Facilities, STEM Facility, multiple school and HVAC renovations.
- One new school opened during the fiscal year: Fox Ridge Middle School. This school along with continued renovations and heating and air conditioning work for various school sites were placed in service as of the close of the fiscal year totaling \$36.4 million.
- The equipment related to the above facilities placed in service as of the close of the fiscal year, as well as other equipment and vehicle purchases, cost \$2.9 million.

Cherry Creek School District No. 5 Capital Assets (net of accumulated depreciation) June 30, 2009 and 2008 (in millions)						
	Governmental Activities		Business-type Activities		Total	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Land	\$ 19.4	\$ 19.4	\$ -	\$ -	\$ 19.4	\$ 19.4
Improvements	7.6	7.9	-	-	7.6	7.9
Buildings	488.4	467.7	-	-	488.4	467.7
Projects in progress	5.1	36.4	-	-	5.1	36.4
Equipment and vehicles	14.1	16.0	1.1	0.9	15.2	16.9
Total capital assets	<u>\$ 534.6</u>	<u>\$ 547.4</u>	<u>\$ 1.1</u>	<u>\$ 0.9</u>	<u>\$ 535.7</u>	<u>\$ 548.3</u>

Additional information on the District's capital assets can be found in Note 6 on pages 70-71, as well as on pages 95-97 of this report.

Long-term Debt

At June 30, 2009, the District had total bonded debt outstanding of \$461.5 million backed by the full faith and credit of the District. Additionally, the District has long-term debt obligations for certificates of participation in the amount of \$4.4 million outstanding at the end of the current fiscal year.

In January 2009, \$101.8 million of bonds were issued to fund the first half of the \$203.55 million in renovation and capital projects approved by voters in November 2008.

The increase in debt was partially offset by the normal schedule of payments on existing debt. Certificates of participation also reflect normal debt payments.

The District continues to maintain its AA rating from Standard & Poor's Corporation and an Aa2 rating from Moody's Investors Service for general obligation bond issues.

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 \$2.2 billion and the legal debt margin was \$1.8 billion.

Cherry Creek School District No. 5 General Obligation Bonds and Certificates of Participation June 30, 2009 and 2008 (in millions)						
	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
General obligation bonds	\$ 461.5	\$ 380.2	\$ -	\$ -	\$461.5	\$380.2
Certificates of participation	4.4	5.2	-	-	4.4	5.2
Total	<u>\$ 465.9</u>	<u>\$ 385.4</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$465.9</u>	<u>\$385.4</u>

Additional information on the District's long-term obligations can be found in Notes 9 and 10 on pages 73-78 of this report.

Economic Factors and Next Year's Budget and Rates

The State Constitutional Amendment 23, passed by the voters in November 2000, provided an increase in per pupil funding by at least inflation plus 1%.

- Inflation for calendar year 2008 was 3.9%, along with 1.0% Amendment 23 funding would produce expected additional funding of 4.9% for the 2009-2010 school year. The state has also continued to provide partial funding of full day kindergarten for the 2009-2010 school year at an additional .08 FTE for each kindergartener enrolled. However, for fiscal year 2009-2010, the Colorado General Assembly determined that a state financial crisis requires each school district to budget an amount to a fiscal emergency restricted

reserve. The total statewide amount to be held in reserve is \$110 million. The Cherry Creek School District portion is budgeted at \$6.7 million. The portion of the monthly State Equalization Aid that represents this reserve must be segregated and is not available for the District's use. If the General Assembly has not taken action by January 29, 2010, the money may be released for expenditure, otherwise, the amount received by the District must be returned to the state. Due to the current economic realities of the state, recognition of this revenue in the current or subsequent fiscal years is remote. The net increase in state funding is, therefore, expected to be about 2.9% for the 2009-2010 school year. This 2.9% increase will provide an additional \$10.3 million of funding to the District in fiscal year 2009-2010.

- The state continues to provide partial funding of full day kindergarten for the 2009-2010 school year. 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 introduce full day kindergarten at 6 elementary schools. This additional .08 FTE calculation accounted for 297.8 of increased student FTE count for the 2008-2009 school year. 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 2009-2010 school year.
- A funding allowance for each of the additional children (budgeted at 385.0 FTE) who will be enrolled in our schools this fall will provide an additional \$2.7 million in fiscal year 2009-2010.

The District is committed to an ongoing review of its programs and services for both effectiveness and efficiency. To accomplish this, the District examines how to best provide essential services on a cost-effective basis and to re-direct resources to the schools. To mitigate reductions in state revenue due to the economic downturn at the state level, the District is implementing an \$8.6 million cost containment plan for the 2009-2010 school year. General Fund administrative and non classroom expenditures were reduced \$3.2 million. Maintenance and some technology expenditures of \$2.5 million were refinanced to the Capital Reserve Fund and overall annual capital expenditures from the Capital Reserve Fund were reduced by \$2.9 million.

The following choices for the 2009-2010 fiscal year are consistent with this philosophy:

- Teacher staffing in support of excellence and enrollment growth will be maintained at the 2008-2009 staffing ratio.
- Student achievement goals and programs designed to increase the level of student achievement throughout the District.

- A well-trained staff is required to provide an excellent level of educational services.

The District also plans to use the enhanced funding of Amendment 23 for the following purposes:

- Provide funding for primary class size soft cap of 23 to 1. Allows the flexibility to provide additional teacher support for language arts and/or math, reducing the student to teacher ratios during instruction time.
- Reduce class size for 3rd grade core subject areas.
- Additional special education and English language acquisition staffing to address the increase in those students.

During the current fiscal year, unreserved fund balance (budgetary basis) in the General Fund increased to \$42.3 million. For the current fiscal year, 2009-2010, the District's projections are within available funding to be in balance with expenditures.

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
4850 South Yosemite Street
Greenwood Village, Colorado 80111



CherryCreek
Schools
Dedicated to Excellence

Basic Financial Statements



CherryCreek
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CHERRY CREEK SCHOOL DISTRICT NO. 5

ARAPAHOE COUNTY, COLORADO

STATEMENT OF NET ASSETS

June 30, 2009

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Charter School
ASSETS				
Current Assets				
Cash	\$ 4,856,955	\$ 4,005,471	\$ 8,862,426	\$ 1,521,571
Cash held by county treasurer	7,719,258	-	7,719,258	-
Equity in pooled cash	56,782,030	-	56,782,030	-
Cash in trust	904,540	-	904,540	-
Cash in savings	636	-	636	-
Investments	124,907,902	999,400	125,907,302	469,745
Investments with escrow agent	44,128,816	-	44,128,816	-
Receivables, net				
Property taxes	10,559,736	-	10,559,736	-
Other governments	3,672,243	186,338	3,858,581	-
Internal balances	(18,655)	18,655	-	-
Other	1,611,743	23,494	1,635,237	-
Prepayments and deposits	41,858	-	41,858	285,735
Inventories	1,235,557	986,908	2,222,465	-
Total Current Assets	256,402,619	6,220,266	262,622,885	2,277,051
Noncurrent Assets				
Deferred charges	2,188,242	-	2,188,242	-
Capital Assets				
Land	19,387,111	-	19,387,111	744,711
Improvements	23,209,007	-	23,209,007	520,653
Buildings	684,053,960	-	684,053,960	3,002,519
Equipment and vehicles	61,415,867	3,962,677	65,378,544	53,948
Projects in progress	5,126,064	-	5,126,064	227,338
Less accumulated depreciation	(258,574,661)	(2,830,877)	(261,405,538)	(740,806)
Total Noncurrent Assets	536,805,590	1,131,800	537,937,390	3,808,363
Total Assets	793,208,209	7,352,066	800,560,275	6,085,414
LIABILITIES				
Current Liabilities				
Accounts and other current payables	9,744,057	203,027	9,947,084	83,356
Accrued interest payable	878,949	-	878,949	-
Accrued salaries and benefits	38,565,631	487,055	39,052,686	246,594
Deferred revenues	2,231,364	356,524	2,587,888	28,799
General obligation bonds	27,547,285	-	27,547,285	-
Revenue bonds	-	-	-	117,183
Certificates of participation	820,000	-	820,000	-
Compensated absences payable	5,746,675	210,272	5,956,947	-
Total Current Liabilities	85,533,961	1,256,878	86,790,839	475,932
Noncurrent Liabilities				
General obligation bonds	433,993,774	-	433,993,774	-
Revenue bonds	-	-	-	3,600,169
Certificates of participation	3,550,000	-	3,550,000	-
Compensated absences payable	24,786,200	-	24,786,200	-
Total Noncurrent Liabilities	462,329,974	-	462,329,974	3,600,169
Total Liabilities	547,863,935	1,256,878	549,120,813	4,076,101
NET ASSETS				
Invested in capital assets net of related debt	184,821,149	1,131,800	185,952,949	91,011
Restricted for:				
Debt service	45,043,822	-	45,043,822	466,232
TABOR	13,001,000	259,000	13,260,000	104,789
Unrestricted	2,478,303	4,704,388	7,182,691	1,347,281
Total Net Assets	\$ 245,344,274	\$ 6,095,188	\$ 251,439,462	\$ 2,009,313

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, 2009

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
Instruction	\$ 320,917,408	\$ 17,672,587	\$ 22,613,516	\$ 280,737
Indirect instruction	62,728,495	307,956	3,052,348	-
Support services				
General administration	3,242,318	-	-	-
Business services	3,741,106	179,618	-	-
Operations and maintenance	36,145,126	226,463	-	-
Pupil transportation	19,158,870	130,833	3,576,970	-
Central services	12,123,792	-	-	-
Community services	877,783	541,071	90,653	-
Pupil activities	11,520,567	11,464,290	-	-
Non-departmental	628,921	-	-	-
Interest on long-term debt, unallocated	17,770,954	-	-	-
Total governmental activities	<u>488,855,340</u>	<u>30,522,818</u>	<u>29,333,487</u>	<u>280,737</u>
Business-type activities:				
Food services operations	14,387,086	8,269,413	6,027,800	-
Total business-type activities	<u>14,387,086</u>	<u>8,269,413</u>	<u>6,027,800</u>	<u>-</u>
Total primary government	<u>\$ 503,242,426</u>	<u>\$ 38,792,231</u>	<u>\$ 35,361,287</u>	<u>\$ 280,737</u>
Component unit - Charter School	<u>\$ 3,055,213</u>	<u>\$ 155,098</u>	<u>\$ -</u>	<u>\$ 49,279</u>

General unrestricted revenues

Taxes:

Property taxes

Specific ownership taxes

Investment earnings

Other revenues

State equalization aid

Total general unrestricted revenues

Changes in net assets before transfers

Transfers

Changes in net assets

Net assets, Beginning

Net assets, Ending

See accompanying notes to basic financial statements.

Net (Expenses) Revenue and Changes in Net Assets			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Charter School
\$ (280,350,568)	\$ -	\$ (280,350,568)	\$ (1,962,243)
(59,368,191)	-	(59,368,191)	-
(3,242,318)	-	(3,242,318)	(659,862)
(3,561,488)	-	(3,561,488)	-
(35,918,663)	-	(35,918,663)	-
(15,451,067)	-	(15,451,067)	-
(12,123,792)	-	(12,123,792)	-
(246,059)	-	(246,059)	-
(56,277)	-	(56,277)	-
(628,921)	-	(628,921)	-
(17,770,954)	-	(17,770,954)	(228,731)
(428,718,298)	-	(428,718,298)	(2,850,836)
-	(89,873)	(89,873)	-
-	(89,873)	(89,873)	-
(428,718,298)	(89,873)	(428,808,171)	-
-	-	-	(2,850,836)
222,411,349	-	222,411,349	-
15,903,660	-	15,903,660	-
1,745,780	31,031	1,776,811	30,599
3,596,646	-	3,596,646	61,094
200,186,015	-	200,186,015	2,976,789
443,843,450	31,031	443,874,481	3,068,482
15,125,152	(58,842)	15,066,310	217,646
(117,836)	117,836	-	-
15,007,316	58,994	15,066,310	217,646
230,336,958	6,036,194	236,373,152	1,791,667
\$ 245,344,274	\$ 6,095,188	\$ 251,439,462	\$ 2,009,313

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

**BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2009**

	General Fund	Debt Service - Bond Redemption Fund	Capital Projects - Building Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash	\$ 20,739	\$ -	\$ -	\$ 4,836,216	\$ 4,856,955
Cash held by county treasurer	6,350,296	1,368,962	-	-	7,719,258
Equity in pooled cash	51,504,473	-	1,423,804	3,853,753	56,782,030
Cash in trust	-	-	-	904,540	904,540
Cash in savings	636	-	-	-	636
Investments	5,273,572	-	116,682,625	2,951,705	124,907,902
Investments - escrow agent	-	44,128,816	-	-	44,128,816
Receivables, net					
Property taxes	8,000,209	2,559,527	-	-	10,559,736
Other governments	-	-	-	3,672,243	3,672,243
Other	1,519,243	16,113	200	76,187	1,611,743
Interfund receivables	719,830	-	-	5,082	724,912
Prepayments and deposits	37,886	-	-	3,972	41,858
Inventories	1,235,557	-	-	-	1,235,557
Total Assets	<u>\$ 74,662,441</u>	<u>\$ 48,073,418</u>	<u>\$ 118,106,629</u>	<u>\$ 16,303,698</u>	<u>\$ 257,146,186</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 4,874,035	\$ -	\$ 4,180,011	\$ 362,234	\$ 9,416,280
Other payables	327,777	-	-	-	327,777
Interfund payables	23,737	-	-	719,830	743,567
Accrued salaries and benefits	36,112,951	-	-	2,452,680	38,565,631
Deferred revenues	6,810,697	2,150,647	-	1,686,603	10,647,947
Compensated absences	3,033,575	-	-	163,100	3,196,675
Total Liabilities	<u>51,182,772</u>	<u>2,150,647</u>	<u>4,180,011</u>	<u>5,384,447</u>	<u>62,897,877</u>
Fund balances					
Reserved for:					
Encumbrances	1,566,593	-	15,078,700	420,386	17,065,679
Prepayments and deposits	37,886	-	-	3,972	41,858
Inventories	1,235,557	-	-	-	1,235,557
Multiple year commitments	1,271,676	-	-	-	1,271,676
Construction	-	-	98,847,918	-	98,847,918
Debt service	-	45,922,771	-	-	45,922,771
Restricted sinking fund cash	-	-	-	904,461	904,461
TABOR amendment	11,878,000	-	-	1,123,000	13,001,000
Unreserved, reported in					
General Fund	7,489,957	-	-	-	7,489,957
Special Revenue Funds:					
Capital Reserve Fund	-	-	-	992,964	992,964
Extended Child Services Fund	-	-	-	2,767,343	2,767,343
Pupil Activity Fund	-	-	-	4,707,125	4,707,125
Total Fund balances	<u>23,479,669</u>	<u>45,922,771</u>	<u>113,926,618</u>	<u>10,919,251</u>	<u>194,248,309</u>
Total Liabilities and Fund balances	<u>\$ 74,662,441</u>	<u>\$ 48,073,418</u>	<u>\$ 118,106,629</u>	<u>\$ 16,303,698</u>	<u>\$ 257,146,186</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 ASSETS**

June 30, 2009

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

Total fund balance - governmental funds		\$ 194,248,309
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	\$ 793,192,009	
Accumulated depreciation is	<u>(258,574,661)</u>	534,617,348
Deferred 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.		8,416,583
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	461,541,059	
Certificates of participation	4,370,000	
Compensated absences payable	<u>27,336,200</u>	(493,247,259)
Deferred charges from bond issuance costs were amortized in the governmental activities, but were recognized in full in the governmental funds.		2,188,242
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>(878,949)</u>
Total net assets - governmental activities		<u><u>\$ 245,344,274</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, 2009

	General Fund	Debt Service - Bond Redemption Fund	Capital Projects - Building Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes					
Property taxes	\$175,925,924	\$ 44,207,269	\$ -	\$ -	\$ 220,133,193
Specific ownership taxes	15,903,660	-	-	-	15,903,660
Intergovernmental					
Federal - grants	-	-	-	13,795,224	13,795,224
State - grants	-	-	-	148,925	148,925
State equalization aid	189,565,015	-	-	10,621,000	200,186,015
State transportation	3,576,970	-	-	-	3,576,970
State education of handicapped	7,778,024	-	-	-	7,778,024
State vocational education	1,078,451	-	-	-	1,078,451
Other state	753,524	-	-	-	753,524
Earnings on investments	503,069	208,967	876,356	157,388	1,745,780
Other					
Tuition	817,239	-	-	15,094,790	15,912,029
Fees and fines	728,120	-	-	-	728,120
Pupil activities	-	-	-	11,464,290	11,464,290
Donations	-	-	-	2,483,106	2,483,106
Forward delivery agreement fee	601,256	-	-	-	601,256
Miscellaneous	5,407,502	-	-	33,325	5,440,827
Total revenues	<u>402,638,754</u>	<u>44,416,236</u>	<u>876,356</u>	<u>53,798,048</u>	<u>501,729,394</u>
EXPENDITURES					
Current					
Instruction	265,220,114	-	-	26,519,653	291,739,767
Indirect instructional					
Pupil services	22,126,624	-	-	3,267,103	25,393,727
Instructional staff services	14,452,430	-	-	-	14,452,430
School administration	22,483,945	-	-	-	22,483,945
Support services					
General administration	3,160,948	-	-	-	3,160,948
Business services	3,269,102	-	-	286,275	3,555,377
Operations and maintenance	34,861,871	-	-	-	34,861,871
Pupil transportation	17,415,623	-	-	-	17,415,623
Central services	11,973,210	-	-	-	11,973,210
Community services	227,057	-	-	570,871	797,928
Pupil activities	-	-	-	11,520,567	11,520,567
Non-departmental	438,645	-	-	-	438,645
Capital outlay	208,841	-	10,060,750	8,686,238	18,955,829
Debt service					
Principal	-	25,035,000	-	795,000	25,830,000
Interest and fiscal charges	-	18,481,395	-	200,501	18,681,896
Total expenditures	<u>395,838,410</u>	<u>43,516,395</u>	<u>10,060,750</u>	<u>51,846,208</u>	<u>501,261,763</u>
Excess of revenues over (under) expenditures	<u>6,800,344</u>	<u>899,841</u>	<u>(9,184,394)</u>	<u>1,951,840</u>	<u>467,631</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	1,820,015	-	-	108,938	1,928,953
Transfers out	(76,840)	-	(117,836)	(1,852,113)	(2,046,789)
Sale of bonds	-	-	101,775,000	-	101,775,000
Premium on bonds	-	-	5,269,031	-	5,269,031
Total other financing sources (uses)	<u>1,743,175</u>	<u>-</u>	<u>106,926,195</u>	<u>(1,743,175)</u>	<u>106,926,195</u>
Net change in fund balances	8,543,519	899,841	97,741,801	208,665	107,393,826
Fund balances, Beginning	<u>14,936,150</u>	<u>45,022,930</u>	<u>16,184,817</u>	<u>10,710,586</u>	<u>86,854,483</u>
Fund balances, Ending	<u>\$ 23,479,669</u>	<u>\$ 45,922,771</u>	<u>\$113,926,618</u>	<u>\$ 10,919,251</u>	<u>\$ 194,248,309</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, 2009**

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

Total net change in fund balances - governmental funds	\$ 107,393,826
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 assets 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	\$ 8,393,018
Depreciation expense	<u>(21,217,775)</u>
	(12,824,757)
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.	8,416,583
Deferred 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.	(6,138,427)
In the statement of activities, only the loss on the sale of the disposal of fixed assets is reported, whereas in the governmental funds, the entire loss from the sale decreases financial resources.	(27,058)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds - changes in long-term compensated absences payable.	(1,319,487)
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 assets and does not affect the statement of activities.	25,830,000
Governmental funds report the issuance of debt as an other financing source. In the governmental activities, however, the issuance of debt is reflected as a liability instead.	(107,044,031)
Premiums, discounts and deferred charges are amortized in the governmental activities, but are recognized as expenditures in the governmental funds.	862,813
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.	(142,146)
Total change in net assets - governmental activities	<u><u>\$ 15,007,316</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 BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)
GENERAL FUND

For The Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget Positive Negative
	Original	Final		
REVENUES				
Taxes				
Property taxes	\$ 160,283,355	\$ 176,100,051	\$ 175,925,924	\$ (174,127)
Specific ownership taxes	17,850,000	16,768,029	15,903,660	(864,369)
Intergovernmental - State				
State equalization aid	191,005,780	189,804,619	189,565,015	(239,604)
Transportation	3,108,400	3,609,065	3,576,970	(32,095)
Education of handicapped	7,640,300	7,640,300	7,778,024	137,724
Vocational education	1,277,400	1,277,400	1,078,451	(198,949)
Other state	752,627	720,500	753,524	33,024
Earnings on investments	665,000	549,560	503,069	(46,491)
Other				
Tuition	896,612	779,200	817,239	38,039
Fees and fines	964,900	937,400	728,120	(209,280)
Miscellaneous	3,635,530	4,828,189	5,009,644	181,455
Total revenues	<u>388,079,904</u>	<u>403,014,313</u>	<u>401,639,640</u>	<u>(1,374,673)</u>
EXPENDITURES				
Current				
Instruction	265,260,123	264,198,277	262,554,145	1,644,132
Indirect instructional				
Pupil services	22,681,633	22,302,321	22,031,236	271,085
Instructional staff services	14,472,251	14,627,774	14,397,876	229,898
School administration	22,930,044	22,707,870	22,508,598	199,272
Support services				
General administration	3,168,055	3,627,508	3,160,948	466,560
Business services	3,290,931	3,689,178	3,269,102	420,076
Operations and maintenance	34,989,085	36,163,134	34,830,145	1,332,989
Pupil transportation	14,850,519	16,693,518	17,382,496	(688,978)
Central services	13,641,796	12,408,728	11,963,818	444,910
Community services	344,539	305,983	227,057	78,926
County treasury fees	398,566	443,566	438,645	4,921
Facilities construction services	212,945	212,630	208,841	3,789
Total expenditures	<u>396,240,487</u>	<u>397,380,487</u>	<u>392,972,907</u>	<u>4,407,580</u>
Excess of revenues (under) expenditures	(8,160,583)	5,633,826	8,666,733	3,032,907
OTHER FINANCING SOURCES (USES)				
Transfers in	1,820,000	1,820,015	1,820,015	-
Transfers out	(50,000)	(90,000)	(76,840)	13,160
Total other financing sources (uses)	<u>1,770,000</u>	<u>1,730,015</u>	<u>1,743,175</u>	<u>13,160</u>
Net change in fund balance	(6,390,583)	7,363,841	10,409,908	3,046,067
Fund balance (Budgetary Basis), Beginning	<u>46,087,655</u>	<u>46,296,586</u>	<u>46,296,586</u>	<u>-</u>
Fund balance (Budgetary Basis), Ending	<u>\$ 39,697,072</u>	<u>\$ 53,660,427</u>	<u>56,706,494</u>	<u>\$ 3,046,067</u>
Less effect of salaries earned but unpaid			(34,873,948)	
Plus effect of compensated absences payable			596,650	
Plus effect of encumbrances and other adjustments			1,050,473	
Fund Balance (GAAP Basis), Ending			<u>\$ 23,479,669</u>	

See accompanying notes to basic financial statements.

