

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

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For The Year Ended June 30, 2008



Dedicated to Excellence
Cherry Creek Schools

4700 SOUTH YOSEMITE STREET, GREENWOOD VILLAGE, CO 80111



CherryCreek
Schools
Dedicated to Excellence

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2008

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CHERRY CREEK SCHOOL DISTRICT NO. 5

ARAPAHOE COUNTY, COLORADO

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

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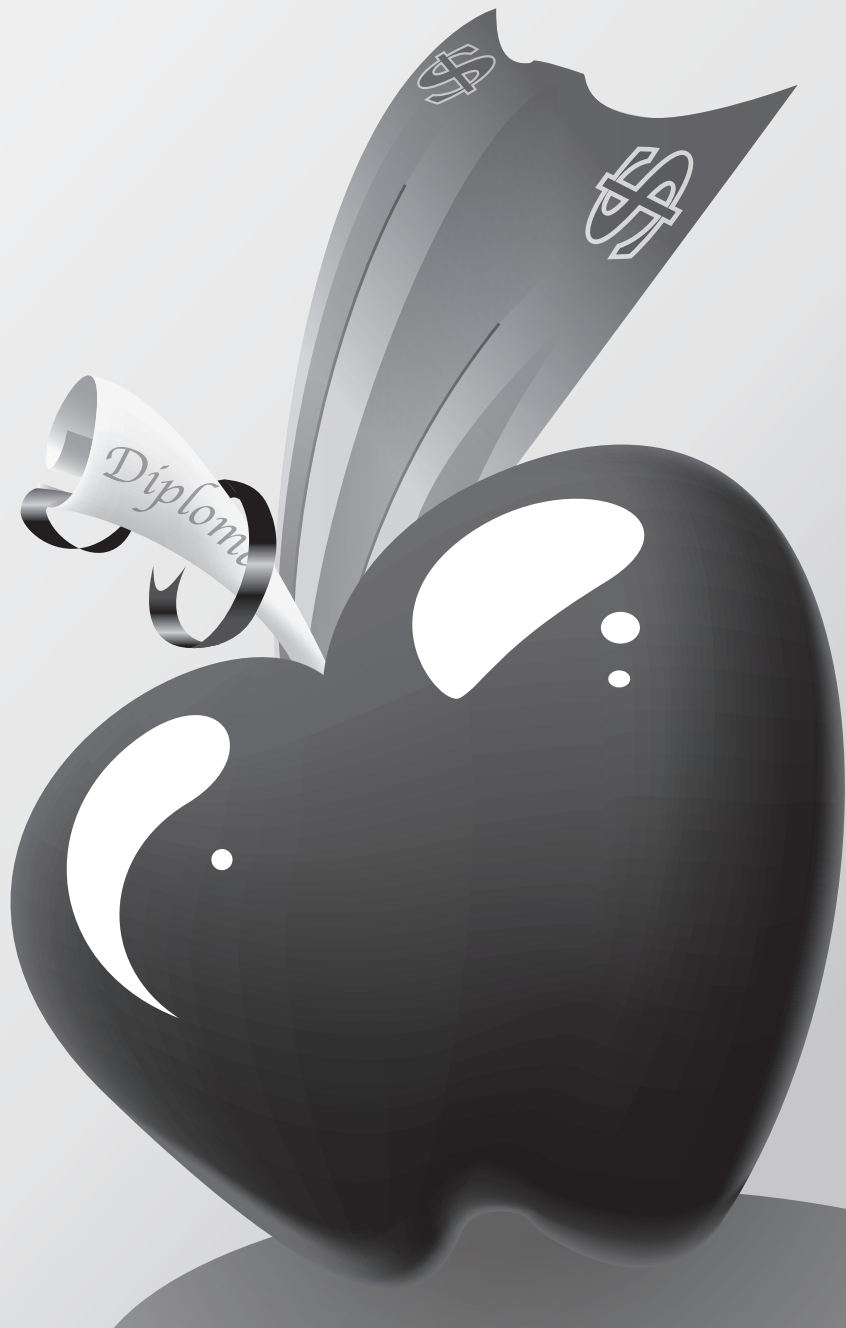
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CherryCreek
Schools
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INTRODUCTORY SECTION



CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO
BOARD OF EDUCATION
2007-2008



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



CherryCreek
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.



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Letter
of
Transmittal



CherryCreek
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October 30, 2008

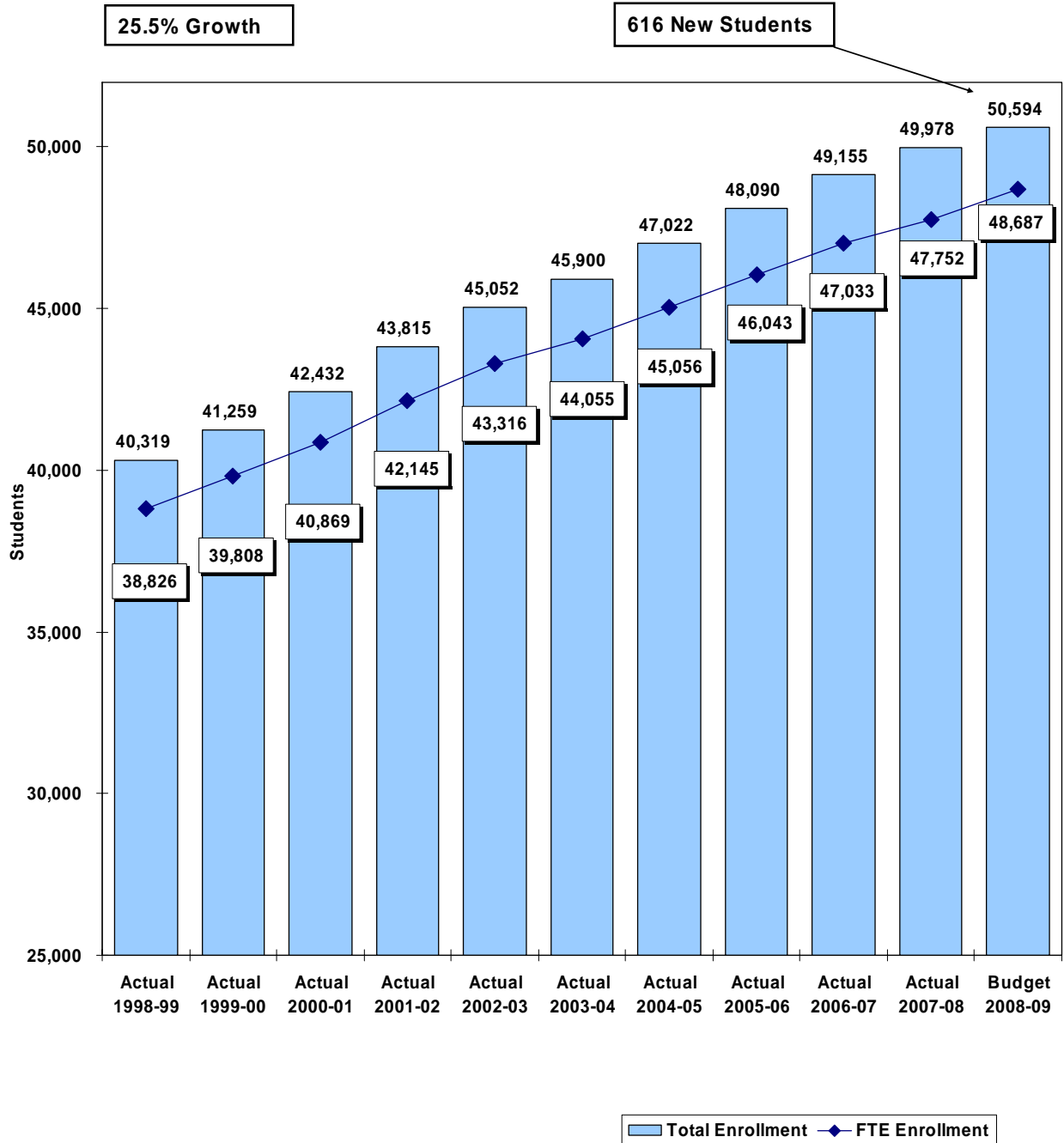
Members of the Board of Education and
Community
Cherry Creek School District No. 5
Arapahoe County, Colorado

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, 2008. 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, 2008 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 Cherry Creek Schools. 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: 2008-2009 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 Cherry Creek Schools 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 560,000 residents, has the third largest population of the counties in Colorado. The District, with approximately 50,600 students projected for fiscal year 2008-2009, is currently the fourth largest of the 178 school districts in the state.