CHERRY CREEK SCHOOL DISTRICT NO. 5

ARAPAHOE COUNTY, COLORADO

STATEMENT OF NET ASSETS

PROPRIETARY FUND

June 30, 2009

	Business-Type Activities Enterprise Fund
	Food Services Fund
ASSETS	
Current Assets	
Cash	\$ 4,005,471
Investments	999,400
Receivables, net	
Other governments	186,338
Interfund receivable	18,655
Other	23,494
Inventories	986,908
Total Current Assets	6,220,266
Capital Assets	
Equipment, net of accumulated depreciation	1,131,800
Total Assets	\$ 7,352,066
LIABILITIES	
Current liabilities	
Accounts payable	\$ 203,027
Accrued salaries and benefits	487,055
Deferred revenue	356,524
Compensated absences payable	210,272
Total Current Liabilities	1,256,878
NET ASSETS	
Invested in capital assets	1,131,800
Restricted for TABOR	259,000
Unrestricted	4,704,388
Total Net Assets	6,095,188
Total Liabilities and Net Assets	\$ 7,352,066

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 ASSETS
PROPRIETARY FUND

For The Year Ended June 30, 2009

	Business-Type Activities Enterprise Fund
	Food Services Fund
OPERATING REVENUES	
Food sales - school meals	\$ 7,998,311
Other	271,102
Total operating revenues	8,269,413
OPERATING EXPENSES	
Purchases	6,553,408
Salaries and benefits	5,385,154
Donated commodities	763,333
Depreciation	170,023
Utilities	372,200
Workers' compensation insurance	65,461
Indirect costs	810,000
Other	267,507
Total operating expenses	14,387,086
Operating (loss)	(6,117,673)
NONOPERATING REVENUES (EXPENSES)	
Federal aid	
Breakfast reimbursement	775,329
Lunch reimbursement	4,237,744
USDA commodity contribution	763,333
State aid	251,394
Earnings on investments	31,031
Total nonoperating revenues	6,058,831
Income before transfers	(58,842)
TRANSFERS	
Transfers in	117,836
Total transfers in	117,836
Change in net assets	58,994
Total net assets, Beginning	6,036,194
Total net assets, Ending	\$ 6,095,188

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, 2009

	Business-Type Activities Enterprise Fund
	Food Services Fund
CASH FLOWS FROM (USED FOR) OPERATING ACTIVITIES	
Receipts from sales	\$ 8,024,189
Payments to vendors	(6,497,954)
Payments to employees	(5,313,259)
Other operating revenues	271,102
Other operating expenses	(1,510,068)
Net cash (used for) operating activities	<u>(5,025,990)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Grants received	5,639,069
Transfers in	117,836
Net cash provided from noncapital financing activities	<u>5,756,905</u>
CASH FLOWS (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of capital assets	<u>(357,040)</u>
CASH FLOWS FROM (USED FOR) INVESTING ACTIVITIES	
Purchase of investment securities	(2,987,890)
Proceeds from maturities of investment securities	1,991,144
Interest received	28,377
Net cash (used for) investing activities	<u>(968,369)</u>
Net decrease in cash and cash equivalents	(594,494)
Cash and cash equivalents, Beginning	<u>4,599,965</u>
Cash and cash equivalents, Ending	<u><u>\$ 4,005,471</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM (USED FOR) OPERATING ACTIVITIES	
Operating income (loss)	<u>\$ (6,117,673)</u>
Adjustments to reconcile operating (loss) to net cash from (used for) operating activities:	
Depreciation	170,023
Donated food	763,333
(Increase) decrease in receivables	(9,546)
(Increase) decrease in inventories	(91,782)
(Increase) decrease in interfund receivables	5,100
Increase (decrease) in accounts payable and accruals	147,236
Increase (decrease) in accrued salaries/benefits	71,895
Increase (decrease) in deferred revenue	35,424
Total adjustments	<u>1,091,683</u>
Net cash (used for) operating activities	<u><u>\$ (5,025,990)</u></u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES	
Donated food commodities	\$ 763,333
Change in fair value of investments	2,654

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, 2009

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 thirty-eight 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), five alternative school programs (PREP Alternative High School, CARE Alternative Middle School, Foote Youth Services Center, Intensive Treatment Program and The I-Team Program), two central administrative facilities, and nine support facilities providing educational services to over 50,000 students.

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

B) Blended Component Unit Disclosures

The Cherry Creek School District Capital Finance Corporation (Corporation) is a nonprofit organization whose sole purpose is to acquire and lease equipment to the District for governmental use. The Corporation is governed by a three-member board of directors comprising two outside directors that represent the District community and the Chief Financial Officer of the District. The Corporation provides services entirely to the District. Due to the above relationships, the Corporation is reported as if it was part of or blended with the District's operations. The Corporation is reported as a Special Revenue Fund of the District. No separate financial statements for the Corporation have been issued.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C) 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, 2009. Complete financial statements may be obtained at the school's administrative offices:

Cherry Creek Academy, 6260 S. Dayton St.,
Greenwood Village, CO 80111

D) Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets 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.

E) 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.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The District has elected not to follow subsequent private-sector guidance.

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 unreserved 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. Revenues are considered to be available if collected within 60 days after year-end.

Property and specific ownership taxes are reported as receivables and deferred revenue 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.

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

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E) 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 assets.

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.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources, as they are needed.

F) 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, liabilities, 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.

G) 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, 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.

H) Receivables

Property taxes levied in 2008 but not yet collected in 2009 are identified as property taxes receivable and deferred revenues in the governmental funds balance sheet at June 30, 2009, and are presented net of an allowance for uncollectible taxes in the amount of \$8,416,583. Intergovernmental receivable of \$3,672,243 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. As of June 30, 2009, \$3,672,243 due from the Federal government is reflected as other governments receivable in the accompanying basic financial statements.

I) 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 reserved for the inventory balances in the General Fund in the amount of \$1,235,557.



1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J) 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. Fund equity is reserved for the prepayments and deposits in the amount of \$37,886 in the General Fund, and \$3,972 in the Extended Child Services Fund.

K) 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

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 2009 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 revenue in the year they are levied and measurable. The deferred property tax revenues are recorded as revenue in the year they are available or collected. The District has deferred revenue from property tax collection at June 30, 2009 in the amount of \$8,416,583. 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 are 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.

According to state statutes, the District is required to allocate at least \$298 per pupil, based on an annual pupil count, to the Special Revenue (Capital Reserve) Fund and/or an account designated for risk financing. Accordingly, the District allocated \$10,621,000 of state equalization revenue directly to its Special Revenue (Capital Reserve) Fund and utilized \$3,411,259 of state equalization revenue to fund insurance premiums allocated to an account within the General Fund for risk-related activities during the fiscal year ended June 30, 2009.

N) Investment Agreement

In December 2000, the District's General Fund received a payment of \$5,365,000 from the Bank of America for a ten-year forward delivery agreement. In exchange for this amount, the District agreed to make payments into a bank trust account (Bank One) from its General Fund revenues for subsequent purchases of investment securities from a third party (Chase Manhattan Bank). The securities mature at such times as are required for meeting the District's debt service payment obligations over the ten-year contract period. Should, for any reason, the District terminate the agreement, it would be obligated to repay a portion of the \$5,365,000 received and an additional amount to compensate for loss of economic benefits based on market conditions existent at the time the agreement is dissolved. The amount received is being amortized over the term of the agreement for GAAP purposes, rather than in full for budgetary purposes.

The following GAAP-basis schedule shows the amounts of revenue recognized and the remaining balances treated as deferred revenue for each year through the current year:

<u>Fiscal Year Ending June 30,</u>	<u>Revenue Recognized</u>	<u>Balance (Deferred Revenue)</u>
2002	\$ 537,841	\$ 4,750,225
2003	579,259	4,170,966
2004	572,715	3,598,251
2005	643,478	2,954,773
2006	606,245	2,348,528
2007	601,255	1,747,273
2008	601,255	1,146,018
2009	601,256	544,762

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O) 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 assets. Bonds issuance costs, as well as applicable 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 has estimated rebateable arbitrage related to long-term debt issuances in the approximate amount of \$8,000, which is included in accounts payable in the Capital Projects - Building Fund at year-end.

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.

P) 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 35 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.

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.

Q) Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

2) RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The governmental funds sheet includes reconciliation between *fund balances - total governmental funds* and *net assets - governmental activities* as reported in the government-wide statement of net assets. 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*

assets 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.

The net transfers between the governmental activities and the business-type activities were \$117,836.

See Note 7 for a more detailed discussion of the interfund transfer activity between funds.

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 reservations 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.

In addition, the amounts for salaries and benefits earned but unpaid, as well as the change in the current portion of the compensated absence payable for the General Fund requires a reconciliation between the generally accepted accounting principles and the budgetary basis. Such adjustments to convert actual expenditures to the budgetary basis are reflected in the footnote on Budgetary Basis of Accounting - Legal Compliance (Note 4). In addition, encumbrances are not recorded in the financial statements for the proprietary fund type.

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.



The accompanying statement of revenues, expenditures, and changes in fund balance for the General Fund budget and actual has been prepared on a legally prescribed basis of accounting, which differs from GAAP. The following schedules identify these revenue and expenditure differences for governmental activities:

	General Fund
Revenues reported on a GAAP basis	\$ 402,638,754
(Deduct) recognition of agreement fees in current year under the amortization method versus the recognition in initial year	(601,256)
(Deduct) instructional material fees abated for budgetary purposes	<u>(397,858)</u>
Revenues reported on a budgetary basis	<u>\$ 401,639,640</u>
Expenditures reported on a GAAP basis	\$ 395,838,410
Add current year encumbrances	1,566,593
(Deduct) expenditures on prior year's encumbrances	(1,421,197)
Add earned but unpaid compensation, July 1, 2008	32,977,299
(Deduct) earned but unpaid compensation, June 30, 2009	(34,873,948)
(Deduct) instructional material fees abated for budgetary purposes	(397,858)
Add for change in early retirement, sick and vacation liability	<u>(716,392)</u>
Expenditures reported on a budgetary basis	<u>\$ 392,972,907</u>

Teachers and certain other employees are employed under contracts of less than twelve months but are paid over a twelve-month period. These salaries have been recorded as an expenditure of the District in the fiscal year earned rather than the fiscal year paid for generally accepted accounting principle's purposes.

Salaries and benefits earned but unpaid at June 30, 2009 are not required to be funded by Colorado statutes. Accordingly, for

budgetary purposes, the District considers accrued salaries and benefits aggregating \$34,873,948 for the General Fund to be permanently deferred and therefore available for budgetary purposes.

The District, for budgetary purposes, also records the full amount of the early retirement in the initial year. These annual payment amounts for generally accepted accounting principles are properly reflected as to the current and long-term portions.

4) BUDGETARY BASIS OF ACCOUNTING - LEGAL COMPLIANCE (Continued)

The General Fund equity available on a budgetary basis at June 30, 2009 is as follows:

Fund equity reported on a GAAP basis	\$ 23,479,669
Plus effect of salaries earned but unpaid	34,873,948
Less effect of compensated absences payable	(596,650)
Less effect of encumbrances and other adjustments	<u>(1,050,473)</u>
Fund equity available on a budgetary basis	56,706,494
Less reservation of fund balance	<u>(14,423,119)</u>
Unreserved fund equity available on a budgetary basis	<u>\$ 42,283,375</u>

A reconciliation of the annual budget to actual expenses included in the accompanying financial statements for the Proprietary (Enterprise) Food Services Fund is as follows:

Expenses, per GAAP financial statements	<u>\$ 14,387,086</u>
Expenses, per budgetary basis	<u>\$ 14,387,086</u>

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, 2009, 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, 2009, the District had bank deposits of \$69,451,467 and a carrying balance of \$66,549,632, the difference is checks issued but not yet cashed. The District had cash of \$7,719,258 held by the county

treasurer. Cash in trust is restricted for the acquisition of school buses and related equipment or for potential costs associated with the acquisition of property.

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

Cash	\$ 8,862,426
Equity in pooled cash	56,782,030
Cash in trust	904,540
Cash in savings	<u>636</u>
Total	<u>\$ 66,549,632</u>

Component unit:

INVESTMENTS

As of June 30, 2009, the Charter School had bank deposits of \$1,533,934 and a carrying balance of \$1,521,271, and cash on hand of \$300. At June 30, 2009, State regulatory commissioners have indicated that all financial institutions holding deposits for the Charter School are eligible public depositories.

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.



5) CASH AND INVESTMENTS (Continued)

Investments as of June 30, 2009 are classified in the accompanying financial statements as follows:

Investments held by the District	\$ 125,907,302
Investments held by an escrow agent	<u>44,128,816</u>
Total	<u>\$ 170,036,118</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</u> <u>Not Rated</u>
Federal Home Loan Bank	\$ 15,318,796	9	N/A	\$ 15,318,796
Federal Home Loan Mtg. Corp	4,019,171	2	N/A	4,019,171
Federal National Mtg. Assoc.	4,042,176	3	N/A	4,042,176
Flexible repurchase agreement	102,527,159	60	N/A	102,527,159
Money market funds	22,722,816	13	N/A	22,722,816
Forward delivery agreement	<u>21,406,000</u>	<u>13</u>	N/A	<u>21,406,000</u>
Total	<u>\$ 170,036,118</u>	<u>100%</u>		<u>\$ 170,036,118</u>

Federal Home Loan Bank, Federal Home Loan Mortgage Corp, and Federal National Mortgage Association typically are government backed issues with a AAA rating. Due to the short term nature, of the specific investments held by the District at June 30, 2009, 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 AAA.

market funds are not rated, they are invested in U.S. Government and government backed securities.

The forward delivery agreement and the money

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	\$ 15,318,796	\$ 15,318,796	\$ -
Federal Home Loan Mtg. Corp.	4,019,171	4,019,171	-
Federal National Mtg. Assoc.	4,042,176	4,042,176	-
Flexible repurchase agreement	102,527,159	-	102,527,159
Money market funds	22,722,816	22,722,816	-
Forward delivery agreement	21,406,000	21,406,000	-
Total	<u>\$ 170,036,118</u>	<u>\$ 67,508,959</u>	<u>\$ 102,527,159</u>

Component Unit:

At June 30, 2009, the Charter School had invested \$469,745 in a money market fund. The fund only invests in U.S. Treasury obligations and is rated AAm.

6) CAPITAL ASSETS

A summary of changes in capital assets is as follows:

<u>Governmental activities</u>				
	<u>Balance July 1, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2009</u>
Non-depreciable assets:				
Land	\$ 19,387,111	\$ -	\$ -	\$ 19,387,111
Projects in progress	36,431,877	5,126,064	36,431,877	5,126,064
Total non-depreciable assets	<u>55,818,988</u>	<u>5,126,064</u>	<u>36,431,877</u>	<u>24,513,175</u>
Depreciable assets:				
Land improvements	22,710,785	498,222	-	23,209,007
Buildings	647,721,360	36,332,600	-	684,053,960
Equipment & vehicles	<u>60,924,586</u>	<u>2,868,009</u>	<u>2,376,728</u>	<u>61,415,867</u>
Total depreciable assets	<u>731,356,731</u>	<u>39,698,831</u>	<u>2,376,728</u>	<u>768,678,834</u>
Less accumulated depreciation for:				
Land improvements	14,781,809	797,903	-	15,579,712
Buildings	180,043,054	15,623,512	-	195,666,566
Equipment & vehicles	<u>44,881,693</u>	<u>4,796,360</u>	<u>2,349,670</u>	<u>47,328,383</u>
Total accumulated depreciation	<u>239,706,556</u>	<u>21,217,775</u>	<u>2,349,670</u>	<u>258,574,661</u>
Total capital assets being depreciated, net	<u>491,650,175</u>	<u>18,481,056</u>	<u>27,058</u>	<u>510,104,173</u>
Net capital assets	<u>\$ 547,469,163</u>	<u>\$ 23,607,120</u>	<u>\$ 36,458,935</u>	<u>\$ 534,617,348</u>
<u>Business-type activities</u>				
A summary of changes in Enterprise Fund capital assets is as follows:				
	<u>Balance July 1, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2009</u>
Capital assets:				
Equipment & Vehicles	\$ 3,562,160	\$ 357,040	\$ (43,477)	\$ 3,875,723
Accumulated depreciation	<u>(2,617,377)</u>	<u>(170,023)</u>	<u>43,477</u>	<u>(2,743,923)</u>
Total capital assets, net	<u>\$ 944,783</u>	<u>\$ 187,017</u>	<u>\$ -</u>	<u>\$ 1,131,800</u>

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

Governmental activities:	
Instruction	\$ 17,802,303
Indirect instruction	327,541
General administration	11,377
Business services	141,891
Operations and maintenance	1,090,485
Pupil transportation	1,619,320
Central services	109,668
Community services	2,954
Other support services	<u>112,236</u>
Total depreciation expense - governmental activities	<u>\$ 21,217,775</u>
Business-type activities:	
Food services	<u>\$ 170,023</u>
Total depreciation expense - business-type activities	<u>\$ 170,023</u>

Component unit activities

	Balance <u>July 1, 2008</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2009</u>
Governmental activities:				
Land	\$ 744,711	\$ -	\$ -	\$ 744,711
Projects in progress	-	227,338	-	227,338
Buildings	3,002,519	-	-	3,002,519
Building improvements	520,653	-	-	520,653
Furniture and equipment	53,948	-	-	53,948
Accumulated depreciation	<u>(663,458)</u>	<u>(77,348)</u>	<u>-</u>	<u>(740,806)</u>
Total Capital Assets, net	<u>\$ 3,658,373</u>	<u>\$ 149,990</u>	<u>\$ -</u>	<u>\$ 3,808,363</u>

Construction commitments: The District has active construction projects as of June 30, 2009. The projects include renovation, new construction, and site improvements.