The following economic data was obtained from the September 2008 revenue forecast for the State of Colorado, prepared by the Office of State Planning and Budgeting.

Colorado's economy continues to show that it is more resilient and perhaps better poised to rebound from the current national financial turmoil than the national economy. By comparison, Colorado is experiencing lower unemployment, greater job growth, and lower inflation than the nation overall, and is supportive of Colorado's focus on booming industries like renewable and non-renewable energy, biosciences, and technology. The current national financial instability appears to have affected Colorado far less than other states.

In general, wholesale and retail energy prices have been on the decline since early July. While demand for fuel is increasing worldwide, nationwide estimates show a decrease in the demand for fuel.

Crude oil prices have made renewable energy producers more economically competitive. The cluster of major research universities and federal laboratories on the Front Range along with the State's efforts on attracting the renewable industry to Colorado have resulted in the State becoming a magnet for private-sector ventures in renewable energy. It appears this sector will lead the way for economic growth in Colorado for the foreseeable future.

Although certain parts of the State remain distressed by foreclosures, the current state of the residential real estate market is substantially stronger in Colorado than the rest of the country. According to the Standard & Poors / Case-Shiller index, Denver's real estate market is one of the strongest of any major metropolitan area of the country. In the most recent data available, the price index for Denver posted a one-month increase of 1.5 percent in June. Compared to June 2007, home prices in Denver are down 5 percent. However, this is the mildest decrease of any large metropolitan area except Dallas, Texas. Real estate also continues to be strong on the Western

Slope, in response to the continuing influx of oil and gas workers.

Colorado employment rose 0.5 percent year-to-year from July of 2007 to July of 2008. However, due to the recent collapse of several large financial institutions, capital is becoming significantly more difficult to obtain, and businesses are having to temper their plans for growth for the short term. As such, job growth projections have been reduced for the next few years. While employment growth continues to be positive, it is not growing at a rate sufficient to reduce the number of Coloradans actively searching for a job.

The Colorado unemployment rate dropped to 3.8 percent in 2007, its lowest reading since 2000. A general economic slowdown has pulled unemployment rates closer to historical average rates between 5 percent and 6 percent. Due to slowing growth in sectors that typically hire young persons and seasonal help, the Colorado unemployment rate is projected to reach an average of 4.9 percent for calendar 2008, where it is anticipated to remain through 2009, before starting a slow decline.

Due to the substantial increases in the cost of fuel, retail goods, and residential rentals, the Denver-Boulder-Greeley Consumer Price Index is projected to increase 3.7 percent for 2008. In comparison, the 2007 consumer price index increased by 2.2 percent – a relatively low rate of inflation by historical levels. Inflation for 2009 and 2010 is projected at 3.0 percent and 2.8 percent, respectively, reflecting anticipated stability of prices in general and a strengthening U.S. dollar, which lowers the prices of imported goods.

Personal income is projected to grow 5.2% in 2008 and 4.4% in 2009. These estimates reflect lower wage and salary growth as well as an unemployment rate that is significantly higher than previously expected. Colorado wage and salary income rose 6.3 percent through 2007, reflecting a relatively strong labor market, growth in the labor force and inflation. However, wage and salary income is expected to increase by only 4.9 percent in 2008. Wage and salary growth is projected at 4.0 percent for 2009.

In 2007, net in-migration to Colorado was 51,800, which contributed to total population growth of 2.0 percent. Net in-migration is expected to grow slightly to 60,300 in 2008 and 61,000 in 2009.

Based on continued stress in the housing market and the increasing difficulty associated with getting construction loans, residential housing permits are expected to decline 17.8 percent and 2.4 percent in 2008 and 2009, respectively. Conversely, nonresidential permits are still being issued, and are projected to increase 2.9 percent in 2008, and 3.0 percent in 2009.

Retail sales growth is projected to grow at a rate of 4.0 percent in 2008. This is significantly lower than the last two years of 7.0 percent growth and above, due to rising consumer debt payments and the anticipated tightening of credit brought about by the recent volatility in the financial markets.

Colorado's economy cannot be totally insulated from broader economic issues. With the recent events in the credit markets, there is concern that regardless of Colorado's focus on emerging industries, there will not be enough access to capital for these businesses to exceed. It is too early to tell whether the federal government's capital infusions will be sufficient to stabilize markets and stimulate the financial system.

Enrollment

Enrollment increased last fall by 719.5 Full Time Equivalent (FTE) students. Original budget projections for this fall were for an increase of 935 FTE, however, current estimates are closer to 685 FTE. Kindergarten students have been counted as

one half an FTE as they have historically attended a half school day. Starting with the 2008-2009 school year, the state is providing partial funding for full day kindergarten. The state is funding all kindergarten students at .58 FTE for the new school year. This additional funding is allowing the District to offer full day kindergarten at 6 elementary schools. The additional funding of .08 FTE for the partial full day kindergarten accounts for 290 of the currently projected increase in student FTE of 685.

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 over 1,000 FTE per year. 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 sources, is approximately 95 percent of the District's General Fund revenues for fiscal year 2007-2008.

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 2007-2008 an increase of 4.6% percent per student was available under the provisions of the school finance legislation. This increase is equal to 2006 inflation of 3.6% plus 1% for Amendment 23. The additional 1% provided by Amendment 23 is not limited by the TABOR amendment restrictions, as discussed later.

The 2008-2009 school year will see a funding increase of 3.6%. This increase in funding is 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 has also provided partial funding of full day kindergarten for the 2008-2009 school year at an additional .08 FTE, as mentioned above.

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. For the current fiscal year, 2008-2009, the District's projections are within available funding, including using District reserves of approximately \$9.2 million, to be in balance with expenditures.

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 year's 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 expected to save approximately \$50 million in State General Fund revenues in fiscal 2008 from the passage of SB 07-199. Actual results are estimated to be approximately \$116 million. 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.

On December 13, 2007, a class action complaint was filed in Denver District Court challenging the constitutionality of a portion of SB 07-199. The complaint alleges that this statutory change constituted a change in state tax policy and should have been submitted to all Colorado voters prior to its implementation pursuant to TABOR. The complaint is asking the court to enjoin the Department of Education from certifying any mill levy based on this statutory change. The complaint also asks the court to award a refund to any taxpayer for “excess” property taxes paid plus ten percent, as well as to award plaintiffs their reasonable attorneys fees and costs, which the

Colorado State Legislative Council estimates could be approximately \$116 million. The appeal of this court case is expected to be heard in the fall of 2008.

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. Since the Cherry Creek School District has had yearly growth and yearly spending has been within TABOR limits, the District has never been in a position that would require refunding excess tax revenue under TABOR, therefore, the District has never asked the voters to be exempt from the TABOR limits. The Cherry Creek School District’s mill rate will continue to fluctuate downward with rising property assessment values.

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.

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 25.5 percent or over 10,000 students. Current projections show that enrollment will continue to increase, although at a slower rate than the past few years. Enrollment for the 2008-2009 school year is projected at over 50,000 students.