A list of significant commitments as of June 30, 2009 is as follows:

	Commitment <u>Total</u>	Completed <u>to Date</u>	Remaining <u>Commitment</u>
Arapahoe Campus Transportation Facility	\$ 4,533,351	\$ 400,600	\$ 4,132,751
Arapahoe Campus Maintenance Facility	243,375	75,446	167,929
Elementary #41 Facility	618,189	422,462	195,727
Science, Tech, Engr, Math (STEM) Program Facility	1,136,032	99,573	1,036,459
Student Support Program Facility	823,690	120,802	702,888
School Renovations - multiple locations	6,672,771	1,153,742	5,519,029
HVAC Renovations - multiple locations	3,523,160	546,130	<u>2,977,030</u>
			<u>\$ 14,731,813</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 2008 - 2009 fiscal year were as follows:

	Transfers In			
	General Fund	Food Services Fund	Nonmajor Funds	
			Capital Reserve Fund	Extended Child Services Fund
<u>Transfers Out</u>				
General Fund	\$ -	\$ -	\$ -	\$ 76,840
Building Fund	-	117,836	-	-
Nonmajor Funds:				
Capital Finance Corporation Fund	-	-	32,098	-
Extended Child Services Fund	1,820,015	-	-	-
Total	\$ 1,820,015	\$117,836	\$ 32,098	\$ 76,840

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: Designated Purpose Grant Fund	\$ 719,830
Nonmajor Fund: Designated Purpose Grant Fund	General Fund	5,082
Food Service	General Fund	18,655
Total		\$ 743,567

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, 2009 are estimated to be \$34,873,948 for the General Fund.

The change in the liability at June 30, 2009 from the prior year-end has been included in the expenditures of the General Fund for GAAP purposes. The remaining amounts in the accrued salaries and benefits account relates to salaries and benefits earned during the current fiscal year but not paid until after June 30, 2009, and are therefore reflected as a liability in the appropriate fund as of June 30, 2009.

9) COMPENSATED ABSENCES PAYABLE

As of June 30, 2009, compensated absences payable are as follows:

	<u>Current</u>	<u>Long-term</u>	<u>Total</u>
Governmental activities	\$ 5,746,674	\$ 24,786,200	\$ 30,532,874
Proprietary fund (Food Service)	<u>210,272</u>	<u>-</u>	<u>210,272</u>
Total	<u>\$ 5,956,946</u>	<u>\$ 24,786,200</u>	<u>\$ 30,743,146</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 government-wide financial statements. The long-term portion is included in the District's long-term liabilities in the government-wide financial statements, less the amount that will be due within one year or \$2,550,000 for governmental activities, which is the annual cap amount and is included with

the current portion. 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, ie: 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, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2009</u>
Governmental funds	<u>\$ 29,311,532</u>	<u>\$ 7,066,160</u>	<u>\$ 5,844,818</u>	<u>\$ 30,532,874</u>
Proprietary funds	<u>\$ 178,583</u>	<u>\$ 210,272</u>	<u>\$ 178,583</u>	<u>\$ 210,272</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, 2009 are as follows:

<u>Description, Interest Rates and Maturity Dates</u>	<u>Principal Balance</u>
Refunding bonds in the original amount of \$79,420,000 (Series 1997) due in varying installments through December 15, 2010, interest at 4.3% - 5.5%	\$ 15,485,000
Refunding bonds in the original amount of \$79,750,000 (Series 2004) due in varying installments through December 15, 2023, interest at 4.5% - 5.25%	48,485,000
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%	100,000,000
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%	62,380,000
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%	122,195,000
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%	<u>101,775,000</u>
Total general obligation bonds payable	<u>\$ 450,320,000</u>

Long-term debt maturities for all general obligation bonds outstanding at June 30, 2009, including interest, are as follows:

<u>Fiscal year ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 26,780,000	\$ 20,210,738	\$ 46,990,738
2011	28,200,000	18,799,550	46,999,550
2012	30,455,000	17,282,050	47,737,050
2013	31,080,000	15,687,575	46,767,575
2014	31,265,000	14,125,225	45,390,225
2015-2019	132,600,000	50,230,766	182,830,766
2020-2024	111,275,000	24,671,519	135,946,519
2025-2029	<u>58,665,000</u>	<u>6,574,388</u>	<u>65,239,388</u>
Totals	<u>\$ 450,320,000</u>	<u>\$ 167,581,811</u>	<u>\$ 617,901,811</u>

Other

Payment of principal and interest for general obligation bonds is made from the Bond Redemption Debt Service Fund. The legal debt limit and debt margin as of June 30, 2009, are \$2,230,672,702 and \$1,826,275,473, respectively. As of June 30, 2009, the management of the District is of the opinion that it is in compliance with all significant limitations and restrictions in the bond indentures.

The net proceeds for the 1999 series bond issues were deposited in irrevocable trusts with escrow agents to provide for all future debt service payments, therefore these maturing bonds are considered to be defeased and the liability has been removed from the statements. The amount outstanding at June 30, 2009 is \$123,855,000.

Certificates of Participation

In October of 2002, the Cherry Creek School District Capital Finance Corporation (Corporation) issued \$8,830,000, in certificates of participation for the purpose of the acquisition of approximately 110 buses and related equipment.

Future lease payments are as follows:

<u>Fiscal year ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 820,000	\$ 172,325	\$ 992,325
2011	850,000	141,415	991,415
2012	885,000	108,008	993,008
2013	<u>1,815,000</u>	<u>45,375</u>	<u>1,860,375</u>
Totals	<u>\$ 4,370,000</u>	<u>\$ 467,123</u>	<u>\$ 4,837,123</u>

The buses and related equipment were purchased over a four-year period. The District simultaneously signed lease purchase agreements with the Corporation for the vehicles and equipment acquired during the current fiscal year. The base rentals and purchase option price of the lease are equivalent to the amounts required to meet the interest payments and retire the principal on the certificates of participation. The revenue to pay the debt will be from revenue in the Special Revenue (Capital Reserve) Fund.

The remaining proceeds from the certificates of participation to acquire additional school buses and related equipment in future years are accounted for in the Special Revenue (Capital Finance Corporation) Fund.

The certificates of participation have interest rates of between 2.00% and 5.00%, due in varying installments through December 15, 2012.

10) LONG-TERM DEBT (Continued)

Changes in Long-term Debt

During the fiscal year ended June 30, 2009, the following changes occurred in long-term debt:

	Balance July 1, 2008	Additions	Deletions	Outstanding June 30, 2009
Governmental Activities:				
General obligation bonds payable	\$ 373,580,000	\$ 101,775,000	\$ 25,035,000	\$ 450,320,000
Unamortized premiums	6,587,578	5,269,031	635,550	11,221,059
Total bonds payable	380,167,578	107,044,031	25,670,550	461,541,059
Certificates of participation	5,165,000	-	795,000	4,370,000
Compensated absences	29,311,532	7,066,161	5,844,818	30,532,875
Total	\$ 414,644,110	\$ 114,110,192	\$ 32,310,368	\$ 496,443,934

Due within one year:

Governmental activities:

General obligation bonds payable	\$ 27,547,285
Certificates of participation	820,000
Compensated absences	<u>5,746,674</u>

Total \$ 34,113,959

General obligation bonds payable and certificates of participation are discussed above. Compensated absences are discussed in more detail in Note 9.



Component Unit Debt

Equipment Lease

The Academy entered into a lease agreement to purchase computer equipment. Monthly payments of \$3,482 are

due under the lease agreement, including interest accruing at 7.75% per annum. This lease matures in July 2011. The capital asset leased had a carrying value of \$32,330 at June 30, 2009.

Future minimum equipment lease payments are as follows:

<u>Fiscal year ended June 30,</u>	
2010	\$ 41,787
2011	<u>41,787</u>
Total payments	83,574
Less amount representing interest	<u>(6,222)</u>
Future minimum lease payment	<u>\$ 77,352</u>

Building lease

In May 2001, the Colorado Educational and Cultural Facilities Authority (CECFA) issued \$4,155,000 Charter School Revenue Bonds, Series 2001. Proceeds from the bonds were loaned to the Cherry Creek Academy Facility Corporation (Facility Corporation) under a lease agreement to purchase the Charter School's building by refunding existing debt, and to make certain improvements to the

building. The Charter School is obligated under a lease agreement to make monthly lease payments to the Facility Corporation for use of the building. The Facility Corporation is required to make equal lease payments to a trustee for payment of the bonds. Monthly principal and interest payments are due under the lease agreement with interest accruing at rates ranging from 5.25% to 6.00%. The lease matures in May 2030.



10) LONG-TERM DEBT (Continued)

Component Unit Debt (Continued)

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>
2010	\$ 80,000	\$ 217,162	\$ 297,162
2011	85,000	212,962	297,962
2012	90,000	208,500	298,500
2013	95,000	203,100	298,100
2014	100,000	197,400	297,400
2015-2019	610,000	887,700	1,497,700
2020-2024	825,000	681,000	1,506,000
2025-2029	1,100,000	402,300	1,502,300
2030	655,000	39,300	694,300
Totals	<u>\$ 3,640,000</u>	<u>\$ 3,049,424</u>	<u>\$ 6,689,424</u>

During the year ended June 30, 2009, the following changes occurred in the Charter School's long-term debt:

	<u>Balance</u> <u>July 1, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2009</u>
Building Lease	\$ 3,720,000	\$ -	\$ 80,000	\$ 3,640,000
Equipment Lease	111,771	-	34,419	77,352
Total	<u>\$ 3,831,771</u>	<u>\$ -</u>	<u>\$ 114,419</u>	<u>\$ 3,717,352</u>
Due within one year:				
Building Lease				\$ 80,000
Equipment Lease				37,183
Total				<u>\$ 117,183</u>

11) SHORT-TERM DEBT

During the year ended June 30, 2009, the District borrowed \$87,695,289 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, 2009. The amount borrowed was paid in full by the maturity date June 25, 2009.

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, 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 by writing to Colorado PERA, 1300 Logan 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 12.05% of covered salary from July 1, 2008 through December 31, 2008 and 12.95% from January 1, 2009 to June 30, 2009. The District contribution rate will increase to 13.85 % on January 1, 2010 and will increase each January 1 through 2013 until reaching a contribution rate of 16.55%. The District's contributions to SDTF for the years ending June 30, 2009, 2008 and 2007 were \$37,474,844, \$33,454,931, and \$28,944,950, respectively, equal to its required contributions for each year. The Employees contributions to SDTF for the years ending June 30, 2009, 2008, and 2007 were \$23,306,371, \$22,451,254, and \$20,621,162, respectively, equal to its 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 by writing to Colorado PERA, 1300 Logan 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, 2009, 2008, and 2007, was \$2,971,561, \$2,862,533, and \$2,703,373, 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.

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 176 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 \$5,000,000 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 \$10,000 per occurrence for liability losses and \$25,000 per occurrence for property losses.



At June 30, 2009, the amount of workers compensation liability was \$300,000. Changes in the reported liability for the years ended June 30, 2009, and 2008, were as follows:

	<u>2009</u>	<u>2008</u>
Beginning of fiscal year liability	\$ 758,214	\$ 712,101
Current-year claims and changes in estimate	1,905,034	2,037,045
Claim payments	<u>(2,363,248)</u>	<u>(1,990,932)</u>
Balance at fiscal year-end liability	<u>\$ 300,000</u>	<u>\$ 758,214</u>

The claims shortfall of \$300,000 as of June 30, 2009, is included in the General Fund. No long-term portion was identified as of June 30, 2009.

Other

The District continues to carry commercial insurance coverage and additional options under a cafeteria plan for employee medical, dental, disability, term life, and vision insurance. 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. Effective July 1, 2003, the District self-funds a portion of the dental coverage and all of the vision coverage for employees under the District's cafeteria plan.

15) COMMITMENTS

CONSTRUCTION COMMITMENTS

The District had commitments of approximately \$14,731,813 for capital projects at June 30, 2009, of which \$14,731,813 have been encumbered through the purchase order process. Future expenditures related to these commitments are expected to be financed through available resources and future revenues.

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 III, P.L. 94-142, 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.

CONSTITUTIONAL (TABOR) AMENDMENT

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 reserved a portion of its fund balance for emergencies as required under TABOR.

As of June 30, 2009, the District has reserved 3 percent of its fiscal year 2008-2009 spending as follows:

Governmental Activities:	
General Fund	\$ 11,878,000
Special Revenue Funds:	
Capital Reserve Fund	291,000
Extended Child Services Fund	486,000
Pupil Activities Fund	346,000
Business-type Activities:	
Food Service Fund	<u>259,000</u>
Total	<u>\$ 13,260,000</u>

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.

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, 2009 was \$203,419.





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Supplemental Information

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



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Nonmajor Governmental Funds

Special Revenue Funds

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

Capital Reserve Fund - This fund is used to account for required allocation of resources and other revenues for ongoing capital outlay needs of the District, such as equipment purchases. Colorado statutes require these activities to be accounted for in a special revenue fund.

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 Finance Corporation Fund - This fund represents the blended, component unit, nonprofit organization that provided services directly to the District.

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, 2009

	Capital Reserve Fund	Designated Purpose Grants Fund	Extended Child Services Fund	Pupil Activities Fund	Capital Finance Corporation Fund	Total Nonmajor Governmental Funds
ASSETS						
Cash	\$ -	\$ 250	\$ 188,846	\$ 4,647,120	\$ -	\$ 4,836,216
Equity in pooled cash	1,800,598	-	1,622,126	431,029	-	3,853,753
Cash in trust	79	-	-	-	904,461	904,540
Investments	-	-	2,951,705	-	-	2,951,705
Receivables, net						
Other governments	-	3,672,243	-	-	-	3,672,243
Other	-	-	74,435	1,752	-	76,187
Interfund Receivables	-	5,082	-	-	-	5,082
Prepayments and deposits	-	-	3,972	-	-	3,972
Total Assets	<u>\$1,800,677</u>	<u>\$ 3,677,575</u>	<u>\$ 4,841,084</u>	<u>\$ 5,079,901</u>	<u>\$ 904,461</u>	<u>\$ 16,303,698</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 140,779	\$ 121,598	\$ 73,081	\$ 26,776	\$ -	\$ 362,234
Accrued salaries and benefits	-	1,528,119	924,561	-	-	2,452,680
Interfund payables	-	719,830	-	-	-	719,830
Deferred revenues	-	1,308,028	378,575	-	-	1,686,603
Compensated absences	-	-	163,100	-	-	163,100
Total Liabilities	<u>140,779</u>	<u>3,677,575</u>	<u>1,539,317</u>	<u>26,776</u>	<u>-</u>	<u>5,384,447</u>
Fund balances						
Reserved for encumbrances	375,934	-	44,452	-	-	420,386
Reserved for prepayments and deposits	-	-	3,972	-	-	3,972
Reserved for restricted sinking fund cash	-	-	-	-	904,461	904,461
Reserved for TABOR amendment	291,000	-	486,000	346,000	-	1,123,000
Unreserved, designated for future transfers	-	-	1,604,110	-	-	1,604,110
Unreserved	<u>992,964</u>	<u>-</u>	<u>1,163,233</u>	<u>4,707,125</u>	<u>-</u>	<u>6,863,322</u>
Total Fund balances	<u>1,659,898</u>	<u>-</u>	<u>3,301,767</u>	<u>5,053,125</u>	<u>904,461</u>	<u>10,919,251</u>
Total Liabilities and Fund balances	<u>\$1,800,677</u>	<u>\$ 3,677,575</u>	<u>\$ 4,841,084</u>	<u>\$ 5,079,901</u>	<u>\$ 904,461</u>	<u>\$ 16,303,698</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, 2009

	Capital Reserve Fund	Designated Purpose Grants Fund	Extended Child Services Fund	Pupil Activities Fund	Capital Finance Corporation Fund	Total Nonmajor Governmental Funds
REVENUES						
Intergovernmental						
Federal - grants	\$ -	\$ 13,795,224	\$ -	\$ -	\$ -	\$ 13,795,224
State - grants	-	148,925	-	-	-	148,925
State equalization aid	10,621,000	-	-	-	-	10,621,000
Tuition	-	-	15,094,790	-	-	15,094,790
Earnings on investments	216	-	48,268	73,463	35,441	157,388
Pupil activities	-	-	-	11,464,290	-	11,464,290
Cash in lieu of land	131,413	-	-	-	-	131,413
Donations	-	2,351,693	-	-	-	2,351,693
Other	5,204	-	28,121	-	-	33,325
Total revenues	<u>10,757,833</u>	<u>16,295,842</u>	<u>15,171,179</u>	<u>11,537,753</u>	<u>35,441</u>	<u>53,798,048</u>
EXPENDITURES						
Current						
Instruction	-	13,152,841	13,366,812	-	-	26,519,653
Pupil services	-	3,052,348	214,755	-	-	3,267,103
Business services	-	-	286,275	-	-	286,275
Community services	-	90,653	480,218	-	-	570,871
Pupil activities	-	-	-	11,520,567	-	11,520,567
Capital outlay	8,686,206	-	-	-	32	8,686,238
Debt service	-	-	-	-	-	-
Principal	795,000	-	-	-	-	795,000
Interest and fiscal charges	200,501	-	-	-	-	200,501
Total expenditures	<u>9,681,707</u>	<u>16,295,842</u>	<u>14,348,060</u>	<u>11,520,567</u>	<u>32</u>	<u>51,846,208</u>
Excess of revenues over (under) expenditures	<u>1,076,126</u>	<u>-</u>	<u>823,119</u>	<u>17,186</u>	<u>35,409</u>	<u>1,951,840</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	32,098	-	76,840	-	-	108,938
Transfers out	-	-	(1,820,015)	-	(32,098)	(1,852,113)
Total other financing sources (uses)	<u>32,098</u>	<u>-</u>	<u>(1,743,175)</u>	<u>-</u>	<u>(32,098)</u>	<u>(1,743,175)</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>1,108,224</u>	<u>-</u>	<u>(920,056)</u>	<u>17,186</u>	<u>3,311</u>	<u>208,665</u>
Fund balances, Beginning	<u>551,674</u>	<u>-</u>	<u>4,221,823</u>	<u>5,035,939</u>	<u>901,150</u>	<u>10,710,586</u>
Fund balances, Ending	<u>\$ 1,659,898</u>	<u>\$ -</u>	<u>\$ 3,301,767</u>	<u>\$ 5,053,125</u>	<u>\$ 904,461</u>	<u>\$ 10,919,251</u>

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, 2009

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes				
Property	\$ 42,498,782	\$ 44,246,678	\$ 44,207,269	\$ (39,409)
Earnings on investments	30,000	30,000	208,967	178,967
Total revenues	42,528,782	44,276,678	44,416,236	139,558
EXPENDITURES				
Debt service				
Principal	25,035,000	25,035,000	25,035,000	-
Interest	16,856,657	18,476,026	18,476,026	-
Fiscal charges	30,000	30,000	5,369	24,631
Total expenditures	41,921,657	43,541,026	43,516,395	24,631
Excess of revenues over expenditures	607,125	735,652	899,841	164,189
Fund balance, Beginning	45,584,914	45,022,930	45,022,930	-
Fund balance, Ending	\$ 46,192,039	\$ 45,758,582	\$ 45,922,771	\$ 164,189

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, 2009

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Earnings on investments	\$ 300,000	\$ 800,000	\$ 876,356	\$ 76,356
Total revenues	300,000	800,000	876,356	76,356
EXPENDITURES				
Capital outlay				
Land improvements	2,000	2,000	1,083	917
Building and improvements	3,440,470	104,532,932	5,635,942	98,896,990
Furniture and equipment	3,097,119	3,097,119	3,416,208	(319,089)
Bond issuance costs	-	417,538	417,538	-
Other	555,584	820,584	589,979	230,605
Total expenditures	7,095,173	108,870,173	10,060,750	98,809,423
Excess of revenues over (under) expenditures	(6,795,173)	(108,070,173)	(9,184,394)	98,885,779
OTHER FINANCING SOURCES (USES)				
Bond proceeds	-	101,775,000	101,775,000	-
Premium on bonds	-	5,269,031	5,269,031	-
Transfers out	(155,527)	(155,527)	(117,836)	37,691
Total other financing sources (uses)	(155,527)	106,888,504	106,926,195	37,691
Net change in fund balance	(6,950,700)	(1,181,669)	97,741,801	98,923,470
Fund balance, Beginning	15,083,063	16,184,817	16,184,817	-
Fund balance, Ending	\$ 8,132,363	\$ 15,003,148	\$ 113,926,618	\$ 98,923,470

CHERRY CREEK SCHOOL DISTRICT NO. 5

ARAPAHOE COUNTY, COLORADO

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)
SPECIAL REVENUE - CAPITAL RESERVE FUND**

For The Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental				
State equalization aid	\$ 10,828,400	\$ 10,621,000	\$ 10,621,000	\$ -
Earnings on investments	15,000	15,000	216	(14,784)
Cash in lieu of land	75,000	75,000	131,413	56,413
Other	-	-	5,204	5,204
	<u>10,918,400</u>	<u>10,711,000</u>	<u>10,757,833</u>	<u>46,833</u>
Total revenues				
EXPENDITURES				
Capital outlay				
Land and improvements	313,499	593,499	224,350	369,149
Building and improvements	6,000,000	5,700,000	5,155,966	544,034
Furniture and equipment	3,480,000	3,500,000	3,403,946	96,054
Debt service				
Principal	795,000	795,000	795,000	-
Interest	200,501	200,501	200,501	-
	<u>10,789,000</u>	<u>10,789,000</u>	<u>9,779,763</u>	<u>1,009,237</u>
Total expenditures				
Excess of revenues over (under) expenditures	<u>129,400</u>	<u>(78,000)</u>	<u>978,070</u>	<u>1,056,070</u>
OTHER FINANCING SOURCES				
Transfers in	-	40,000	32,098	(7,902)
	<u>-</u>	<u>40,000</u>	<u>32,098</u>	<u>(7,902)</u>
Total other financing sources				
Net change in fund balances	129,400	(38,000)	1,010,168	1,048,168
Fund balance (Budgetary Basis), Beginning	<u>1,255,568</u>	<u>273,796</u>	<u>273,796</u>	<u>-</u>
Fund balance (Budgetary Basis), Ending	<u>\$ 1,384,968</u>	<u>\$ 235,796</u>	<u>1,283,964</u>	<u>\$ 1,048,168</u>
Add outstanding encumbrances ending			<u>375,934</u>	
Fund balance (GAAP Basis), Ending			<u>\$ 1,659,898</u>	

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, 2009

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Intergovernmental				
Federal - Grants	\$ 14,964,500	\$ 14,964,500	\$ 13,795,224	\$ (1,169,276)
State - Grants	15,000	163,900	148,925	(14,975)
Donations	2,532,400	2,990,300	2,351,693	(638,607)
Total revenues	17,511,900	18,118,700	16,295,842	(1,822,858)
EXPENDITURES				
Current				
Instruction	14,061,900	14,668,700	13,152,841	1,515,859
Pupil services	550,000	550,000	531,924	18,076
Instructional staff services	2,400,000	2,400,000	2,215,975	184,025
School administration	400,000	400,000	304,449	95,551
Community services	100,000	100,000	90,653	9,347
Total expenditures	17,511,900	18,118,700	16,295,842	1,822,858
Net change in fund balances	-	-	-	-
Fund balance, Beginning	-	-	-	-
Fund balance, Ending	\$ -	\$ -	\$ -	\$ -

CHERRY CREEK SCHOOL DISTRICT NO. 5

ARAPAHOE COUNTY, COLORADO

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)
SPECIAL REVENUE - EXTENDED CHILD SERVICES FUND**

For The Year Ended June 30, 2009

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Tuition	\$ 16,140,420	\$ 17,118,420	\$ 15,094,790	\$ (2,023,630)
Earnings on investments	50,000	50,000	48,268	(1,732)
Other	50,000	25,000	28,121	3,121
Total revenues	16,240,420	17,193,420	15,171,179	(2,022,241)
EXPENDITURES				
Current				
Instruction	12,795,375	13,810,375	13,378,323	432,052
Instructional staff services	300,000	400,000	214,755	185,245
Business services	686,675	444,150	286,275	157,875
Community services	501,010	608,520	480,186	128,334
Total expenditures	14,283,060	15,263,045	14,359,539	903,506
Excess of revenues over expenditures	1,957,360	1,930,375	811,640	(1,118,735)
OTHER FINANCING SOURCES (USES)				
Transfers in	50,000	77,000	76,840	(160)
Transfers out	(1,820,000)	(1,820,015)	(1,820,015)	-
Total other financing sources (uses)	(1,770,000)	(1,743,015)	(1,743,175)	(160)
Net change in fund balances	187,360	187,360	(931,535)	(1,118,895)
Fund balance, Beginning	4,830,037	4,188,850	4,188,850	-
Fund balance, Ending	<u>\$ 5,017,397</u>	<u>\$ 4,376,210</u>	<u>\$ 3,257,315</u>	<u>\$ (1,118,895)</u>
Add outstanding encumbrances ending			44,452	
Fund balance (GAAP Basis), Ending			<u>\$ 3,301,767</u>	

CHERRY CREEK SCHOOL DISTRICT NO. 5

ARAPAHOE COUNTY, COLORADO

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)

SPECIAL REVENUE - PUPIL ACTIVITIES FUND

For The Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Earnings on investments	\$ 336,000	\$ 336,000	\$ 73,463	\$ (262,537)
Pupil activities	12,578,000	12,578,000	11,464,290	(1,113,710)
Total revenues	12,914,000	12,914,000	11,537,753	(1,376,247)
EXPENDITURES				
Current				
Pupil activities	12,914,000	12,914,000	11,520,567	1,393,433
Excess of revenues (under) expenditures	-	-	17,186	17,186
Fund balance (Budgetary Basis), Beginning	5,168,487	5,035,939	5,035,939	-
Fund balance (Budgetary Basis), Ending	<u>\$ 5,168,487</u>	<u>\$ 5,035,939</u>	5,053,125	<u>\$ 17,186</u>
Add outstanding encumbrances ending			-	
Fund balance (GAAP Basis), Ending			<u>\$ 5,053,125</u>	

CHERRY CREEK SCHOOL DISTRICT NO. 5

ARAPAHOE COUNTY, COLORADO

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL REVENUE - CAPITAL FINANCE CORPORATION FUND
For The Year Ended June 30, 2009**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Earnings on investments	\$ 36,000	\$ 36,000	\$ 35,441	\$ (559)
Total revenues	36,000	36,000	35,441	(559)
EXPENDITURES				
Capital outlay				
Other expenditures	2,000	2,000	32	1,968
Total expenditures	2,000	2,000	32	1,968
Excess of revenues over expenditures	34,000	34,000	35,409	1,409
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(40,000)	(32,098)	7,902
Total other financing sources (uses)	-	(40,000)	(32,098)	7,902
Net change in fund balances	34,000	(6,000)	3,311	9,311
Fund balance, Beginning	894,314	901,150	901,150	-
Fund balance, Ending	<u>\$ 928,314</u>	<u>\$ 895,150</u>	<u>\$ 904,461</u>	<u>\$ 9,311</u>

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, 2009

GOVERNMENTAL FUNDS CAPITAL ASSETS

Land	\$ 19,387,111
Improvements	23,209,007
Buildings	684,053,960
Projects in progress	5,126,064
Equipment and vehicles	<u>61,415,867</u>
Total Governmental Funds Capital Assets	<u>\$ 793,192,009</u>

INVESTMENT IN GOVERNMENTAL FUNDS CAPITAL ASSETS

General Fund	\$ 17,872,291
Special Revenue Funds:	
Capital Reserve Fund	153,062,980
Designated Purpose Grants Fund	1,973,670
Extended Child Services Fund	1,582,333
Capital Projects Fund (Building Fund)	<u>618,700,735</u>
Total Investment in Governmental Funds Capital Assets	<u>\$ 793,192,009</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, 2009

	<u>Land and Improvements</u>	<u>Buildings and Projects In Progress</u>	<u>Equipment and Vehicles</u>	<u>Total</u>
Instruction				
Elementary education	\$ 12,255,590	\$ 248,238,863	\$ 11,103,562	\$ 271,598,015
Middle school education	5,258,362	166,946,557	5,539,082	177,744,001
High school education	18,536,312	219,546,776	10,003,687	248,086,775
Special programs	3,285,802	22,179,047	3,641,653	29,106,502
Support services				
Administrative	1,441,081	19,822,959	4,756,009	26,020,049
Maintenance	361,366	2,721,789	1,113,207	4,196,362
Transportation	1,150,312	8,603,914	24,607,558	34,361,784
Warehouse	307,293	1,120,119	651,109	2,078,521
Total capital assets	<u>\$ 42,596,118</u>	<u>\$ 689,180,024</u>	<u>\$ 61,415,867</u>	<u>\$ 793,192,009</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, 2009

	Governmental Funds Capital Assets June 30, 2008	Additions	Deductions	Governmental Funds Capital Assets June 30, 2009
Instruction				
Elementary education	\$ 269,383,320	\$ 2,467,326	\$ 252,631	\$ 271,598,015
Middle school education	176,326,660	29,060,658	27,643,317	177,744,001
High school education	246,606,493	1,866,706	386,424	248,086,775
Special programs	27,968,121	1,598,167	459,786	29,106,502
Support services				
Administrative	26,644,044	197,414	821,409	26,020,049
Maintenance	3,914,300	293,063	11,001	4,196,362
Transportation	34,270,768	9,323,963	9,232,947	34,361,784
Warehouse	2,062,013	17,598	1,090	2,078,521
Total capital assets	<u>\$ 787,175,719</u>	<u>\$ 44,824,895</u>	<u>\$ 38,808,605</u>	<u>\$ 793,192,009</u>



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State Required Schedules

Enterprise Funds:

Food Service Fund - Schedule of Revenues, Expenses
and Changes in Net Assets - 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 ASSETS

COMPARED TO BUDGET

ENTERPRISE FUND - FOOD SERVICES FUND

For The Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Food sales	\$ 8,609,450	\$ 8,609,450	\$ 7,998,311	\$ (611,139)
Earnings on investments	60,000	60,000	31,031	(28,969)
Other	295,000	295,000	271,102	(23,898)
Transfer in	155,527	155,527	117,836	(37,691)
State aid	212,700	212,700	251,394	38,694
Federal aid				
Reimbursement for meals	4,389,240	4,389,240	5,013,073	623,833
USDA commodities	810,000	810,000	763,333	(46,667)
Total revenues	<u>14,531,917</u>	<u>14,531,917</u>	<u>14,446,080</u>	<u>(85,837)</u>
EXPENSES				
Salaries and benefits	5,356,450	5,385,450	5,385,154	296
Purchased services	652,600	339,400	332,968	6,432
Supplies and materials	7,330,000	7,694,700	7,688,941	5,759
Depreciation	200,000	200,000	170,023	29,977
Indirect costs	890,500	810,000	810,000	-
Total expenses	<u>14,429,550</u>	<u>14,429,550</u>	<u>14,387,086</u>	<u>42,464</u>
Excess of revenues over (under) expenses	102,367	102,367	58,994	(43,373)
Net Assets, Beginning	<u>5,641,794</u>	<u>6,036,194</u>	<u>6,036,194</u>	<u>-</u>
Net Assets, Ending	<u>\$ 5,744,161</u>	<u>\$ 6,138,561</u>	<u>\$ 6,095,188</u>	<u>\$ (43,373)</u>

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, 2009

Total Expenditures for All Funds Listed Below

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

General Fund	\$ 403,428,480	
Designated-Purpose Grants Fund	17,314,110	
Capital Reserve Fund	10,758,633	
Extended Child Services Fund	15,148,440	
Pupil Activities Fund	11,536,001	
Other Special Revenue Funds	N/A	
Building Fund	N/A	
Bond Redemption Fund	44,615,731	
Food Service Fund	14,728,724	
Total Expenditures		\$ 517,530,119
Deduct the following expenditures included in totals above:		
Expenditures from Gifts/Foundations	2,351,693	
Expenditures from Federal Grants	19,826,565	
Amendment No. 23, November 2000	80,353,588	
Repayment of Voter-Approved Debt	44,615,731	
Post 1991 Voter-Approved Referendum	42,500,000	
Total Deductions		<u>189,647,577</u>
Total Spending Subject to TABOR for Current Year		<u>327,882,542</u>
Total Spending Subject to TABOR Prior Year		321,627,047
% Change in Denver/Boulder Consumer Price Index for Prior Year	3.90	
% Change in Student Enrollment	<u>0.46</u>	
Total % Change	<u><u>4.36</u></u>	
Change in Spending Permitted		<u>14,022,939</u>
Maximum Spending Subject to TABOR Allowed for Current Year		<u>335,649,986</u>
Spending Over (Under) Allowable Amount		<u><u>\$ (7,767,444)</u></u>

STATISTICAL SECTION



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

The objectives of statistical section information are to provide financial statement users with additional historical perspective, context, and detail to assist in using the information in the financial statements, notes to financial statements, and required supplementary information to understand and assess a governments 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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Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The District implemented GASB Statement 34 with the fiscal year beginning July 1, 2002; therefore, schedules presenting government-wide information include information beginning with June 30, 2002.

CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO

Net Assets by Component,
Last Eight Fiscal Years
(accrual basis of accounting)

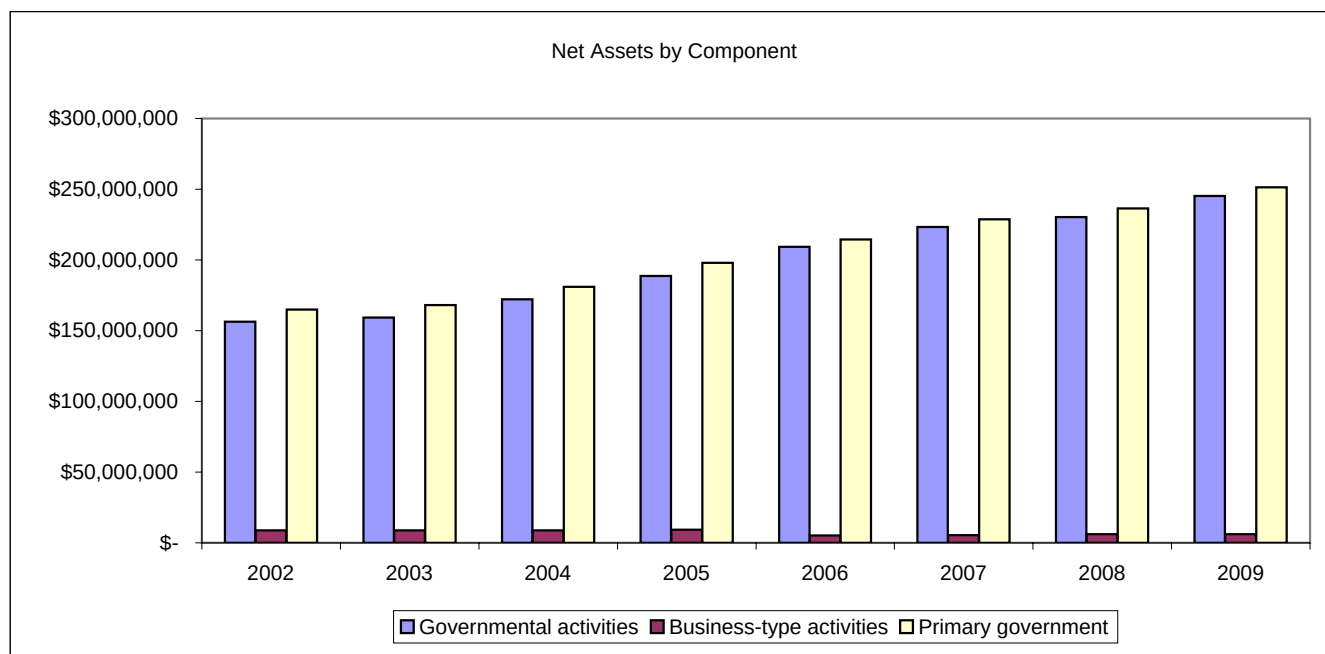
	Fiscal Year			
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Governmental activities				
Invested in capital assets, net of related debt	\$ 60,346,221	\$ 133,414,414	\$ 145,356,110	\$ 149,094,843
Restricted	112,426,692	46,036,494	38,607,135	43,514,037
Unrestricted	(16,470,063)	(20,185,640)	(11,859,650)	(4,017,444)
Total governmental activities net assets	<u>\$ 156,302,850</u>	<u>\$ 159,265,268</u>	<u>\$ 172,103,595</u>	<u>\$ 188,591,436</u>
Business-type activities				
Invested in capital assets, net of related debt	\$ 2,065,859	\$ 2,226,825	\$ 1,326,585	\$ 1,335,391
Restricted	672,709	586,000	580,000	580,000
Unrestricted	5,985,460	5,965,511	6,908,533	7,442,401
Total business-type activities net assets	<u>\$ 8,724,028</u>	<u>\$ 8,778,336</u>	<u>\$ 8,815,118</u>	<u>\$ 9,357,792</u>
Primary government				
Invested in capital assets, net of related debt	\$ 62,412,080	\$ 135,641,239	\$ 146,682,695	\$ 150,430,234
Restricted	113,099,401	46,622,494	39,187,135	44,094,037
Unrestricted	(10,484,603)	(14,220,129)	(4,951,117)	3,424,957
Total primary government net assets	<u>\$ 165,026,878</u>	<u>\$ 168,043,604</u>	<u>\$ 180,918,713</u>	<u>\$ 197,949,228</u>

Notes:

(1) Includes all funds. (GAAP Basis)

(2) Presented for all years since implementation of GASB Statement No. 34.

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



CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO

**Changes in Net Assets,
Last Eight Fiscal Years
*(accrual basis of accounting)***

	Fiscal Year			
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Expenses:				
Governmental activities:				
Instruction	\$ 206,693,537	\$ 227,676,145	\$ 235,905,923	\$ 245,423,028
Indirect instruction				
Pupil services	16,749,922	20,035,017	21,828,063	21,082,513
Instructional staff services	11,638,668	14,585,725	11,709,948	13,897,657
School administration	17,771,319	18,517,073	18,701,486	19,121,067
Support services				
General administration	2,560,781	2,692,593	2,495,432	2,618,690
Business services	2,833,584	2,819,247	3,049,636	3,202,596
Operations and maintenance	25,514,137	26,606,279	29,017,856	30,147,954
Pupil transportation	9,341,624	10,864,066	11,697,136	13,188,614
Central services	8,145,780	9,075,464	8,064,414	9,072,623
Community services	335,856	403,383	373,704	350,923
Pupil activities	9,344,837	10,094,024	10,150,045	10,311,846
Non-departmental	2,114,047	513,460	202,116	1,135,871
Interest on long-term debt	21,147,756	18,624,110	19,920,516	18,897,061
Total governmental activities expenses	<u>334,191,848</u>	<u>362,506,586</u>	<u>373,116,275</u>	<u>388,450,443</u>
Business-type activities:				
Food services operations	11,206,629	11,327,147	12,961,936	11,661,626
Extended child services	9,837,400	9,930,680	9,747,873	10,620,946
Total business-type activities expenses	<u>21,044,029</u>	<u>21,257,827</u>	<u>22,709,809</u>	<u>22,282,572</u>
Total primary government expenses	<u>\$ 355,235,877</u>	<u>\$ 383,764,413</u>	<u>\$ 395,826,084</u>	<u>\$ 410,733,015</u>

Notes:

(1) Includes all funds. (GAAP Basis)

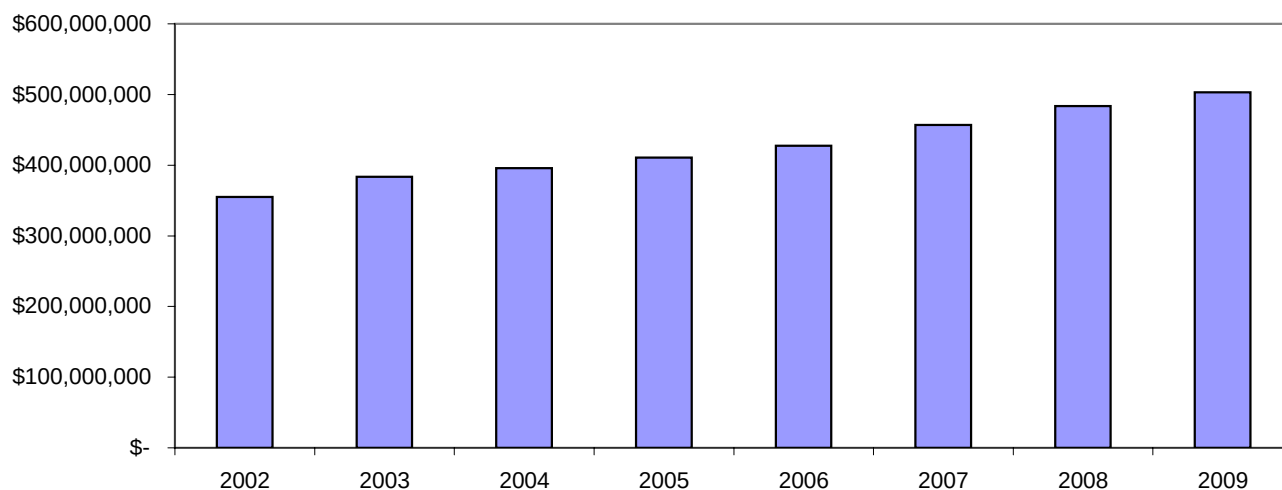
(2) Presented for all years since implementation of GASB Statement No. 34.