To keep pace with student growth and to build and renovate school facilities, the District received voter approval in November 2003 to issue \$167.5 million of new school bond debt. The District is close to the completion of using those funds. That bond has helped to keep up with the continued demand for services and growth including the construction of four elementary and two middle schools.

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.

On April 14, 2008, the Cherry Creek School District Board of Education unanimously approved a resolution calling for a bond and budget election on November 4, 2008. The bond issue is 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 will provide \$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; and construction of three elementary schools (one in 2010, the second in 2011, the third in 2011 or 2012) to handle projected growth of more than 2,000 students.

The District has also committed to the Cherry Creek Academy Charter School to fund capital improvements of \$2.8 million from the District's capital reserve funding, subject to the successful passage of the bond election. The Cherry Creek Academy will also contribute \$.5 million toward the cost of the capital project from accumulated reserves.

The District is also requesting the voters to approve a budget election that would provide \$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.

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. Our 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. Our staff is committed to providing high quality academic programming while addressing emotional and behavioral needs of each student. Our treatment goals focus on success in the school setting. Students will return to their neighborhood schools when treatment goals have been met.

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 Action Items for 2008-2009 describe the District's most urgent and immediate objectives – what is planned to be accomplished during the 2008-2009 school year.

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.



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.
 - 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.

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 2008-2009 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 2008-2009 Annual 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, 2008 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.

CASH MANAGEMENT

Cash temporarily idle during the year was invested primarily in short-term obligations of the United States and certain agency securities, commercial paper, banker's acceptances, and demand deposits. In making investment decisions, consideration is given to the legality, security, liquidity, and yield of the investment. The weighted average yield on investments was 2.3 percent for the fiscal year 2007-2008. The weighted average portfolio maturity was 43 days for the fiscal year 2007-2008. The District's earnings on investments were \$3,037,089 for the fiscal year 2007-2008. The majority of these earnings (\$1,292,810) were on funds held in the General Fund.

Funding sources largely were comprised of state equalization aid, property taxes, and utilization of other cash balances. During 2007-2008, the District borrowed \$71,229,183 from the State Treasurer's interest-free loan program to finance seasonal cash flow requirements. The amount borrowed was paid in full by the maturity date June 25, 2008.



RISK MANAGEMENT

The District participates in the Colorado School Districts' Self Insurance Pool and the Joint School Districts' Workers' Compensation Self-Insurance Pool. These public entity risk pools provide the property, casualty, liability, and workers' compensation insurance needs of the District. Both pools have contracted for services of a loss control professional to assist the member districts in implementing comprehensive loss control programs in each district. The reduction in claims is not only beneficial from a humanistic point of view, but also allows the savings generated by the program to be directed to instructional programs in the District.

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, 2008. 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, 2007. 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 fifteen 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 2007-2008 budget document. In addition, the ASBO awarded its Meritorious Budget Award to the District for the fiscal year 2007-2008 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 Schools 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,



Monte C. Moses, Ph.D
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, 2007

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

Handwritten signature of Jerome E. Brendel in cursive.

President

Handwritten signature of John D. Messer in cursive.

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, 2007

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.



Oliver S. Cox

President

Jeffrey R. Egan

Executive Director

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

**List of Elected and Appointed Officials
June 30, 2008**

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	Dr. Monte C. Moses
Deputy Superintendent	Mary Chesley
Assistant Superintendent	Dr. Elliott Asp
Assistant Superintendent	Steven G. McGrath
Assistant Superintendent	Dr. Scott Siegfried
Chief Financial Officer	Guy G. Bellville

CHERRY CREEK SCHOOL DISTRICT NO. 5

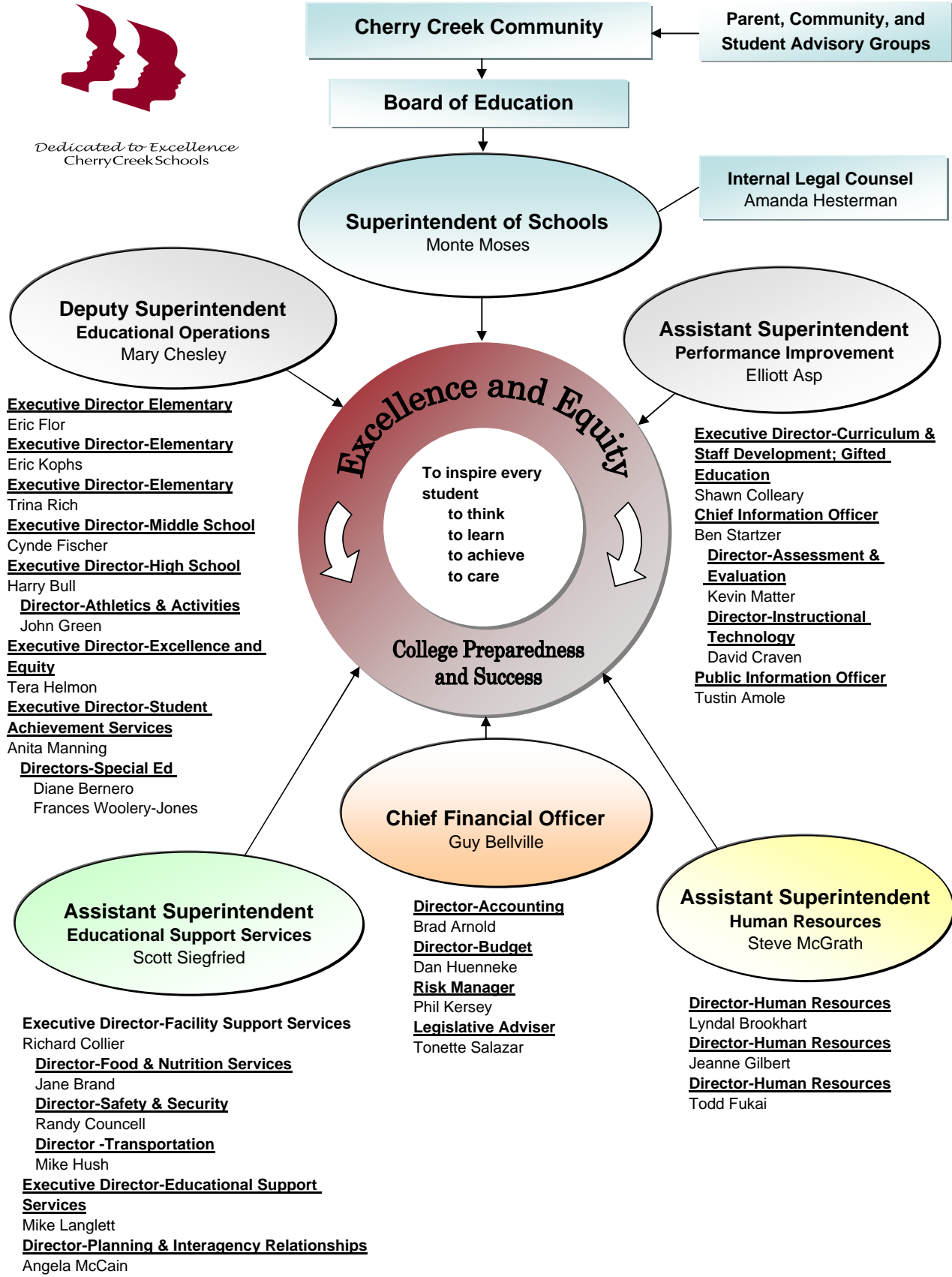
ARAPAHOE COUNTY, COLORADO

ADMINISTRATIVE ORGANIZATIONAL CHART

as of July 1, 2008



Dedicated to Excellence
CherryCreekSchools



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

**ADMINISTRATIVE FUNCTIONS
as of July 1, 2008**

Deputy Superintendent
Educational Operations
Mary Chesley

Assistant Superintendent
Performance Improvement
Elliott Asp

Assistant Superintendent
Educational Support Services
Scott Siegfried

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

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

Communication Services

Public Information

Chief Financial Officer
Guy Bellville

Elections
Fiscal Services
Legislative Liaison

Accounting

Accounts Payable
Accounting/Reporting
Cherry Creek Foundation
General Fixed Assets
Investments
Payroll