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

Fiscal Year

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
\$ 264,844,642	\$ 288,668,360	\$ 306,386,804	\$ 320,917,408
21,568,550	23,019,380	25,204,203	25,445,100
13,843,270	14,409,001	14,552,126	14,713,440
19,962,085	20,817,498	21,640,585	22,569,955
2,806,143	3,169,042	3,281,998	3,242,318
3,066,894	3,504,958	3,636,338	3,741,106
32,809,665	33,002,853	34,244,558	36,145,126
13,093,193	15,598,597	17,433,438	19,158,870
9,965,888	9,535,413	11,725,014	12,123,792
875,268	1,044,669	1,241,794	877,783
11,189,035	11,501,773	11,852,886	11,520,567
595,535	603,777	600,163	628,921
20,111,698	19,023,785	17,775,387	17,770,954
<u>414,731,866</u>	<u>443,899,106</u>	<u>469,575,294</u>	<u>488,855,340</u>
12,658,997	13,207,896	13,841,369	14,387,086
-	-	-	-
<u>12,658,997</u>	<u>13,207,896</u>	<u>13,841,369</u>	<u>14,387,086</u>
<u>\$ 427,390,863</u>	<u>\$ 457,107,002</u>	<u>\$ 483,416,663</u>	<u>\$ 503,242,426</u>

Total Primary Government Expenses



CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO

**Changes in Net Assets,
Last Eight Fiscal Years
*(accrual basis of accounting)***

	Fiscal Year			
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Program Revenues				
Governmental activities:				
Charges for services:				
Instruction	\$ 2,717,538	\$ 3,231,025	\$ 3,032,947	\$ 2,581,027
Pupil activities	9,369,174	10,903,532	10,891,854	10,674,825
Other activities	973,796	651,941	847,926	742,525
Operating grants and contributions	19,349,780	19,782,417	20,889,343	21,927,192
Capital grants and contributions	782,818	441,289	463,408	646,286
Total governmental activities program revenues	<u>33,193,106</u>	<u>35,010,204</u>	<u>36,125,478</u>	<u>36,571,855</u>
Business-type activities:				
Charges for services:				
Food services operations	8,115,013	7,730,994	7,909,899	7,775,879
Extended child services	10,261,707	11,029,028	11,701,225	11,584,062
Operating grants and contributions	2,965,471	2,930,433	3,456,783	3,929,896
Total business-type activities program revenues	<u>21,342,191</u>	<u>21,690,455</u>	<u>23,067,907</u>	<u>23,289,837</u>
Total primary government program revenues	<u>\$ 54,535,297</u>	<u>\$ 56,700,659</u>	<u>\$ 59,193,385</u>	<u>\$ 59,861,692</u>
 Net (Expense)/Revenue				
Governmental activities	\$(300,998,742)	\$(327,496,382)	\$(336,990,797)	\$(351,878,588)
Business-type activities	298,162	432,628	358,098	1,007,265
Total primary government net expense	<u>\$(300,700,580)</u>	<u>\$(327,063,754)</u>	<u>\$(336,632,699)</u>	<u>\$(350,871,323)</u>

Notes:

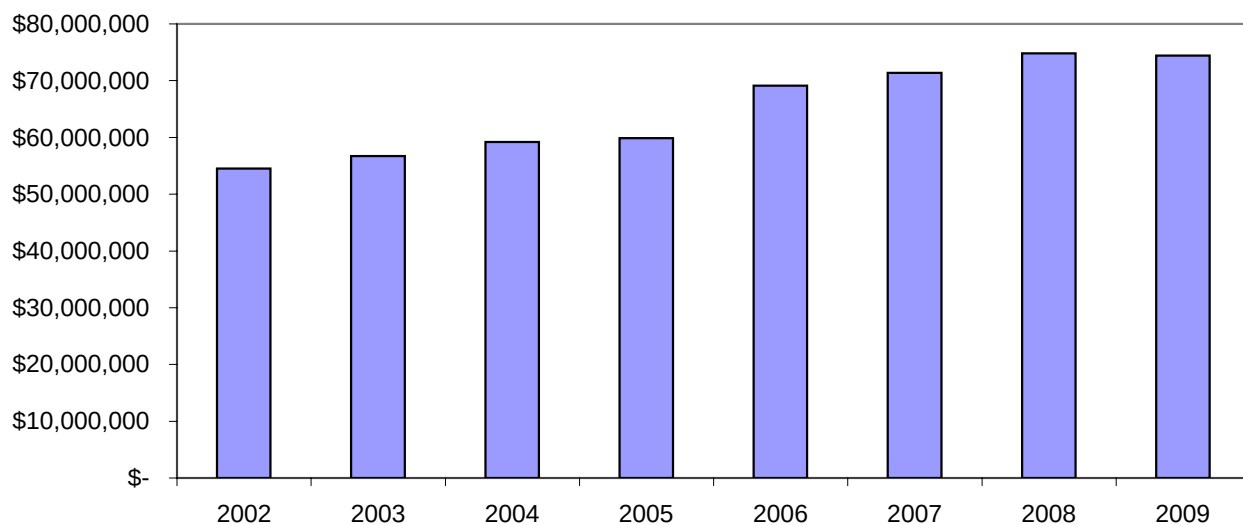
(1) Includes all funds. (GAAP Basis)

(2) Presented for all years since implementation of GASB Statement No. 34.

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

Fiscal Year			
<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
\$ 15,579,084	\$ 17,022,126	\$ 18,118,834	\$ 17,672,587
11,300,849	11,571,481	11,571,446	11,464,290
861,208	1,151,383	1,476,045	1,385,941
28,047,976	27,846,901	28,940,825	29,333,487
619,349	538,520	541,869	280,737
<u>56,408,466</u>	<u>58,130,411</u>	<u>60,649,019</u>	<u>60,137,042</u>
8,264,051	8,353,484	8,631,867	8,269,413
-	-	-	-
<u>4,447,409</u>	<u>4,907,235</u>	<u>5,518,150</u>	<u>6,027,800</u>
<u>12,711,460</u>	<u>13,260,719</u>	<u>14,150,017</u>	<u>14,297,213</u>
<u>\$ 69,119,926</u>	<u>\$ 71,391,130</u>	<u>\$ 74,799,036</u>	<u>\$ 74,434,255</u>
\$(332,041,977)	\$(385,768,695)	\$ (408,926,275)	\$(428,718,298)
(9,571,112)	52,823	308,648	(89,873)
<u>\$(341,613,089)</u>	<u>\$(385,715,872)</u>	<u>\$ (408,617,627)</u>	<u>\$(428,808,171)</u>

Total Primary Government Program Revenues



CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO

**Changes in Net Assets,
Last Eight Fiscal Years
*(accrual basis of accounting)***

	Fiscal Year			
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
General Revenues and Other Changes in Net Assets				
Governmental activities:				
Taxes:				
Property taxes	\$ 177,665,501	\$ 181,706,969	\$ 187,689,061	\$ 193,916,033
Specific ownership taxes	19,172,994	18,280,862	18,082,240	17,984,695
Investment earnings	8,287,360	3,459,085	1,808,941	2,574,816
Other revenues	1,898,158	1,890,984	1,939,478	2,260,767
State equalization aid	109,144,312	124,971,830	139,947,621	151,055,322
Transfers	881,236	455,031	361,783	574,796
Total governmental activities	<u>317,049,561</u>	<u>330,764,761</u>	<u>349,829,124</u>	<u>368,366,429</u>
Business-type activities:				
Investment earnings	227,364	76,711	40,467	110,205
Transfers	(881,236)	(455,031)	(361,783)	(574,796)
Total business-type activities	<u>(653,872)</u>	<u>(378,320)</u>	<u>(321,316)</u>	<u>(464,591)</u>
Total primary government	<u><u>\$ 316,395,689</u></u>	<u><u>\$ 330,386,441</u></u>	<u><u>\$ 349,507,808</u></u>	<u><u>\$ 367,901,838</u></u>
 Change in Net Assets				
Governmental activities	\$ 16,050,819	\$ 3,268,379	\$ 12,838,327	\$ 16,487,841
Business-type activities	(355,710)	54,308	36,782	542,674
Total primary government	<u><u>\$ 15,695,109</u></u>	<u><u>\$ 3,322,687</u></u>	<u><u>\$ 12,875,109</u></u>	<u><u>\$ 17,030,515</u></u>

Notes:

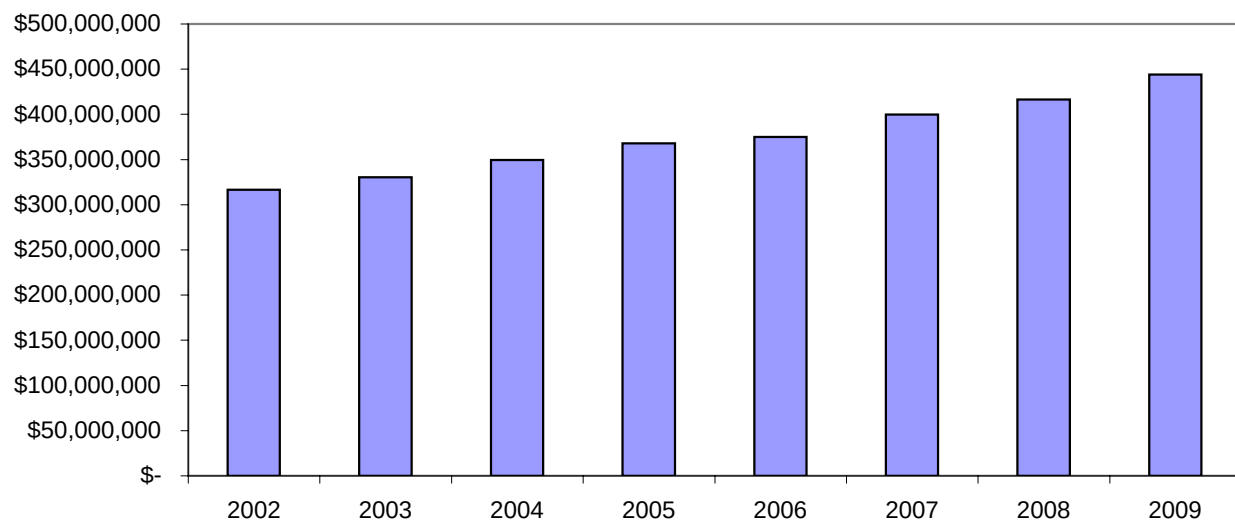
(1) Includes all funds. (GAAP Basis)

(2) Presented for all years since implementation of GASB Statement No. 34.

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

Fiscal Year			
<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
\$ 191,435,995	\$ 200,318,318	\$ 206,915,772	\$ 222,411,349
17,658,917	17,450,360	16,768,029	15,903,660
4,374,881	4,740,873	2,895,107	1,745,780
2,083,166	2,151,510	1,776,439	3,596,646
159,224,806	175,076,405	187,758,523	200,186,015
(178,352)	(82,851)	(81,484)	(117,836)
<u>374,599,413</u>	<u>399,654,615</u>	<u>416,032,386</u>	<u>443,725,614</u>
98,384	158,893	141,982	31,031
<u>178,352</u>	<u>82,851</u>	<u>81,484</u>	<u>117,836</u>
<u>276,736</u>	<u>241,744</u>	<u>223,466</u>	<u>148,867</u>
<u>\$ 374,876,149</u>	<u>\$ 399,896,359</u>	<u>\$ 416,255,852</u>	<u>\$ 443,874,481</u>
\$ 22,720,825	\$ 13,885,920	\$ 7,106,111	\$ 15,007,316
<u>1,284,001</u>	<u>294,567</u>	<u>532,114</u>	<u>58,994</u>
<u>\$ 24,004,826</u>	<u>\$ 14,180,487</u>	<u>\$ 7,638,225</u>	<u>\$ 15,066,310</u>

Total Primary Government General Revenues



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

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

Schedule 3

General Fund						
Fiscal Year	Reserved	Unreserved	Total			
2000	\$ 11,082,030	\$ (2,911,732)	\$ 8,170,298			
2001	12,102,368	1,006,581	13,108,949			
2002	12,929,389	(7,040,654)	5,888,735			
2003	13,165,826	(16,795,741)	(3,629,915)			
2004	13,607,218	(8,998,403)	4,608,815			
2005	14,142,326	(3,159,393)	10,982,933			
2006	13,764,015	6,708,700	20,472,715			
2007	14,044,359	8,262,903	22,307,262			
2008	14,907,646	28,504	14,936,150			
2009	15,989,712	7,489,957	23,479,669			

All Other Governmental Funds						
Fiscal Year	Reserved	Unreserved				Total
		Capital Reserve	Pupil Activities	Designated Purpose Grants	Extended Child Services	
2000	\$ 207,176,653	\$ 2,901,850	\$ 2,695,433	\$ -	\$ -	\$ 212,773,936
2001	177,643,052	5,164,045	3,083,946	-	-	185,891,043
2002	102,475,801	5,302,647	3,202,355	-	-	110,980,803
2003	65,970,659	779,109	3,654,524	-	-	70,404,292
2004	134,511,505	1,163,292	3,974,144	-	-	139,648,941
2005	133,847,164	1,959,543	4,380,099	-	-	140,186,806
2006	97,722,809	2,195,275	4,585,624	-	3,459,554	107,963,262
2007	72,048,344	1,231,471	4,822,487	-	3,874,837	81,977,139
2008	63,687,822	(134,204)	4,679,939	(14,525)	3,699,301	71,918,333
2009	162,301,208	992,964	4,707,125	-	2,767,343	170,768,640

Notes:

(1) Other governmental funds from fiscal year 2000 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.



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

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

	Fiscal Year			
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Revenues				
Local sources				
Property taxes	\$ 159,526,754	\$ 165,133,416	\$ 175,900,512	\$ 182,209,209
Specific ownership taxes	16,321,120	18,488,081	19,172,994	18,280,862
Tuition	1,189,997	1,034,583	1,023,438	940,862
Earnings on investments	9,361,316	12,583,774	8,287,360	3,459,085
Pupil activities	9,314,162	9,039,004	9,369,174	10,503,356
Other	5,880,872	5,068,670	8,310,746	6,719,299
State sources				
Equalization aid	93,185,640	99,400,435	109,144,312	124,971,830
Vocational education	778,798	1,034,990	854,825	903,278
Education of handicapped	4,219,516	4,360,704	4,687,976	5,017,061
Transportation	1,732,632	1,690,717	1,820,053	2,079,280
Other	636,588	668,841	1,358,249	1,678,682
Federal sources	5,724,690	5,619,033	7,480,318	9,068,970
Total revenues	<u>307,872,085</u>	<u>324,122,248</u>	<u>347,409,957</u>	<u>365,831,774</u>
Expenditures				
Instruction	164,234,491	175,254,854	193,973,501	207,279,122
Pupil services	14,425,995	15,306,051	18,119,212	20,102,006
Instructional staff services	9,135,814	9,564,155	11,544,196	12,127,646
School administration	15,307,707	15,597,228	17,330,929	18,462,674
General administration	2,190,617	2,235,894	2,525,173	2,586,707
Business services	2,568,106	2,473,455	2,717,960	2,763,206
Operations & maintenance	23,175,050	23,985,435	25,939,683	27,391,354
Pupil transportation	5,618,744	6,091,040	7,409,636	8,663,563
Central supporting services	6,925,940	8,092,853	8,126,108	9,180,097
Other services	2,451,456	2,174,781	-	-
Non-departmental	985,712	938,564	661,110	755,964
Pupil activities	9,343,256	8,808,228	9,344,837	10,094,024
Capital outlay	20,481,676	47,260,013	91,123,939	63,701,349
Debt service				
Interest	18,196,540	22,489,617	21,189,313	18,663,341
Principal	15,425,876	18,383,261	20,841,393	23,417,525
Advance refunding escrow and issue costs				
Total expenditures	<u>310,466,980</u>	<u>358,655,429</u>	<u>430,846,990</u>	<u>425,188,578</u>
Excess of revenues over (under) expenditures	(2,594,895)	(34,533,181)	(83,437,033)	(59,356,804)
Other Financing Sources (Uses):				
Transfers in	932,593	1,672,463	2,005,301	1,962,771
Transfers out	(48,538)	(19,016)	(1,124,065)	(1,507,740)
General obligation bonds issued	173,189,965	-	-	8,978,603
Bond premium	-	-	-	-
Bond refunding escrow agent	-	-	-	-
Equipment lease	-	-	203,560	135,650
Sale of assets	33,707	70,492	221,783	7,920
Other	1,355,364	-	-	(9,600)
Total other financing sources (uses)	<u>175,463,091</u>	<u>1,723,939</u>	<u>1,306,579</u>	<u>9,567,604</u>
Net change in fund balances	<u>\$ 172,868,196</u>	<u>\$ (32,809,242)</u>	<u>\$ (82,130,454)</u>	<u>\$ (49,789,200)</u>
Debt service as a percentage of noncapital expenditures			12.2%	11.5%

Schedule 4

Fiscal Year					
2004	2005	2006	2007	2008	2009
\$ 186,967,678	\$ 190,964,705	\$ 194,339,986	\$ 199,571,172	\$ 207,013,865	\$ 220,133,193
18,082,240	17,984,695	17,658,917	17,450,360	16,768,029	15,903,660
936,605	770,158	13,713,445	15,247,271	16,373,319	15,912,029
1,808,941	2,574,816	4,374,881	4,740,873	2,895,107	1,745,780
10,449,613	10,674,825	11,300,849	11,571,481	11,571,446	11,464,290
6,114,307	7,484,071	7,322,820	6,920,467	8,687,906	9,402,234
139,947,621	151,055,322	159,224,806	175,076,405	187,758,523	200,186,015
996,075	1,113,314	2,002,053	723,110	1,491,395	1,078,451
5,254,446	5,417,924	7,149,487	7,587,737	7,507,649	7,778,024
2,265,448	2,363,142	2,570,702	2,612,078	3,086,331	3,576,970
1,576,622	1,243,568	1,090,670	2,017,101	665,442	753,524
10,471,840	9,745,340	13,350,891	13,657,343	13,956,561	13,795,224
384,871,436	401,391,880	434,099,507	457,175,398	477,775,573	501,729,394
215,019,643	220,457,921	240,390,990	260,993,962	277,624,127	291,739,767
22,237,540	21,135,995	21,549,955	22,955,861	24,991,634	25,393,727
11,149,839	13,529,753	13,431,218	14,186,080	14,376,166	14,452,430
18,828,858	18,690,096	20,189,689	20,883,529	21,766,883	22,483,945
2,596,437	2,641,443	2,774,131	3,231,813	3,192,004	3,160,948
2,729,878	2,885,117	2,979,475	3,159,154	3,428,093	3,555,377
28,694,011	29,027,240	31,893,410	32,998,360	34,454,985	34,861,871
9,337,639	10,589,929	11,409,808	13,345,503	17,043,796	17,415,623
8,296,417	8,878,048	9,967,331	9,465,979	11,538,222	11,973,210
-	-	-	-	-	-
723,852	702,992	1,223,626	1,318,533	1,539,238	1,236,573
10,150,045	10,311,846	11,189,035	11,501,773	11,852,886	11,520,567
36,243,083	83,434,386	48,882,913	41,017,521	24,093,682	18,955,829
18,560,140	20,679,967	20,580,649	19,626,055	18,372,291	18,681,896
26,835,962	21,495,000	24,275,000	26,560,000	30,850,000	25,830,000
411,403,344	464,459,733	460,737,230	481,244,123	495,124,007	501,261,763
(26,531,908)	(63,067,853)	(26,637,723)	(24,068,725)	(17,348,434)	467,631
1,866,451	1,614,472	1,294,903	1,297,107	2,324,723	1,928,953
(1,504,668)	(1,039,676)	(1,473,255)	(1,379,958)	(2,406,207)	(2,046,789)
198,765,000	199,715,000	-	-	-	101,775,000
9,760,750	14,402,671	-	-	-	5,269,031
(104,897,505)	(144,743,873)	-	-	-	-
-	-	-	-	-	-
25,259	31,242	13,225	-	-	-
-	-	-	-	-	-
104,015,287	69,979,836	(165,127)	(82,851)	(81,484)	106,926,195
\$ 77,483,379	\$ 6,911,983	\$ (26,802,850)	\$ (24,151,576)	\$ (17,429,918)	\$ 107,393,826
12.0%	10.7%	10.6%	10.3%	10.3%	8.9%

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) Expenditures in the category other services have been primarily related to supporting services in the Designated Purpose Grants Fund. Effective in fiscal year 2002-2003, these expenditures are reflected within the functional categories. This change was reclassified for fiscal year 2001-2002, but such information was not available to reclassify prior years.

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

(5) 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. Debt service as a percentage of noncapital expenditures is not available prior to implementation of GASB Statement No. 34 in fiscal year 2002.

**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>
2000	1,261,119	1,550,276	454,407	207,504	3,058,298	5.3093	19,143,557	15.98%
2001	1,327,450	1,664,461	458,588	210,358	3,240,141	5.2397	20,126,195	16.10%
2002	1,693,516	1,862,792	531,704	217,181	3,870,831	4.6889	26,013,957	14.88%
2003	1,784,056	1,789,326	564,790	220,329	3,917,843	4.7331	26,853,214	14.59%
2004	1,833,955	1,642,275	557,392	243,423	3,790,199	4.9654	29,783,850	12.73%
2005	1,891,841	1,636,079	700,540	396,753	3,831,707	5.1132	29,547,800	12.97%
2006	1,983,013	1,535,298	769,811	448,584	3,839,538	5.1575	30,420,101	12.62%
2007	2,049,580	1,561,760	777,387	456,753	3,931,974	5.1129	31,346,227	12.54%
2008	2,297,685	1,799,023	853,743	495,052	4,455,399	4.7397	36,303,602	12.27%
2009	2,364,816	1,819,533	853,281	506,148	4,531,482	4.9569	37,177,878	12.19%

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>
2000	9.74	29.0	1998
2001	9.74	29.0	1999
2002	9.15	29.0	2000
2003	9.15	29.0	2001
2004	7.96	29.0	2002
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

CHERRY CREEK SCHOOL DISTRICT NO. 5**ARAPAHOE COUNTY, COLORADO****Direct and Overlapping Property Tax Rates,****Schedule 6****Last Ten Tax Years***(rate per \$1,000 of assessed value)*

Collection Year	Cherry Creek School District Number 5			Total Cities and Towns	Total County	Total Special Districts (1)	Total (2)
	General Fund	Debt Service Fund	Total District				
2000	40.564	12.529	53.093	41.728	13.706	1,119.876	1,228.403
2001	39.975	12.422	52.397	40.726	14.013	1,191.353	1,298.489
2002	35.883	11.006	46.889	47.175	14.028	1,193.480	1,301.572
2003	35.831	11.500	47.331	73.368	14.594	1,271.785	1,407.078
2004	39.574	10.080	49.654	70.370	15.140	1,327.965	1,463.129
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

Source: Arapahoe County Assessor's Office

Notes:

(1) This represents the gross millage of all special taxing entities within the District boundaries which range from 1.650 to 62.00 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	2009			2000		
	Taxable Assessed Value	Rank	Percent of District's Total Taxable Value	Taxable Assessed Value	Rank	Percent of District's Total Taxable Value
Qwest Corporation	\$ 53,088,800	1	1.17%	\$ 53,526,600	1	1.75%
Verizon FKA Airtouch Comm.	41,971,680	2	0.93%	-		-
Xcel Energy	33,612,710	3	0.74%	26,717,470	2	0.87%
Greenwood Property Corporation	29,000,010	4	0.64%	18,270,010	4	0.60%
Property Colorado OBJLW One	22,330,010	5	0.49%	19,720,000	3	0.64%
Crescent Peakview Tower	13,050,000	6	0.29%	-		-
FSP Greenwood Plaza Corporation	12,760,000	7	0.28%	-		-
CSHV Denver Tech Center LLC	11,600,000	8	0.26%	-		-
LR Fiddlers LLC	11,600,000	9	0.26%	-		-
Galleria Acquisition Inc.	11,599,990	10	0.26%	12,179,990	7	0.40%
EOP - Millennium LLC	-		-	13,340,010	5	0.44%
Galileo International	-		-	11,202,270	8	0.37%
EOP Quandrant LLC	-		-	12,470,010	6	0.41%
Anemone Properties Associates	-		-	11,165,000	9	0.37%
Aberdeen Land Co.	-		-	10,439,020	10	0.34%
	<u>\$ 240,613,200</u>		<u>5.31%</u>	<u>\$ 189,030,380</u>		<u>6.18%</u>

Source: Arapahoe County Assessor's Office

Notes:

(1) The total assessed valuation upon which the 2008 tax levy is based for collection in 2009 is \$4,531,481,790. The total assessed valuation upon which the 1999 tax levy is based for collection in 2000 is \$3,058,298,450.

(2) Qwest was known as US West Communications in 2000

(3) Xcel was known as Public Service Company of Colorado in 2000

**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
2000	162,374,239	155,971,979	96.06%	2,341,161	158,313,140	97.50%
2001	169,773,652	161,372,600	95.05%	4,144,054	165,516,654	97.49%
2002	181,499,382	166,909,534	91.96%	8,926,068	175,835,602	96.88%
2003	185,435,427	176,534,635	95.20%	5,795,725	182,330,360	98.33%
2004	188,198,530	182,624,336	97.04%	1,864,765	184,489,101	98.03%
2005	195,922,830	191,719,622	97.85%	891,149	192,610,771	98.31%
2006	198,024,067	193,962,837	97.95%	632,392	194,595,229	98.27%
2007	201,036,940	197,160,029	98.07%	1,401,215	198,561,244	98.77%
2008	211,148,521	206,670,244	97.88%	2,475,307	209,145,551	99.05%
2009	224,621,021	218,325,366	97.20%	-	218,325,366	97.20%

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 2009 collection year include actual collections through June 30, 2009 only.

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

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

**Ratios of Outstanding Debt by Type,
Last Ten Fiscal Years**

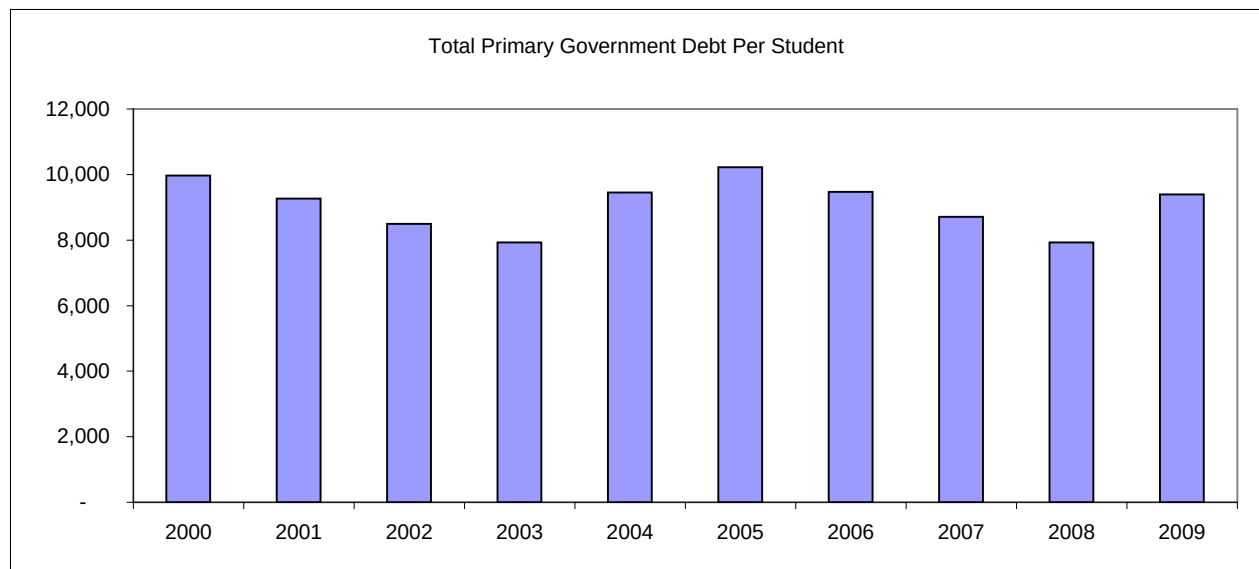
Schedule 9

(dollars in thousands, except per student)

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					
2000	391,400	5,265	278	396,943	2.07%	1.89%	1,918	9,971
2001	373,605	4,785	170	378,560	1.88%	1.66%	1,803	9,263
2002	353,435	4,270	150	357,855	1.38%	1.58%	1,664	8,491
2003	330,705	12,565	133	343,403	1.28%	1.66%	1,516	7,928
2004	405,130	11,305	102	416,537	1.40%	1.69%	1,751	9,455
2005	450,425	10,005	69	460,499	1.56%	1.85%	1,880	10,221
2006	427,495	8,660	34	436,189	1.43%	1.65%	1,729	9,474
2007	402,325	7,270	-	409,595	1.31%	1.48%	1,594	8,709
2008	373,580	5,165	-	378,745	1.04%		1,431	7,932
2009	450,320	4,370	-	454,690	1.22%		1,699	9,394

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 2008 and 2009



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

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

Schedule 10

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

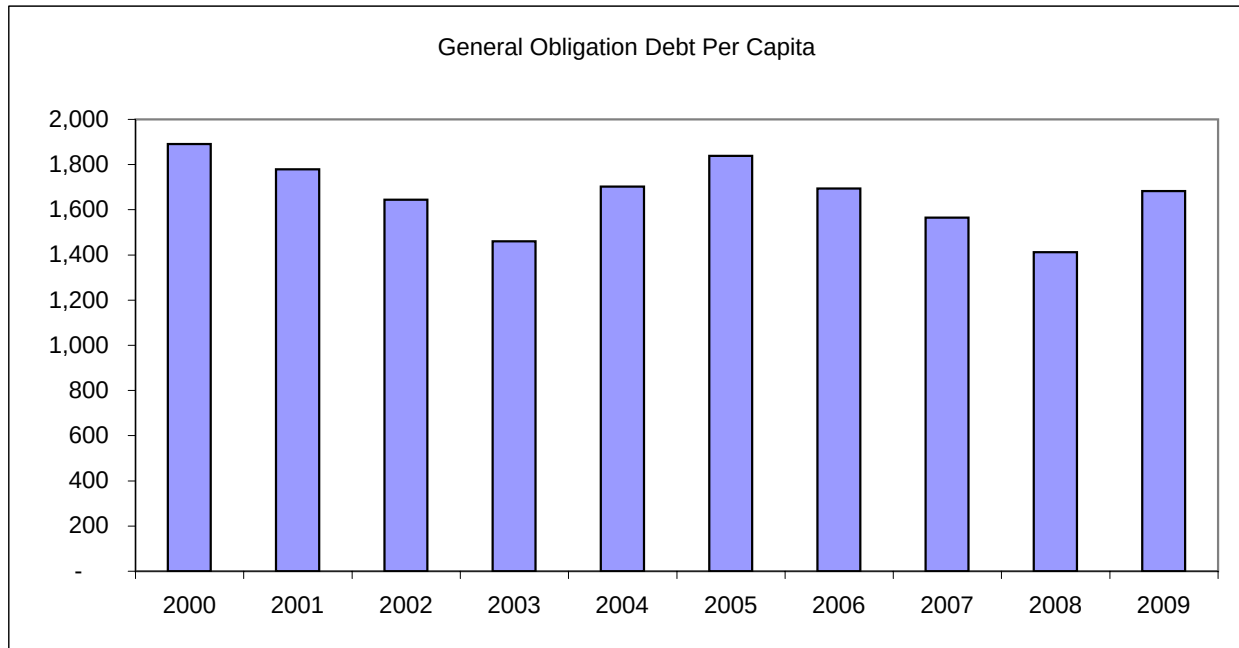
<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Percentage of Estimated Actual Value of Taxable Property</u>	<u>Per Capita</u>	<u>Per Student</u>
2000	391,400	2.04%	1,891	9,832
2001	373,605	1.86%	1,779	9,142
2002	353,435	1.36%	1,644	8,386
2003	330,705	1.23%	1,460	7,635
2004	405,130	1.36%	1,703	9,196
2005	450,425	1.52%	1,838	9,997
2006	427,495	1.41%	1,694	9,285
2007	402,325	1.28%	1,565	8,554
2008	373,580	1.03%	1,412	7,823
2009	450,320	1.21%	1,682	9,304

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, 2009
(dollars in thousands)

Schedule 11

	Outstanding General Obligation Debt	Percentage Applicable To District	Amount Applicable To District
Overlapping debt:			
Antelope Water System General Improvement District	\$ 2,980	100.00 %	\$ 2,980
Arapahoe Park & Recreation District	14,620	100.00	14,620
Arapahoe Water & Wastewater Public Improvement District	100,334	100.00	100,334
Beacon Point Metropolitan District	17,250	100.00	17,250
Centennial 25 Metropolitan District	2,105	100.00	2,105
Cherry Creek Vista Metro Park & Rec District	5,210	100.00	5,210
City of Aurora	32,045	38.36	12,292
City of Englewood	28,828	3.63	1,046
Columbia Metropolitan District	2,025	100.00	2,025
Conservatory Metropolitan District	25,045	100.00	25,045
Country Homes Metropolitan District #A	150	100.00	150
Dove Valley Metropolitan District	42,820	100.00	42,820
Eagle Bend Metropolitan District #A	37,270	100.00	37,270
East Cherry Creek Valley Water & Sanitation	108,931	100.00	108,931
East Quincy Highlands Metro District #1	3,445	100.00	3,445
East Smoky Hill Metro District #1	4,170	100.00	4,170
East Smoky Hill Metro District #2	9,000	100.00	9,000
Fiddler's Green Business Improve. District	55,815	100.00	55,815
Galleria Metropolitan District	5,875	100.00	5,875
Goldsmith Metropolitan District	22,115	47.76	10,562
Goodman Metropolitan District	4,760	100.00	4,760
Greenwood Metropolitan District	3,960	98.50	3,901
Heather Gardens Metropolitan District	550	40.16	221
High Plains Metropolitan District	24,000	100.00	24,000
Highline Glen Metropolitan District	210	100.00	210
Inverness Metropolitan Improvement District	3,400	71.10	2,417
Inverness Water & Sanitation District	24,670	69.32	17,101
Landmark Metropolitan District	1,760	100.00	1,760
Liverpool Metropolitan District	3,955	100.00	3,955
Panorama Metropolitan District	8,280	100.00	8,280
Parker Jordan Metropolitan District	17,555	100.00	17,555
Piney Creek Metropolitan District	5,595	100.00	5,595
Saddle Rock Metro District	10,945	100.00	10,945
Saddle Rock South Metropolitan District #2	5,235	100.00	5,235
Saddle Rock South Metropolitan District #3	4,280	100.00	4,280
Saddle Rock South Metropolitan District #4	8,075	100.00	8,075
Serenity Ridge Metropolitan District No. 2	6,750	100.00	6,750
Smoky Hill Metropolitan District	485	100.00	485
Sorrel Ranch Metropolitan District	14,410	100.00	14,410
South Suburban Metropolitan Park & Recreation District	3,395	36.17	1,228
Southeast Public Improvement Metro District	7,330	57.70	4,229
Southgate Corporate Center Metropolitan District	1,055	100.00	1,055
Southlands Metropolitan District No. 1	58,940	100.00	58,940
Sundance Hills Metropolitan District	760	100.00	760
Town of Foxfield	1,990	100.00	1,990
Tallgrass Metropolitan District	17,925	100.00	17,925
Tallyn's Reach Metropolitan District No. 2	6,365	100.00	6,365
Tallyn's Reach Metropolitan District No. 3	19,430	100.00	19,430
Tollgate Crossing Metropolitan District No. 2	14,324	100.00	14,324
Willow Trace Metropolitan District	9,840	100.00	9,840
Total overlapping debt	810,262		736,966
Direct debt:			
Cherry Creek School District Number Five	450,320	100.00	450,320
Total	<u>\$ 1,260,582</u>		<u>\$ 1,187,286</u>

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

Note: Overlapping governments without general obligation debt are not shown.

**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 2009

	<u>Assessed Value</u>	<u>Actual Value</u>
Assessed or Estimated Actual Value	\$ 4,531,481,790	\$ 37,177,878,366
Legal debt limit percentage	<u>20%</u>	<u>6%</u>
Legal debt limit (greater of the two amounts)	<u>906,296,358</u>	<u>2,230,672,702</u>
Amount of debt applicable to debt limit:		
Total bonded debt		450,320,000
Less Debt Service Fund available		<u>45,922,771</u>
Total amount of debt applicable to debt limit		<u>404,397,229</u>
Legal debt margin		<u><u>\$ 1,826,275,473</u></u>

Ten Year Summary

<u>Fiscal Year</u>	<u>Debt Limit</u>	<u>Total Net Debt Applicable to Limit</u>	<u>Legal Debt Margin</u>	<u>Total Net Debt Applicable to the Limit as a % of Debt Limit</u>
2000	1,148,613,426	362,863,019	785,750,407	31.6%
2001	1,207,571,694	343,756,815	863,814,879	28.5%
2002	1,560,837,426	321,777,094	1,239,060,332	20.6%
2003	1,533,878,112	295,778,217	1,238,099,895	19.3%
2004	1,724,915,434	375,507,671	1,349,407,763	21.8%
2005	1,772,868,014	416,113,294	1,356,754,720	23.5%
2006	1,825,206,089	391,581,530	1,433,624,559	21.5%
2007	1,880,773,633	362,660,698	1,518,112,935	19.3%
2008	2,178,216,132	328,557,070	1,849,659,062	15.1%
2009	2,230,672,702	404,397,229	1,826,275,473	18.1%

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 25 percent of assessed value or 6 percent of actual value.