Budget

Budget Preparation
Financial Planning/Projections

Risk Management

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

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
Academy
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

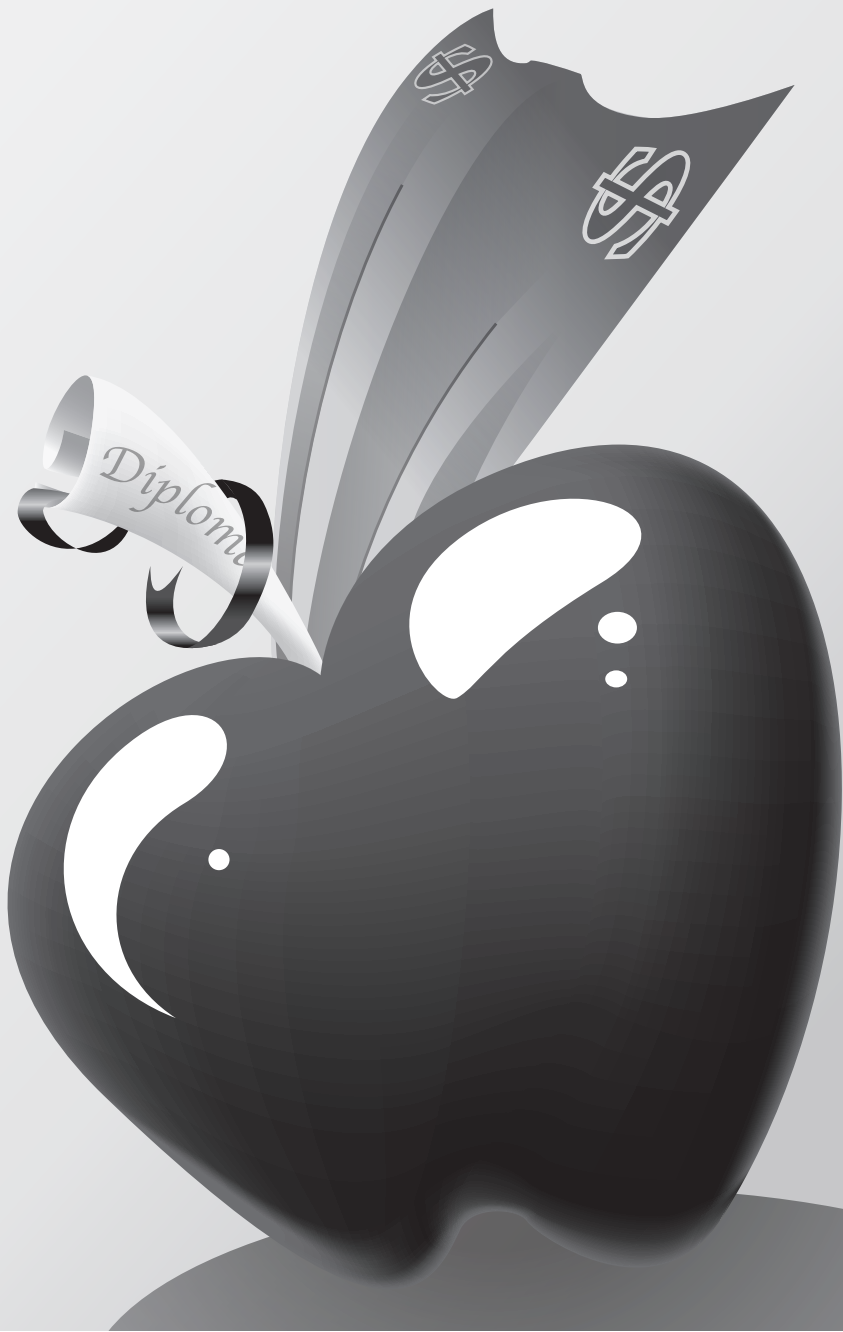


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Cherry Creek Schools



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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, 2008, 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. 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 provides a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Cherry Creek School District No. 5 as of June 30, 2008, 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 30, 2008 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 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We 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 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 in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

Clifton Henderson LLP

Greenwood Village, Colorado
October 30, 2008

Management's
Discussion
and
Analysis



CherryCreek
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Schools
Dedicated to Excellence

Management's Discussion and Analysis
Cherry Creek School District No. 5
Arapahoe County, Colorado
June 30, 2008

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, 2008. 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 \$236.3 million (net assets).
- Net assets of the District include \$181.2 million invested in capital assets, net of related debt; net assets of \$57.2 million restricted for debt service payments and reserves required under the Taxpayer Bill of Rights; and an unrestricted net asset deficit balance of \$2.1 million. The deficit unrestricted balance is due to the accounting treatment in the government-wide statements of accrued salaries and benefits earned but unpaid and compensated absences payable. Unrestricted fund balance is positive 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 \$4.8 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 \$7.6 million during fiscal year 2008. The majority of this increase is attributable to lower liabilities which decreased during the fiscal year by the normal schedule of payments made on existing debt.
- Fund balance of the District's governmental funds decreased by \$17.4 million resulting in an ending fund balance of \$86.9 million. This decrease is primarily the result of expenditures in excess of revenues in the General Fund and capital project expenditures in the Building Fund. Voters approved a \$167.5 million bond issue for new schools, the remodeling of older buildings and improvements in educational technology and school safety and the replacement of certain mechanical systems in November 2003. The Building Fund activity reflects the use of these funds for capital construction with an ending fund balance of \$16.2 million to complete these projects.



- During the current fiscal year, the fund balance in the General Fund decreased by \$7.4 million. This decrease in fund balance is the result of several factors. Approximately \$2.5 million was a planned use of District reserves in the General Fund to support the academic mission of the District. Earned but unpaid salaries and benefits including compensated absences payable are deferred on a budgetary basis, but are included in the governmental funds. This liability increased by \$1.5 million during the current year which results in recording additional expense. Original projections anticipated an increase of 1,070 full time equivalent students however; the actual increase in students was 719.5. This resulted in a \$2.3 million decrease in funding. Specific ownership tax revenue was also lower than anticipated by \$1.0 million. Expenditures were slightly favorable to budget. Positive expenditure variances include utilities, plant operations and general supplies. Transportation expenditures were greater than anticipated.
- The District's long-term obligations decreased by \$31.6 million to \$414.6 million, which is the result of 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. Comparison to the prior year's activity is provided in this document. 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 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.

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, 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 55% of the annual property tax assessment in May and 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 2009. 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 2009.

The assets of the primary government activities exceed liabilities by \$236.3 million. Total net assets of the primary government do not include internal balances.

A net investment of \$181.2 million in land, improvements, buildings, equipment, and vehicles, which provide the services to the District's 49,978 public school students, represents 76% of the District's net assets. Net assets of \$44.3 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.

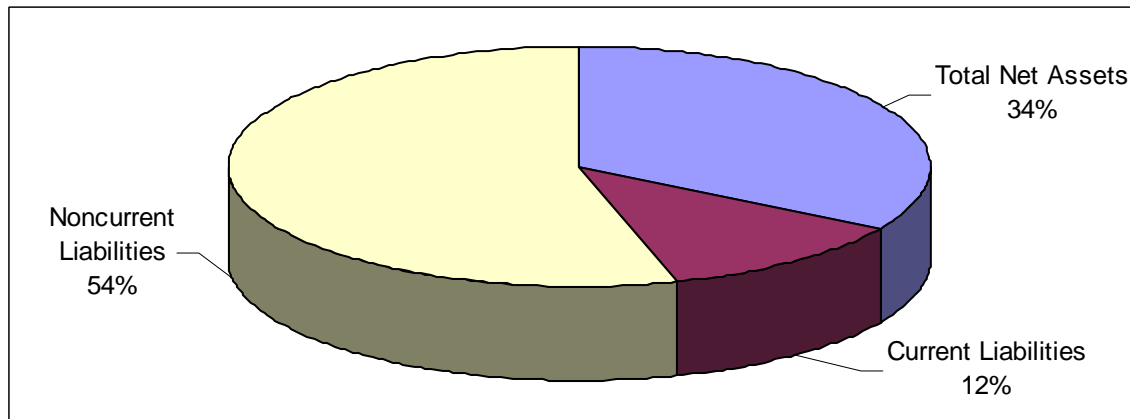
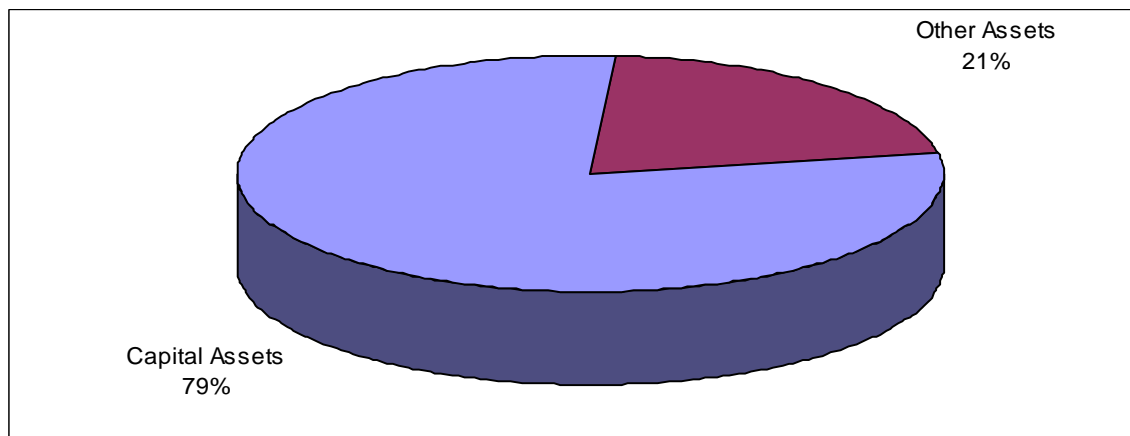
As mentioned earlier, unrestricted net assets are less than what would be reflected on a budgetary basis primarily due to the accounting treatment of accrued salaries and benefits earned but unpaid, and compensated absences payable. The \$23.5 million long term portion of compensated absences are recorded 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 \$36.5 million of accrued salaries and benefits as of June 30, 2008 includes \$33.0 million of general fund earned but unpaid salaries and benefits associated with teacher and other employee contracts for the 2008 school year requiring resources from fiscal year 2009 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, 2008 and 2007
(in millions)

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Assets:						
Other assets	\$ 147.3	\$ 165.8	\$ 6.1	\$ 5.5	\$ 153.4	\$ 171.3
Capital assets	<u>547.4</u>	<u>554.5</u>	<u>0.9</u>	<u>1.0</u>	<u>548.3</u>	<u>555.5</u>
Total assets	<u>694.7</u>	<u>720.3</u>	<u>7.0</u>	<u>6.5</u>	<u>701.7</u>	<u>726.8</u>
Liabilities:						
Current liabilities	82.0	87.8	1.0	1.0	83.0	88.8
Noncurrent liabilities	<u>382.4</u>	<u>409.3</u>	<u>-</u>	<u>-</u>	<u>382.4</u>	<u>409.3</u>
Total liabilities	<u>464.4</u>	<u>497.1</u>	<u>1.0</u>	<u>1.0</u>	<u>465.4</u>	<u>498.1</u>
Net assets:						
Invested in capital assets, net of related debt	180.3	165.9	0.9	1.0	181.2	166.9
Restricted	56.9	50.5	0.3	0.3	57.2	50.8
Unrestricted	<u>(6.9)</u>	<u>6.8</u>	<u>4.8</u>	<u>4.2</u>	<u>(2.1)</u>	<u>11.0</u>
Total Net assets	<u>\$ 230.3</u>	<u>\$ 223.2</u>	<u>\$ 6.0</u>	<u>\$ 5.5</u>	<u>\$ 236.3</u>	<u>\$ 228.7</u>

**Government-wide Total Assets as compared to Total Liabilities and Total Net Assets
as of June 30, 2008:**

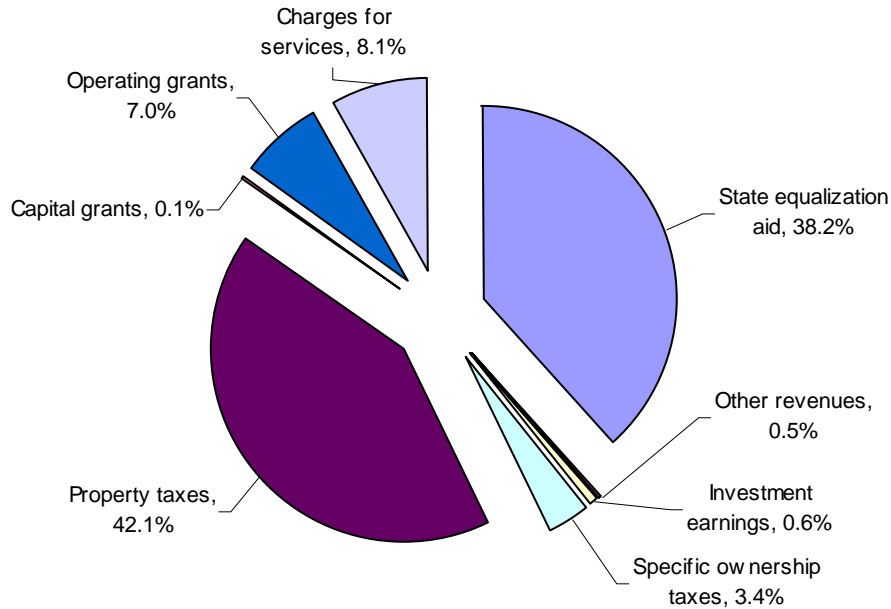


Government-wide Activities

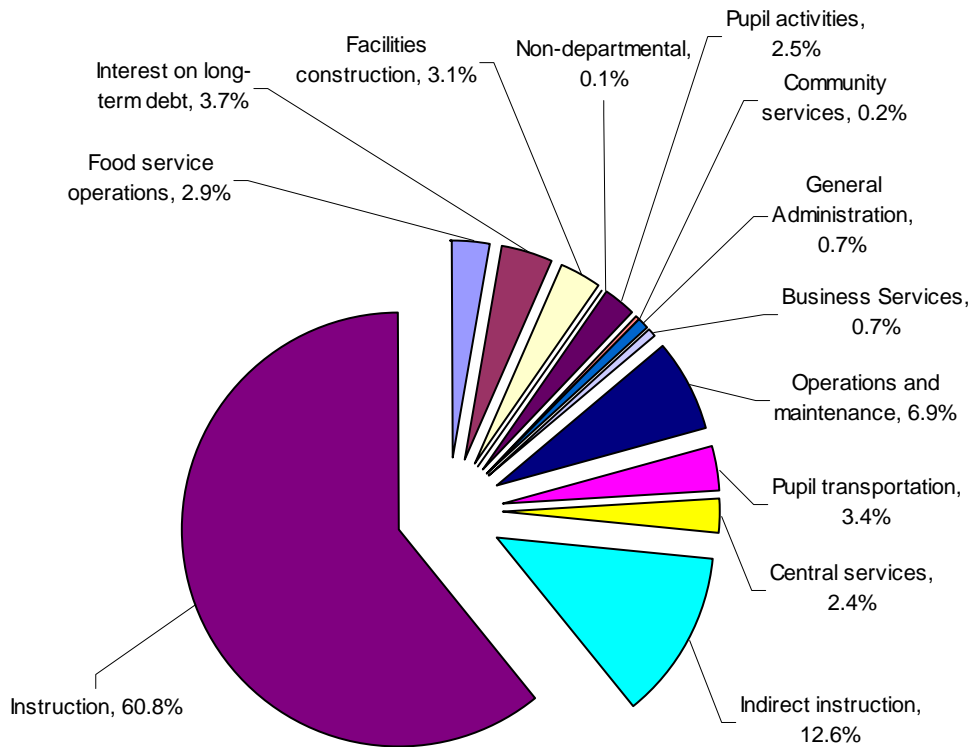
Governmental activities increased the net assets of the District by \$7.1 million accounting for the majority of total growth in the net assets of the District.