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

**Demographic and Economic Statistics,
Last Ten Fiscal Years**

Schedule 14

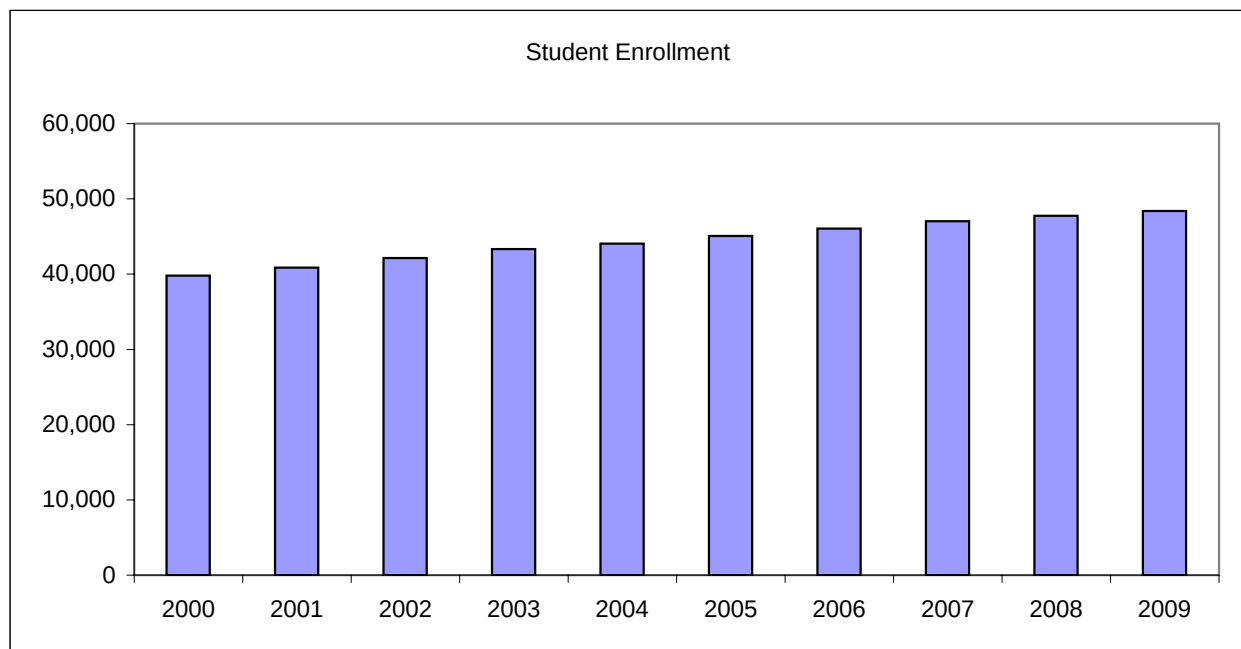
Fiscal Year	Arapahoe County				Cherry Creek School District	
	Population	Personal Income (millions of dollars)	Per Capita Personal Income	Unemployment Rate	Population	FTE Student Enrollment
2000	497,310	\$ 21,053	\$ 42,824	2.2%	207,000	39,808
2001	503,536	22,792	45,285	2.4%	210,000	40,869
2002	502,814	22,710	44,511	3.7%	215,000	42,145
2003	515,206	20,650	43,914	5.8%	226,500	43,316
2004	524,414	24,663	45,330	6.3%	237,900	44,055
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			5.4%	264,600	47,752
2009	573,762			7.7%	267,700	48,402

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 2008 and 2009. Population reported for 2009 is an estimate obtained from the Arapahoe County Budget.

(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 2000 to 2008 and at .58 FTE for fiscal year 2009. 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

Employer	2009			2000		
	Employees	Rank	Percentage of Metro Denver Employment	Employees	Rank	Percentage of Metro Denver Employment
U.S. Federal Government	35,141	1	2.64%	34,957	1	2.93%
State of Colorado	33,000	2	2.48%	34,646	2	2.91%
University of Colorado System	28,089	3	2.11%	17,944	4	1.51%
Wal-Mart Stores Inc.	25,674	4	1.93%	-		-
King Soopers, Inc.	17,965	5	1.35%	13,809	6	1.16%
City & County of Denver	13,081	6	0.98%	-		-
Centura Health	13,000	7	0.98%	-		-
Jefferson County Public Schools	12,122	8	0.91%	9,908	10	0.83%
Denver Public Schools	11,324	9	0.85%	14,463	5	1.21%
US Postal Service-CO/WY District	11,169	10	0.84%	13,065	7	1.10%
US West Inc. (now Qwest)	-		-	19,400	3	1.63%
Denver Career Service Authority	-		-	11,200	8	0.94%
Safeway, Inc	-		-	10,000	9	0.84%
Total	<u>200,565</u>		<u>15.09%</u>	<u>179,392</u>		<u>15.05%</u>

Source:

Employer data was obtained from the Denver Business Journal "Top 25 Lists" Archives 1999-2000 and 2008-2009. The number of employees may equal number of Colorado employees instead of Denver-MSA employees.

Note:

The District is located in the southern portion of the Denver metropolitan area encompassing portions of several cities and unincorporated portions of Arapahoe County. The population of the District is employed over a large geographic area covering the Denver metropolitan area, therefore, total employment for the Denver metropolitan area is the best representation of District workforce. Total employment for the Denver metropolitan area in 2009 was 1,329,521 and for 2000 was 1,191,718 per U.S. Department of Labor Bureau of Labor Statistics.

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

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

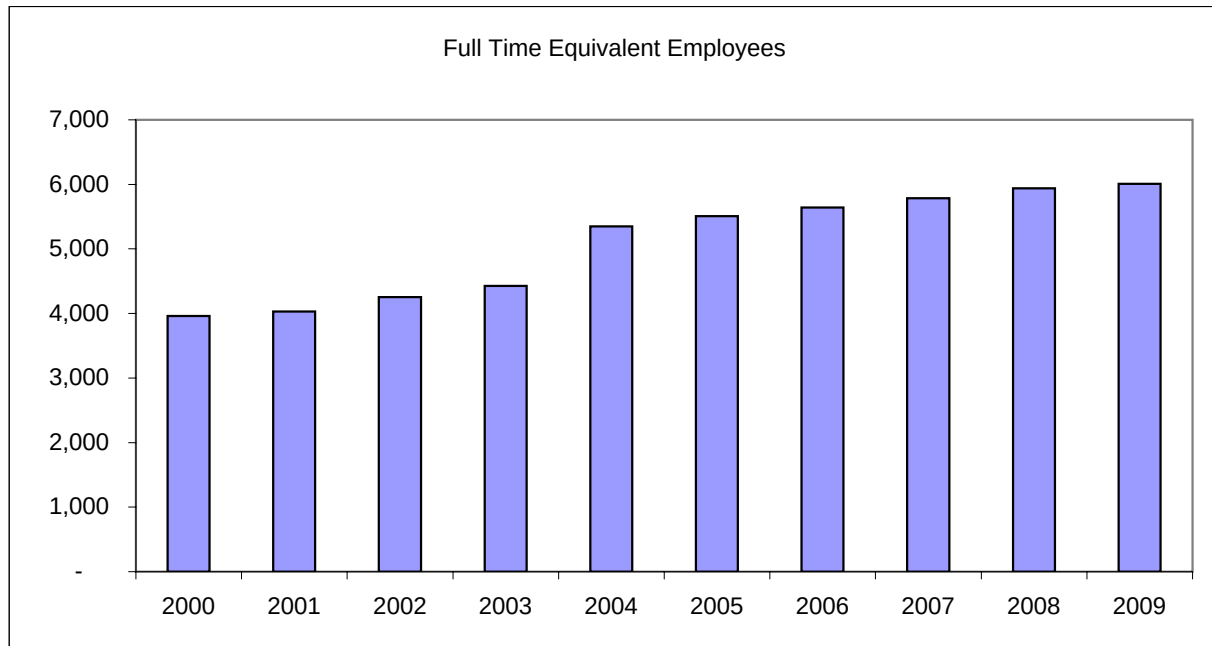
Schedule 16

Full-time Equivalent Employees as of June 30										
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Fund										
Administrators	105	107	112	121	124	128	134	136	138	140
Teachers	2,602	2,637	2,783	2,904	2,941	3,020	3,080	3,157	3,241	3,262
Teacher Assistants & Aides	172	176	180	183	195	190	182	180	179	179
Staff Support	306	317	338	352	361	365	369	376	388	391
Secretarial	332	340	342	349	359	371	371	370	382	385
Maintenance	48	50	54	56	57	60	64	68	70	71
Custodians	79	79	80	82	85	85	89	90	91	92
Bus Drivers	147	139	154	164	178	195	209	223	241	252
Mechanics	15	15	15	16	19	20	20	20	21	21
Mental Health	63	67	76	80	83	86	90	93	94	95
Nurses	51	53	56	57	57	55	56	57	59	60
Bus Aides	43	49	63	64	68	76	76	80	80	81
Designated purpose grants					148	162	189	203	192	202
Extended child services					480	488	496	511	514	532
Other governmental funds					13	20	14	12	21	11
Food services operations					181	185	201	208	228	236
Total	<u>3,963</u>	<u>4,029</u>	<u>4,253</u>	<u>4,428</u>	<u>5,349</u>	<u>5,506</u>	<u>5,640</u>	<u>5,784</u>	<u>5,939</u>	<u>6,010</u>

Source: School District records

Notes:

- (1) Teacher assistants and aides are measured in equivalent teacher FTEs.
- (2) FTE information for funds other than the general fund is not available prior to 2004.
- (3) Extended child services represents total number of employees in that fund rather than full time equivalent.



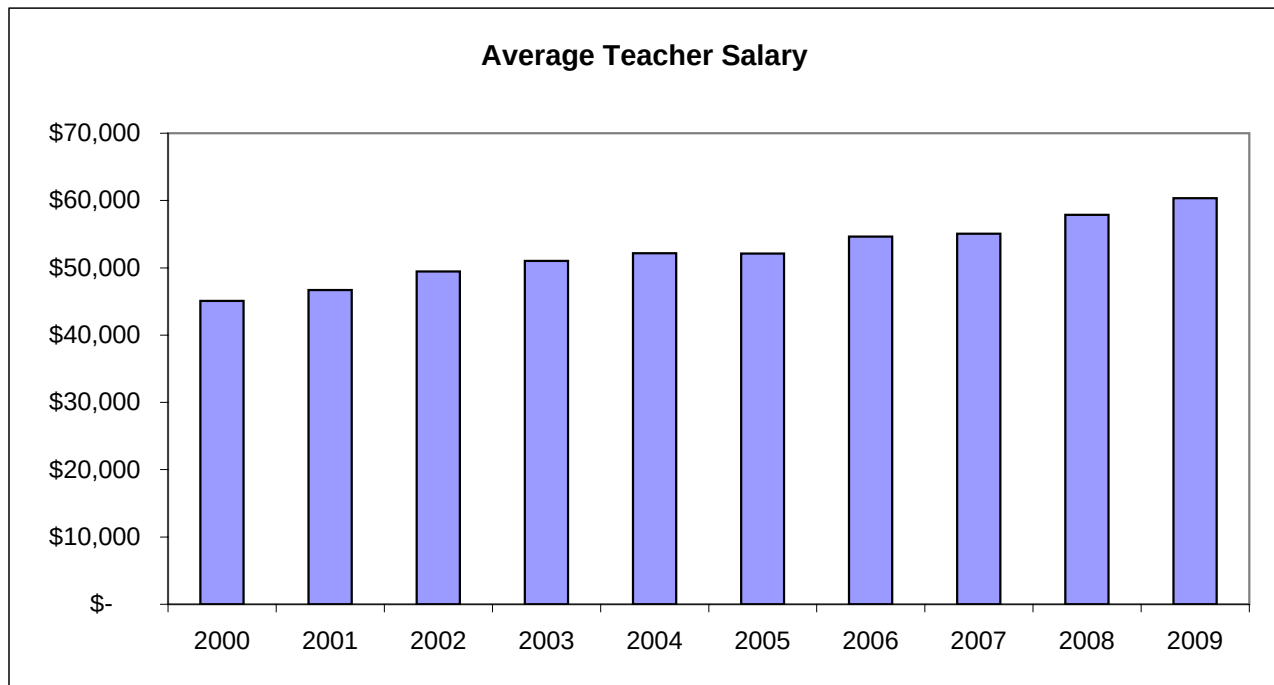
**CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO**

**Teacher Salary
Last Ten Fiscal Years**

Schedule 17

Fiscal Year	Contract Length	Salary		
		Beginning Teacher	Maximum Teacher	Average Teacher
2000	185	\$ 25,918	\$ 60,957	\$ 45,101
2001	185	29,112	65,578	46,687
2002	185	29,112	65,578	49,440
2003	185	30,490	68,924	51,015
2004	185	30,632	69,268	52,145
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

Source: School District and Colorado Department of Education





CherryCreek
Schools
Dedicated to Excellence

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

**Operating Statistics,
Last Eight Fiscal Years**

Fiscal Year	Governmental Activities Expenses (in thousands)	FTE Enrollment	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil FTE / Teacher Ratio	Students Receiving Free or Reduced Meals	Percent of Students Receiving Free or Reduced Meals
2002	\$ 334,192	42,145	\$ 7,930		2,783	15.1	5,603	13.3%
2003	362,507	43,316	8,369	5.54%	2,904	14.9	5,963	13.8%
2004	373,116	44,055	8,469	1.20%	2,941	15.0	7,517	17.1%
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%

Notes:

(1) Includes all funds. (GAAP Basis)

(2) Presented for all years since implementation of GASB Statement No. 34.

(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 2000 to 2008 and at .58 FTE for fiscal year 2009. Student enrollment is as of the October count date of each year, as audited by the Colorado Department of Education. Data is compiled by the District's Department of Planning.

(4) School Accountability Reports are released by the Colorado Department of Education annually in December for the prior fiscal year. The ratings are : Excellent, High, Average, Low and Unsatisfactory. The District has no schools rated in the Low or Unsatisfactory category. School Accountability Report information for fiscal year 2009 is not yet available from the Colorado Department of Education. Data is obtained from the Colorado Department of Education.

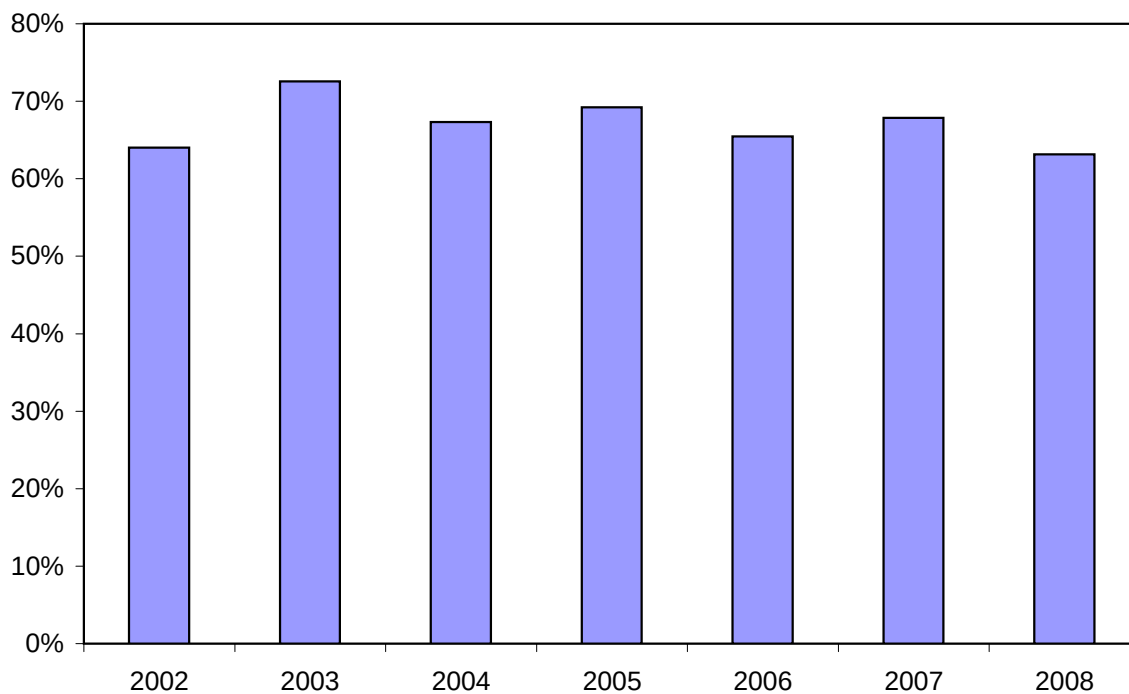
(5) The state of Colorado tests student performance annually in the spring through the administration of the Colorado Student Assessment Program (CSAP). Students in grades 3 through 10 are tested in reading, writing and math. Students in grades 5, 8 and 10 are tested in science. Students are rated as Advanced, Proficient, Partially Proficient and Unsatisfactory. This table reflects District 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. Collapsed data is not available prior to fiscal year 2003. Data is obtained from the Colorado Department of Education.

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

(7) Data is obtained from the Colorado Department of Education. Graduation and dropout rates for fiscal year 2009 are not yet available.

School Accountability Report Number of Schools Rated			Colorado Student Assessment Program (CSAP) Percent of Students Scoring Proficient and Above				American College Testing (ACT) Composite Score	Graduation Rate	Dropout Rate
Excellent	High	Average	Reading	Writing	Math	Science			
12	20	18					21.6	93.0%	0.6%
16	21	14	76%	66%	55%	61%	21.9	90.2%	1.2%
17	18	17	75%	65%	55%	62%	21.7	91.8%	1.7%
18	18	16	75%	66%	62%	61%	21.5	90.1%	2.3%
17	19	19	76%	64%	62%	55%	21.6	88.8%	1.9%
18	20	18	75%	64%	63%	55%	21.8	89.0%	2.4%
17	19	21	75%	63%	62%	55%	21.6	86.8%	2.9%
-	-	-	75%	64%	63%	57%	22.0	-	-

Schools Rated High or Excellent



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

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

Schedule 19

	Fiscal Year								
	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
High Schools									
Cherokee Trail (2004)									
Square feet				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
Enrollment				440	809	1,235	1,599	1,901	2,131
Cherry Creek (1956)									
Square feet	464,265	464,265	464,265	475,101	475,101	475,101	471,632	471,632	471,632
Capacity (students)	3,726	3,726	3,726	3,735	3,735	3,735	3,735	3,735	3,735
Enrollment	3,492	3,462	3,546	3,483	3,601	3,619	3,732	3,659	3,490
Eaglecrest (1989)									
Square feet	338,752	338,752	338,752	359,752	355,300	355,300	352,584	352,584	352,584
Capacity (students)	2,270	2,270	2,270	2,533	2,533	2,533	2,533	2,533	2,533
Enrollment	2,253	2,392	2,707	2,635	2,532	2,394	2,402	2,389	2,363
Grandview (1999)									
Square feet	343,440	343,440	343,440	343,440	352,672	349,552	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
Enrollment	2,040	2,281	2,431	2,486	2,539	2,665	2,697	2,693	2,580
Overland (1979)									
Square feet	323,530	331,530	331,530	331,530	331,530	331,530	331,530	331,530	331,530
Capacity (students)	2,097	2,173	2,173	2,173	2,173	2,173	2,173	2,173	2,173
Enrollment	1,965	2,022	1,942	1,984	2,026	2,014	2,036	2,084	1,995
Smoky Hill (1976)									
Square feet	379,904	379,904	379,904	379,904	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
Enrollment	2,802	2,781	2,738	2,653	2,582	2,496	2,417	2,422	2,329
Middle Schools									
Campus (1972)									
Square feet	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
Enrollment	1,334	1,292	1,313	1,361	1,317	1,238	1,270	1,348	1,443
Falcon Creek (2000)									
Square feet	148,960	148,960	148,960	148,960	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
Enrollment	1,412	1,475	1,125	1,114	1,142	1,160	1,143	1,118	1,127
Fox Ridge (2009)									
Square feet									114,283
Capacity (students)									1,260
Enrollment									531
Horizon Community (1983)									
Square feet	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
Enrollment	1,307	1,298	1,348	1,406	1,442	1,264	1,183	1,130	1,038
Laredo (1975)									
Square feet	178,306	178,306	178,306	178,306	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
Enrollment	1,468	1,460	1,440	1,368	1,398	1,346	1,286	1,227	1,207
Liberty (2002)									
Square feet		145,500	145,500	145,500	145,500	145,500	149,820	149,820	149,820
Capacity (students)		1,140	1,140	1,140	1,140	1,140	1,140	1,140	1,140
Enrollment		146	740	1,010	1,123	1,169	1,233	1,211	964
Prairie (1978)									
Square feet	162,704	162,704	162,704	162,704	156,240	156,240	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
Enrollment	1,490	1,517	1,560	1,604	1,536	1,534	1,523	1,568	1,507

(continued)