Cherry Creek School District No. 5 Comparative Schedule of Changes in Net Assets as of and for the fiscal year ended June 30, 2008 and 2007 (in millions)						
	Governmental Activities		Business-type Activities		Total	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Revenues:						
Program revenues						
Charges for services	\$ 31.2	\$ 29.7	\$ 8.6	\$ 8.3	\$ 39.8	\$ 38.0
Operating grants and contributions	28.9	27.9	5.5	4.9	34.4	32.8
Capital grants and contributions	0.5	0.5	-	-	0.5	0.5
General unrestricted revenues						
Property taxes	206.9	200.3	-	-	206.9	200.3
Specific ownership taxes	16.8	17.5	-	-	16.8	17.5
Investment earnings	2.9	4.7	0.1	0.2	3.0	4.9
Other revenues	1.8	2.2	-	-	1.8	2.2
State equalization aid	187.8	175.1	-	-	187.8	175.1
Total revenues	<u>476.8</u>	<u>457.9</u>	<u>14.2</u>	<u>13.4</u>	<u>491.0</u>	<u>471.3</u>
Expenses:						
Governmental activities						
Instruction	306.4	288.7	-	-	306.4	288.7
Indirect instruction	61.4	58.2	-	-	61.4	58.2
Supporting services	70.3	64.9	-	-	70.3	64.9
Community services	1.2	1.0	-	-	1.2	1.0
Pupil activities	11.9	11.5	-	-	11.9	11.5
Non-departmental	0.6	0.6	-	-	0.6	0.6
Interest on long-term debt	17.8	19.0	-	-	17.8	19.0
Business-type activities						
Food services operations	-	-	13.8	13.2	13.8	13.2
Total expenses	<u>469.6</u>	<u>443.9</u>	<u>13.8</u>	<u>13.2</u>	<u>483.4</u>	<u>457.1</u>
Increase in net assets before transfers	7.2	14.0	0.4	0.2	7.6	14.2
Transfers	(0.1)	(0.1)	0.1	0.1	-	-
Changes in net assets	7.1	13.9	0.5	0.3	7.6	14.2
Net assets beginning of year	<u>223.2</u>	<u>209.3</u>	<u>5.5</u>	<u>5.2</u>	<u>228.7</u>	<u>214.5</u>
Net assets end 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>

Government-Wide Revenues fiscal year ended June 30, 2008



Government-Wide Expenses fiscal year ended June 30, 2008



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

- State equalization aid increased by \$12.7 million (7.3%) during the fiscal year, with property taxes increasing by \$6.6 million (3.3%) during the year. General Fund property taxes increased from a higher assessed value of property and strong collections this year and Bond Fund property taxes increased in proportion to higher debt payments required this year. 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 this fiscal year that permanently freezes their mill levy rates at their 2006-2007 budget year rates, up to a cap of 27 mills. The Cherry Creek School District has never been in a position to ask voters to be exempt from TABOR limits because the District has experienced yearly growth and yearly spending within TABOR limits. The District's mill rate will continue to fluctuate downward with rising property assessment values. Increased enrollment of 719.5 FTE (1.5%) also contributed to the increased funding in state equalization.
- In November 2000, the voters of Colorado passed a statewide ballot issue to amend the State Constitution, Amendment 23. This amendment required that the state fund public education at a minimum of growth and inflation plus one percent for the next ten years beginning with fiscal year 2001-2002 and thereafter at inflation.
- School financial issues are discussed in more detail in the Letter of Transmittal on pages 9-11.

- Total governmental activities expenses increased by 5.8%. District's expenses for the instruction and indirect instruction functions increased by 6.0% for this fiscal year, while support services and other non-instructional functions increased by 5.0% for this fiscal year. The increase in expenses is the result of increased enrollment of 1.5% and related staffing and direct expenses related to those students, salary increases of approximately 5.0%, increases in health benefits, and staffing levels and operating cost associated with 4 new elementary schools and 2 new middle schools built with the voter approved \$167.5 million bond issue mentioned earlier.

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 profit of approximately \$450,000 before transfers for this fiscal year, and reflects an increase in net assets as of the end of this fiscal year.

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 \$86.9 million, a decrease of \$17.4 million in comparison with the prior year. This decrease is the net result of revenue in excess of expenditures in the Debt Service - Bond Redemption Fund offset by expenditures in excess of revenues in the General Fund and capital project expenditures in the Building Fund. The decrease in fund balance is the result of several factors: 1) Planned use of District reserves, 2) increase in earned unpaid salaries, 3) lower than projected student enrollment growth, 4) decrease in specific ownership tax revenue. For additional information on these factors see page 29 of this report.

Expenditures were slightly favorable to budget. Positive expenditure variances include utilities, plant operations and general supplies. Transportation expenditures were more than anticipated.

Voters approved a \$167.5 million bond issue for new schools, the remodeling of older buildings and improvements in educational technology and school safety and the replacement of certain mechanical systems in November 2003. The Building Fund activity reflects the use of these funds for capital construction with an ending fund balance of \$16.2 million to complete these projects.

The unreserved fund balance for the District at the end of the fiscal year includes \$28.5 thousand for the General Fund and \$8.2 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 (\$3.9 million), 2) to pay debt service (\$45.0 million), 3) to pay for construction commitments and related costs (\$14.0 million), 4) reserved for TABOR amendment (\$12.6 million), 5) restricted cash reserved for the debt payment related to the purchase of buses (\$.9 million), or 6) for a variety of other restricted purposes (\$2.2 million).

The General Fund is the chief operating fund of the District. Student enrollment increased by 719.5 student FTEs during the fiscal year. This enrollment increase amounts to approximately \$4.8 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 2008 principal and interest payments. The mill levy to accumulate resources for the June 2009 and December 2009 principal and interest payments will be certified in December 2008.

The Capital Projects Fund - Building Fund is used to record the proceeds, interest earnings, and corresponding construction expenditures for the 2004 and 2005 Series bonds. This fund holds the remaining funding of the capital improvement plans. The fund balance decreased by \$12.0 million during the year. The decrease in fund balance is due to planned expenditure activity for the voter approved school construction, renovation and other capital projects.

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 \$28.5 thousand for GAAP purposes. However, the current available resources for the General Fund can be computed as follows:

	(in millions)
Fund balance - GAAP basis	\$ 14.9
Plus effect of salaries earned but unpaid	33.0
Less effect of compensated absences payable	(1.3)
Less effect of encumbrances and other adjustments	<u>(0.3)</u>
Total fund balance (budgetary basis)	46.3
Less reserved for: TABOR	(11.4)
Multiple year commitments	(0.6)
Inventory	(1.3)
Prepayments and deposits	<u>(0.2)</u>
Unreserved fund balance (budgetary basis)	<u><u>\$ 32.8</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 \$376.8 million. Unreserved fund balance (budgetary basis) represents 8.7% of expenditures while total fund balance (budgetary basis) represents 12.3% 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, 2008, amounts to \$548.3 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 \$7.2 million, or a 1.3% decrease.

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 \$36.4 million.
- Major projects include work on Fox Ridge Middle School and Arapahoe Campus Transportation Facility. Both facilities opened in the 2008-2009 school year.
- One new school opened during the fiscal year: Buffalo Trail Elementary 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 \$12.9 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 \$4.8 million.

Cherry Creek School District No. 5 Capital Assets (net of accumulated depreciation) June 30, 2008 and 2007 (in millions)						
	Governmental Activities		Business-type Activities		Total	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Land	\$ 19.4	\$ 19.4	\$ -	\$ -	\$ 19.4	\$ 19.4
Improvements	7.9	7.6	-	-	7.9	7.6
Buildings	467.7	471.3	-	-	467.7	471.3
Projects in progress	36.4	40.2	-	-	36.4	40.2
Equipment and vehicles	<u>16.0</u>	<u>16.0</u>	<u>0.9</u>	<u>1.0</u>	<u>16.9</u>	<u>17.0</u>
Total capital assets	<u>\$ 547.4</u>	<u>\$ 554.5</u>	<u>\$ 0.9</u>	<u>\$ 1.0</u>	<u>\$ 548.3</u>	<u>\$ 555.5</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, 2008, the District had total bonded debt outstanding of \$380.2 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 \$5.2 million outstanding at the end of the current fiscal year.

General obligation bonds for the District decreased during the current fiscal year 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, 2008 and 2007 (in millions)						
	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
General obligation bonds	\$ 380.2	\$ 409.4	\$ -	\$ -	\$ 380.2	\$ 409.4
Certificates of participation	5.2	7.3	-	-	5.2	7.3
Total	\$ 385.4	\$ 416.7	\$ -	\$ -	\$ 385.4	\$ 416.7

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%.

- For calendar year 2007, the inflation rate was 2.2%. The District will be receiving \$6,843 per pupil (FTE basis) in 2008-2009, which is an increase of 3.6% over the 2007-2008 funding of \$6,606 per pupil. This increase in funding of 3.6% is 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.

- This 3.6% increase will provide an additional \$11.3 million of funding to the District in fiscal year 2008-2009.
- A funding allowance for each of the additional children (originally budgeted at 935.2 FTE) who will be enrolled in our schools this fall will provide an additional \$6.4 million in fiscal year 2008-2009. Current projections indicate that increased enrollment may be closer to 685 FTE which would equate to \$4.7 million in fiscal year 2008-2009 funding.

- The state has also provided partial funding of full day kindergarten for the 2008-2009 school year. The state is funding all kindergarten students at a .58 full time equivalent. This additional funding of .08 has allowed the District to introduce full day kindergarten at 6 elementary schools. This additional .08 FTE calculation accounts for 290 of the currently projected increase in District FTE students of 685. As the legislature increases this funding level in future years, the District will provide full day kindergarten at additional schools.

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.

The following choices for the 2008-2009 fiscal year are consistent with this philosophy:

- Teacher staffing in support of excellence and enrollment growth will be maintained at the 2007-2008 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 decreased to \$32.8 million. The District has budgeted fiscal year 2008-2009 expenditures within projected available funding including using District reserves of approximately \$9.2 million.

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





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CHERRY CREEK SCHOOL DISTRICT NO. 5

ARAPAHOE COUNTY, COLORADO

STATEMENT OF NET ASSETS

June 30, 2008

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Charter School
ASSETS				
Current Assets				
Cash	\$ 5,003,241	\$ 4,599,965	\$ 9,603,206	\$ 391,945
Cash held by county treasurer	10,530,228	-	10,530,228	-
Equity in pooled cash	15,157,401	-	15,157,401	-
Cash in trust	901,257	-	901,257	-
Cash in savings	888,862	-	888,862	-
Investments	54,086,844	-	54,086,844	1,685,936
Investments with escrow agent	42,083,379	-	42,083,379	-
Receivables, net				
Property taxes	8,507,645	-	8,507,645	-
Other governments	4,767,414	560,940	5,328,354	-
Internal balances	(23,755)	23,755	-	-
Other	1,909,102	13,948	1,923,050	-
Prepayments and deposits	176,768	-	176,768	14,006
Inventories	1,315,388	895,126	2,210,514	-
Total Current Assets	<u>145,303,774</u>	<u>6,093,734</u>	<u>151,397,508</u>	<u>2,091,887</u>
Noncurrent Assets				
Deferred charges	1,960,980	-	1,960,980	-
Capital Assets				
Land	19,387,111	-	19,387,111	744,711
Improvements	22,710,785	-	22,710,785	520,653
Buildings	647,721,360	-	647,721,360	3,002,519
Equipment and vehicles	60,924,586	3,562,160	64,486,746	53,948
Projects in progress	36,431,877	-	36,431,877	-
Less accumulated depreciation	(239,706,556)	(2,617,377)	(242,323,933)	(663,458)
Total Noncurrent Assets	<u>549,430,143</u>	<u>944,783</u>	<u>550,374,926</u>	<u>3,658,373</u>
Total Assets	<u>694,733,917</u>	<u>7,038,517</u>	<u>701,772,434</u>	<u>5,750,260</u>
LIABILITIES				
Current Liabilities				
Accounts and other current payables	9,910,033	87,480	9,997,513	4,524
Accrued interest payable	736,803	-	736,803	-
Accrued salaries and benefits	36,043,146	415,160	36,458,306	96,540
Unearned revenues	3,062,867	321,100	3,383,967	25,758
General obligation bonds	25,538,833	-	25,538,833	-
Revenue bonds	-	-	-	114,419
Certificates of participation	795,000	-	795,000	-
Compensated absences payable	5,844,818	178,583	6,023,401	-
Total Current Liabilities	<u>81,931,500</u>	<u>1,002,323</u>	<u>82,933,823</u>	<u>241,241</u>
Noncurrent Liabilities				
General obligation bonds	354,628,745	-	354,628,745	-
Revenue bonds	-	-	-	3,717,352
Certificates of participation	4,370,000	-	4,370,000	-
Compensated absences payable	23,466,714	-	23,466,714	-
Total Noncurrent Liabilities	<u>382,465,459</u>	<u>-</u>	<u>382,465,459</u>	<u>3,717,352</u>
Total Liabilities	<u>464,396,959</u>	<u>1,002,323</u>	<u>465,399,282</u>	<u>3,958,593</u>
NET ASSETS				
Invested in capital assets net of related debt	180,282,382	944,783	181,227,165	(173,398)
Restricted for:				
Debt service	44,286,127	-	44,286,127	475,106
TABOR	12,618,000	257,000	12,875,000	92,000
Unrestricted	(6,849,551)	4,834,411	(2,015,140)	1,397,959
Total Net Assets	<u>\$ 230,336,958</u>	<u>\$ 6,036,194</u>	<u>\$ 236,373,152</u>	<u>\$ 1,791,667</u>