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

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

Schedule 19

	Fiscal Year								
	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Middle Schools (cont.)									
Sky Vista (2006)									
Square feet						156,245	156,245	156,245	156,245
Capacity (students)						1,225	1,225	1,225	1,225
Enrollment						508	742	838	785
Thunder Ridge (1993)									
Square feet	177,792	177,792	177,792	177,792	183,168	181,376	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
Enrollment	1,306	1,503	1,567	1,513	1,486	1,266	1,170	1,159	1,137
West (1967)									
Square feet	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
Enrollment	1,375	1,383	1,340	1,370	1,305	1,244	1,164	1,170	1,174
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
Capacity (students)	688	804	804	804	804	804	804	804	804
Enrollment	626	828	685	659	673	672	692	682	698
Arrowhead (1978)									
Square feet	61,320	61,320	61,320	61,320	61,320	61,320	61,320	61,320	61,320
Capacity (students)	744	744	744	744	719	719	719	719	719
Enrollment	611	590	599	575	593	613	597	587	597
Aspen Crossing (2006)									
Square feet						64,600	64,600	64,600	64,600
Capacity (students)						648	648	648	648
Enrollment						273	409	367	447
Bellevue (1955)									
Square feet	36,126	36,126	36,126	51,120	51,120	51,120	54,240	54,240	54,240
Capacity (students)	510	510	510	592	592	592	592	592	592
Enrollment	478	466	480	485	502	510	513	531	528
Buffalo Trail (2008)									
Square feet								66,380	66,380
Capacity (students)								648	648
Enrollment								337	504
Canyon Creek (2003)									
Square feet			60,930	63,810	63,810	63,810	63,810	63,810	63,810
Capacity (students)			668	668	668	810	810	810	810
Enrollment			357	516	602	619	636	653	659
Cherry Hills Village (1984)									
Square feet	55,319	55,319	55,319	56,759	56,759	56,759	56,759	56,759	56,759
Capacity (students)	587	587	587	587	587	587	587	587	587
Enrollment	478	472	476	480	503	494	494	493	507
Cimarron (1980)									
Square feet	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
Enrollment	574	551	556	531	518	497	510	490	495
Cottonwood Creek (1977)									
Square feet	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
Enrollment	508	498	475	482	506	529	531	550	564

(continued)

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

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

Schedule 19

	Fiscal Year								
	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Elementary Schools (cont.)									
Coyote Hills (2007)									
Square feet							64,294	64,294	64,294
Capacity (students)							648	648	648
Enrollment							342	444	549
Creekside (1987)									
Square feet	61,416	61,416	61,416	61,416	61,416	61,416	61,416	61,416	61,416
Capacity (students)	671	671	671	839	839	839	671	671	671
Enrollment	594	694	656	719	810	684	535	586	610
Dakota Valley (2000)									
Square feet	63,155	63,155	63,155	63,155	63,155	63,155	63,155	63,155	63,155
Capacity (students)	643	643	643	804	804	804	804	804	804
Enrollment	388	488	636	698	730	722	761	750	747
Dry Creek (1973)									
Square feet	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
Enrollment	363	365	352	301	345	361	344	356	369
Eastridge (1964)									
Square feet	59,030	59,030	59,030	82,880	81,440	81,440	81,440	81,440	81,440
Capacity (students)	828	828	828	868	868	868	868	868	868
Enrollment	664	660	659	658	646	643	705	725	662
Fox Hollow (2002)									
Square feet		60,930	60,930	60,930	65,970	65,970	65,970	65,970	65,970
Capacity (students)		648	648	648	648	810	810	810	810
Enrollment		259	463	556	636	686	677	700	722
Greenwood (1959)									
Square feet	48,354	48,354	48,354	50,504	50,504	50,504	50,504	50,504	50,504
Capacity (students)	467	467	467	467	467	467	467	467	467
Enrollment	386	383	376	377	372	381	386	384	380
Heritage (1977)									
Square feet	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
Enrollment	290	287	253	227	221	234	230	234	237
High Plains (1979)									
Square feet	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
Enrollment	564	489	478	433	490	411	412	403	444
Highline (1992)									
Square feet	58,392	58,392	58,392	58,392	58,392	58,392	58,392	58,392	58,392
Capacity (students)	643	643	643	643	804	804	804	804	804
Enrollment	573	577	603	557	565	566	553	539	564
Holly Hills (1959)									
Square feet	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
Enrollment	267	249	226	213	231	261	261	262	273
Holly Ridge (1963)									
Square feet	39,686	39,686	39,686	39,686	41,126	41,126	41,126	41,126	41,126
Capacity (students)	320	320	320	320	320	320	320	320	320
Enrollment	218	204	185	209	218	221	210	214	256
Homestead (1978)									
Square feet	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
Enrollment	484	474	479	471	466	461	482	484	480

(continued)

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

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

Schedule 19

	Fiscal Year								
	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Elementary Schools (cont.)									
Independence (1977)									
Square feet	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
Enrollment	494	507	497	492	474	478	456	457	475
Indian Ridge (1986)									
Square feet	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
Enrollment	566	565	548	562	574	563	567	549	534
Meadow Point (1983)									
Square feet	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
Enrollment	495	510	516	503	517	515	543	513	502
Mission Viejo (1974)									
Square feet	77,390	77,390	77,390	77,390	79,070	79,070	79,070	79,070	79,070
Capacity (students)	995	995	995	995	995	995	995	995	995
Enrollment	708	640	634	631	664	671	656	637	604
Peakview (1992)									
Square feet	60,064	60,064	60,064	60,064	58,368	58,368	58,368	58,368	58,368
Capacity (students)	804	804	804	804	804	804	804	804	804
Enrollment	714	708	668	650	598	574	567	576	581
Polton (1973)									
Square feet	38,524	64,040	64,040	64,040	64,040	64,040	64,040	64,040	64,040
Capacity (students)	352	495	495	495	495	495	495	495	495
Enrollment	372	365	650	370	398	389	424	397	379
Ponderosa (1978)									
Square feet	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
Enrollment	591	599	594	569	544	540	563	545	585
Red Hawk Ridge (2006)									
Square feet						73,800	73,800	73,800	73,800
Capacity (students)						648	648	648	648
Enrollment						369	446	508	504
Rolling Hills (1997)									
Square feet	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
Enrollment	748	708	742	719	749	761	736	723	683
Sagebrush (1978)									
Square feet	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
Enrollment	598	607	587	572	561	572	579	550	576
Summit (1989)									
Square feet	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
Enrollment	547	560	547	521	509	493	491	489	479
Sunrise (1985)									
Square feet	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
Enrollment	664	665	641	640	648	638	643	623	618
Timberline (1987)									
Square feet	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
Enrollment	573	648	648	626	646	640	638	590	609

(continued)

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

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

Schedule 19

	Fiscal Year								
	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Elementary Schools (cont.)									
Trails West (1981)									
Square feet	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
Enrollment	596	575	563	513	503	512	491	499	490
Village East (1972)									
Square feet	44,816	44,816	69,650	76,466	71,090	71,090	71,090	71,090	71,090
Capacity (students)	648	648	810	810	810	810	810	810	810
Enrollment	560	538	531	547	603	603	592	605	653
Walnut Hills (1970)									
Square feet	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
Enrollment	321	325	298	322	330	356	380	373	370
Willow Creek (1978)									
Square feet	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
Enrollment	321	325	298	322	330	356	491	492	494
Alternative Schools									
Challenge (1996/2003)									
Square feet	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
Enrollment	455	462	486	522	538	527	522	523	525
Cherry Creek Academy (1998)									
Square feet	44,500	44,500	44,500	44,500	44,500	44,500	44,500	44,500	44,500
Capacity (students)	450	450	450	450	450	450	450	450	450
Enrollment	422	417	425	421	428	433	435	430	437
C.A.R.E/P.R.E.P. (2001)									
Square feet	46,940	46,940	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
Enrollment	175	288	288	333	333	387	398	396	461
I-Teams - 3 facilities									
Square feet	30,468	39,568	39,568	39,568	39,568	39,568	39,568	39,568	39,568
Joliet (2002)									
Square feet		13,860	13,860	13,860	4,320	14,297	14,297	14,297	14,297
Capacity (students)		40	40	40	20	90	90	90	90
Enrollment		29	28	43	36	27	28	30	41
Administrative and Support									
10 Current Facilities									
Square feet	212,809	212,809	212,809	212,809	220,089	220,089	220,089	220,089	220,089
Stadiums									
Legacy (2004)									
Square feet				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
Stutler Bowl (1965)									
Square feet	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

(continued)

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

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

Schedule 19

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

Notes:

(1) Data prior to 2001 is not available.

(2) 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.

(3) Capacity data is operational capacity estimated at 85% 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.

(4) Challenge School data reflects FY 2001 and FY 2002 data while at the Cunningham Building and FY 2003 data to the present at their current facility.

(5) Cherry Creek Academy data provided by Cherry Creek Academy. Cherry Creek Academy is a Charter School operating within the District.

(4) C.A.R.E. Middle School and P.R.E.P. High School are housed in the same facility. Square footage is inclusive of both programs.

(5) 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.

(6) Administrative and support buildings include: Auxiliary Service Center (ASC), Admissions West/Career & Tech Ed, Educational Services Center (ESC), Nutrition Center, Grounds/Carpentry, Maintenance West, Student Achievement Resource Center (SARC), Transportation East, Warehouse/Purchasing and Admission East.

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

**SCHEDULE OF INSURANCE IN FORCE
June 30, 2009**

<u>Insurer</u>	<u>Policy Number</u>	<u>Type of Policy</u>	<u>Policy Period</u>
Colorado School Districts	0305-08-00003	"All Risk"	07-01-08 to 07-01-09
Self Insurance Pool		1) Flood/Earth Movement (A) Property Insurance (B) Inland Marine 1) Cameras, Projection Equipment, Films, etc. 2) Musical Instruments, etc. 3) Builder's Risk 4) Contractor's Equipment 5) Fine Arts 6) Radio Equipment 7) Electronic Data Processing -Equipment/Data/Media (C) Commercial Crime Coverage 1) Blanket 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) (D) School Entity Liability - Includes: 1) General Liability 2) School Leaders Errors & Omissions 3) Employment Practices Liability 4) Defense Limits (E) Commercial Auto Liability - Owned, Non Owned, Hired, Borrowed or Leased Autos - Physical Damage - Garage Keepers Liability - Terminal Coverage (Comprehensive) - Auto Medical Pay (Buses) (F) Equipment Breakdown Insurance - Extra Exp./Business Interruption - Hazardous Substance/Perishable Goods - Expediting Expense	
Joint School Districts Workers' Compensation Self Insurance Pool	23-C	Statutory Workers' Compensation Insurance	07-01-08 to 07-01-09
ACE USA	PHFD36755386	Foreign Liability Insurance	07-01-08 to 07-01-09

Limits		Deductible
Per Occurrence	\$ 1,000,000,000	(Pool limit)
	\$ 100,000,000	(Pool limit)
-Total Reported values		\$ 25,000 per occurrence
-Buildings	\$ 900,393,657	
-Contents	\$ 145,651,787	
	Included	\$ 25,000 per occurrence
Reported value	\$ 1,274,123	\$ 25,000 per occurrence
		\$ 25,000 per occurrence
	\$ 2,726,953	\$ 25,000 per occurrence
	Included	\$ 25,000 per occurrence
	Included	\$ 25,000 per occurrence
	\$ 1,526,864	\$ 25,000 per occurrence
	\$ 100,000	\$ 1,000 per loss
	\$ 100,000	\$ 1,000 per loss
	\$ 100,000	\$ 1,000 per loss
	\$ 5,000	\$ 100 per loss
	\$ 5,000	\$ 100 per loss
	\$ 100,000	\$ 1,000 per loss
Per occurrence	\$ 2,000,000	\$ 10,000 per occurrence
Aggregate	\$ 5,000,000	
Per occurrence	\$ 2,000,000	
Per occurrence	\$ 2,000,000	\$ 10,000 per occurrence
Self Insured		
	Replacement Cost	\$ 1,000 per vehicle
		\$ 100,000 maximum deductible per loss
Per Person	\$ 10,000	\$ - deductible per loss
	\$ 100,000,000	\$ 10,000 damage to covered property
	Included	
	\$ 500,000	
	\$ 5,000,000	
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



CherryCreek
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SINGLE AUDIT REPORTS SECTION



Single Audit

The Single Audit Act Amendments of 1996 mandate independent financial and compliance audits of federal award programs. In addition to the required independent auditor's reports, the schedules of expenditures of federal awards and summary of findings and questioned costs are provided to support the requirements for compliance with 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, 2009

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	<u>Federal CFDA Number</u>	<u>State Grant Number</u>
U.S. DEPARTMENT OF EDUCATION		
Direct program		
Grants for the Integration of Schools and Mental Health Systems	84.215M	
Readiness and Emergency Management for Schools	84.184E	
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
Safe and Drug-Free Schools - State Grants (Title IV, Part A, Subpart 1 of ESEA)	84.186	4186
Innovative Education Program Strategies (Title V)	84.298	4298
English Language Acquisition Grants (Title III)	84.365	4365/7365
Improving Teacher Quality State Grants (Title IIA)	84.367	4367
Education Technology State Grants (Title IID)	84.318	4318
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
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	
Through Developmental Pathways		
Special Education -- Early Intervention Program (IDEA Part C)	84.181	
Through Regis University		
English Language Acquisition: National Professional Development Program (DOE)	84.195N	
Total Other Federal Awards		
Total Federal Awards		

<u>Accrued (Deferred) Revenue 06/30/2008</u>	<u>Cash/ Inventory Receipts</u>	<u>Disbursements/ Expenditures</u>	<u>Accrued (Deferred) Revenue 06/30/2009</u>
\$ 46,235	\$ 77,169	\$ 30,934	\$ -
1,350	17,848	16,498	-
1,217,847	3,218,056	3,023,777	1,023,568
161,128	302,867	204,319	62,580
2,601,098	8,556,228	7,761,925	1,806,795
38,558	162,948	148,241	23,851
43,625	103,901	100,176	39,900
18,247	48,055	34,480	4,672
88,822	308,632	303,825	84,015
386,116	1,030,981	1,099,980	455,115
(7,167)	13,789	22,999	2,043
<u>90,102</u>	<u>216,885</u>	<u>201,464</u>	<u>74,681</u>
<u>4,685,962</u>	<u>14,057,359</u>	<u>12,948,617</u>	<u>3,577,220</u>
89,521	832,182	775,329	32,668
<u>466,057</u>	<u>5,317,288</u>	<u>5,001,077</u>	<u>149,846</u>
<u>555,578</u>	<u>6,149,470</u>	<u>5,776,406</u>	<u>182,514</u>
27,546	172,089	173,143	28,600
26,437	220,978	256,957	62,416
-	165,371	164,465	(906)
(1,109)	-	1,109	-
<u>52,874</u>	<u>558,438</u>	<u>595,674</u>	<u>90,110</u>
<u>\$ 5,294,414</u>	<u>\$ 20,765,267</u>	<u>\$ 19,320,697</u>	<u>\$ 3,849,844</u>

CHERRY CREEK SCHOOL DISTRICT NO. 5

ARAPAHOE COUNTY, COLORADO

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For The Year Ended June 30, 2009

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 # 10.553 on the Schedule of Federal Awards. The commodities, in the amount of \$763,333, 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 deferred revenue.

**Independent Auditor's 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 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 as of and for the year ended June 30, 2009, which collectively comprise Cherry Creek School District No. 5's basic financial statements and have issued our report thereon dated October 26, 2009. Our report was modified to include a reference to 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. Other auditors audited the financial statements of Cherry Creek Academy Charter School, as described in our report on Cherry Creek School District's financial statements. The financial statements of Cherry Creek Academy Charter School were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Cherry Creek School District No. 5's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Cherry Creek School District No. 5's financial statements are free of 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 which are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Education, audit committee, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Clifton Henderson LLP

Greenwood Village, Colorado
October 26, 2009

**Independent Auditor's Report on Compliance With Requirements
Applicable to Each Major 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

Compliance

We have audited the compliance of Cherry Creek School District No. 5 with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. Cherry Creek School District No. 5's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Cherry Creek School District No. 5's management. Our responsibility is to express an opinion on Cherry Creek School District No. 5's compliance based on our audit.

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 Cherry Creek School District No. 5's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Cherry Creek School District No. 5's compliance with those requirements.

In our opinion, Cherry Creek School District No. 5 complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 2009-01.

Internal Control Over Compliance

The management of Cherry Creek School District No. 5 is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Cherry Creek School District No. 5's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 entity's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2009-01 to be a significant deficiency.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. We did not consider any of the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses.

Cherry Creek School District No. 5's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Cherry Creek School District No. 5's responses, and accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Board of Education, audit committee, management, federal awarding agencies and pass-through entities, and others within the entity, and is not intended to be and should not be used by anyone other than these specified parties.

Clifton Henderson LLP

Greenwood Village, Colorado
October 26, 2009

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2009**

Section I—Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

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: Unqualified

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
10.553	National School Breakfast Program
10.555	National School Lunch Program
84.367	Improving Teacher Quality State Grants
84.010	Title I Grants to Local Education Agencies

Dollar threshold used to distinguish between type A and type B programs \$579,621

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, 2009

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

Finding 2009-01

US DEPARTMENT OF EDUCATION

Passed Through the Colorado Department of Education

Title II Improving Teacher Quality State Grants – CFDA# 84.367

Allowable Costs/Cost Principles

Significant Deficiency, Noncompliance

Criteria: Per OMB Circular A-87, where employees are expected to work on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi-annually and will be signed by the employee or supervisory official having first hand knowledge of the work performed by the employee.

Condition: Our testing of 25 employees charged to the grant noted that the semi-annual time certifications could not be located for 2 employees charged to the grant.

Cause: Inadequate internal controls relating to completing and retaining semi-annual time certifications could have contributed to this finding.

Effect: As the certifications could not be located, we were not able to evaluate the propriety of the employees salary charged to the grant. The total amount of the salaries for these two employees tested was \$5,955.

Questioned Costs: Known questioned costs of \$5,995 – calculated as all exceptions noted during our testing over allowable costs for salaries and wages. Total amount of salaries and wages tested in our sample of 25 was \$102,350.

Recommendation: We recommend the program administrators institute procedures to comply with Federal Cost principles. Employees who work 100% under a single cost objective should complete semi-annual time certification to attest that the employee worked 100% under the applicable grant. These time certifications should be retained by the District.

Views of responsible officials and planned corrective actions: Management has indicated that program administrators will institute procedures to comply with Federal Cost principles. As such, employees who work 100% under a single cost objective will complete a signed certification mid fiscal year as well as at the end of the fiscal year. This certification will include an attestation that the employee worked 100% under the applicable grant.

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

**PRIOR YEAR FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2009**

There were no findings required to be reported relating to federal awards for the fiscal year ended June 30, 2008.



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DATA INTEGRITY CHECK FIGURES SECTION



11/20/2009
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Colorado Department of Education
Fiscal Year 2008-2009
Colorado School District/BOCES
Auditor's Integrity Report

ARAPAHOE CHERRY CREEK 5
District Code: 0130

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*) +	1000 - 5999 Total Revenues & Other Sources -	0001 - 0999 Total Expenditures & Other Uses =	6700 - 6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental				
10 General Fund	14,936,149	400,095,751	391,552,231	23,479,669
18 Risk Mgmt Sub-Fund of General Fund	-0	3,411,259	3,411,259	0
19 Colorado Preschool Program Fund	0	874,920	874,920	0
Subtotal	14,936,149	404,381,930	395,838,410	23,479,669
11 Charter School Fund	1,489,959	2,970,929	3,008,818	1,452,070
20,26-29 Special Revenue Fund	5,122,972	13,431,347	14,348,091	4,206,228
21 Capital Reserve Spec Revenue Fund	1,026,779	11,091,861	9,992,510	2,126,130
22 Govt Designated-Purpose Grants Fund	0	16,295,842	16,295,842	0
23 Pupil Activity Special Revenue Fund	5,035,940	11,537,754	11,520,567	5,053,126
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	0	0	0	0
30 Debt Service Fund	0	0	0	0
31 Bond Redemption Fund	45,022,930	44,416,235	43,516,395	45,922,770
41 Building Fund	16,184,818	107,802,551	10,060,750	113,926,620
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	0	0	0	0
TOTALS	88,819,548	611,928,449	504,581,383	196,166,613
Proprietary				
51 Food Service Fund	6,036,195	14,446,080	14,387,087	6,095,188
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	0	0	0	0
TOTALS	6,036,195	14,446,080	14,387,087	6,095,188
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	0	0	0	0
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
TOTALS	0	0	0	0

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

From submitted data file: fd0130.17c

Program: fdrdh.sqr

File: fd0130.dhc

FINAL



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