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, 2008

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
Instruction	\$ 306,386,804	\$ 18,118,834	\$ 22,010,507	\$ 541,869
Indirect instruction	61,396,914	327,977	3,429,650	-
Support services				
General administration	3,281,998	-	-	-
Business services	3,636,338	191,295	-	-
Operations and maintenance	34,244,558	241,186	-	-
Pupil transportation	17,433,438	139,339	3,086,331	-
Central services	11,725,014	-	-	-
Community services	1,241,794	576,248	414,337	-
Pupil activities	11,852,886	11,571,446	-	-
Non-departmental	600,163	-	-	-
Interest on long-term debt, unallocated	17,775,387	-	-	-
Total governmental activities	<u>469,575,294</u>	<u>31,166,325</u>	<u>28,940,825</u>	<u>541,869</u>
Business-type activities:				
Food services operations	13,841,369	8,631,867	5,518,150	-
Total business-type activities	<u>13,841,369</u>	<u>8,631,867</u>	<u>5,518,150</u>	<u>-</u>
Total primary government	<u>\$ 483,416,663</u>	<u>\$ 39,798,192</u>	<u>\$ 34,458,975</u>	<u>\$ 541,869</u>
Component unit - Charter School	<u>\$ 2,837,864</u>	<u>\$ 89,947</u>	<u>\$ -</u>	<u>\$ 50,602</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
\$ (265,715,594)	\$ -	\$ (265,715,594)	\$ (1,706,314)
(57,639,287)	-	(57,639,287)	-
(3,281,998)	-	(3,281,998)	(758,123)
(3,445,043)	-	(3,445,043)	-
(34,003,372)	-	(34,003,372)	-
(14,207,768)	-	(14,207,768)	-
(11,725,014)	-	(11,725,014)	-
(251,209)	-	(251,209)	-
(281,440)	-	(281,440)	-
(600,163)	-	(600,163)	-
(17,775,387)	-	(17,775,387)	(232,878)
<u>(408,926,275)</u>	<u>-</u>	<u>(408,926,275)</u>	<u>(2,697,315)</u>
-	308,648	308,648	-
-	308,648	308,648	-
<u>(408,926,275)</u>	<u>308,648</u>	<u>(408,617,627)</u>	<u>-</u>
-	-	-	(2,697,315)
206,915,772	-	206,915,772	-
16,768,029	-	16,768,029	-
2,895,107	141,982	3,037,089	58,723
1,776,439	-	1,776,439	1,381
187,758,523	-	187,758,523	2,866,466
<u>416,113,870</u>	<u>141,982</u>	<u>416,255,852</u>	<u>2,926,570</u>
7,187,595	450,630	7,638,225	229,255
(81,484)	81,484	-	-
7,106,111	532,114	7,638,225	229,255
<u>223,230,847</u>	<u>5,504,080</u>	<u>228,734,927</u>	<u>1,562,412</u>
<u>\$ 230,336,958</u>	<u>\$ 6,036,194</u>	<u>\$ 236,373,152</u>	<u>\$ 1,791,667</u>

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

**BALANCE SHEET
GOVERNMENTAL FUNDS**

June 30, 2008

	General Fund	Debt Service - Bond Redemption Fund	Capital Projects - Building Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash	\$ 21,637	\$ -	\$ -	\$ 4,981,604	\$ 5,003,241
Cash held by county treasurer	8,215,165	2,315,063	-	-	10,530,228
Equity in pooled cash	9,997,444	-	1,241,709	3,918,248	15,157,401
Cash in trust	-	-	-	901,257	901,257
Cash in savings	888,862	-	-	-	888,862
Investments	34,265,811	-	16,915,777	2,905,256	54,086,844
Investments - escrow agent	-	42,083,379	-	-	42,083,379
Receivables, net					
Property taxes	6,554,455	1,953,190	-	-	8,507,645
Other governments	6,931	-	-	4,760,483	4,767,414
Other	1,761,169	22,537	-	125,396	1,909,102
Interfund receivables	1,839,496	-	-	-	1,839,496
Prepayments and deposits	148,694	-	-	28,074	176,768
Inventories	1,315,388	-	-	-	1,315,388
Total Assets	\$ 65,015,052	\$ 46,374,169	\$ 18,157,486	\$ 17,620,318	\$ 147,167,025
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 6,382,507	\$ -	\$ 1,972,669	\$ 777,268	\$ 9,132,444
Other payables	777,589	-	-	-	777,589
Interfund payables	23,755	-	-	1,839,496	1,863,251
Accrued salaries and benefits	33,808,002	-	-	2,235,144	36,043,146
Deferred revenues	5,943,740	1,351,239	-	1,906,315	9,201,294
Compensated absences	3,143,309	-	-	151,509	3,294,818
Total Liabilities	50,078,902	1,351,239	1,972,669	6,909,732	60,312,542
Fund balances					
Reserved for:					
Encumbrances	1,421,197	-	2,140,756	310,851	3,872,804
Prepayments and deposits	148,694	-	-	28,074	176,768
Inventories	1,315,388	-	-	-	1,315,388
Multiple year commitments	644,367	-	-	-	644,367
Construction	-	-	14,044,061	-	14,044,061
Debt service	-	45,022,930	-	-	45,022,930
Restricted sinking fund cash	-	-	-	901,150	901,150
TABOR amendment	11,378,000	-	-	1,240,000	12,618,000
Unreserved, reported in					
General Fund	28,504	-	-	-	28,504
Special Revenue Funds:					
Capital Reserve Fund	-	-	-	(134,204)	(134,204)
Designated Purpose Grant Fund	-	-	-	(14,525)	(14,525)
Extended Child Services Fund	-	-	-	3,699,301	3,699,301
Pupil Activity Fund	-	-	-	4,679,939	4,679,939
Total Fund balances	14,936,150	45,022,930	16,184,817	10,710,586	86,854,483
Total Liabilities and Fund balances	\$ 65,015,052	\$ 46,374,169	\$ 18,157,486	\$ 17,620,318	\$ 147,167,025

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, 2008

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

Total fund balance - governmental funds		\$ 86,854,483
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	\$ 787,175,719	
Accumulated depreciation is	<u>(239,706,556)</u>	547,469,163
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.		6,138,427
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	380,167,578	
Certificates of participation	5,165,000	
Compensated absences payable	<u>26,016,714</u>	(411,349,292)
Deferred charges from bond issuance costs were amortized in the governmental activities, but were recognized in full in the governmental funds.		1,960,980
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>(736,803)</u>
Total net assets - governmental activities		<u><u>\$ 230,336,958</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, 2008

	General Fund	Debt Service - Bond Redemption Fund	Capital Projects - Building Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes					
Property taxes	\$155,259,786	\$ 51,754,079	\$ -	\$ -	\$ 207,013,865
Specific ownership taxes	16,768,029	-	-	-	16,768,029
Intergovernmental					
Federal - grants	-	-	-	13,956,561	13,956,561
State - grants	-	-	-	23,927	23,927
State equalization aid	177,511,301	-	-	10,247,222	187,758,523
State transportation	3,086,331	-	-	-	3,086,331
State education of handicapped	7,507,649	-	-	-	7,507,649
State vocational education	1,491,395	-	-	-	1,491,395
Other state	665,442	-	-	-	665,442
Earnings on investments	1,292,810	465,720	789,500	347,077	2,895,107
Other					
Tuition	863,826	-	-	15,509,493	16,373,319
Fees and fines	680,212	-	-	-	680,212
Pupil activities	-	-	-	11,571,446	11,571,446
Donations	-	-	-	2,751,389	2,751,389
Forward delivery agreement fee	601,256	-	-	-	601,256
Miscellaneous	4,609,666	-	-	21,456	4,631,122
Total revenues	<u>370,337,703</u>	<u>52,219,799</u>	<u>789,500</u>	<u>54,428,571</u>	<u>477,775,573</u>
EXPENDITURES					
Current					
Instruction	251,267,277	-	-	26,356,850	277,624,127
Indirect instructional					
Pupil services	21,561,984	-	-	3,429,650	24,991,634
Instructional staff services	14,376,166	-	-	-	14,376,166
School administration	21,766,883	-	-	-	21,766,883
Support services					
General administration	3,192,004	-	-	-	3,192,004
Business services	3,155,654	-	-	272,439	3,428,093
Operations and maintenance	34,454,985	-	-	-	34,454,985
Pupil transportation	17,043,796	-	-	-	17,043,796
Central services	11,538,222	-	-	-	11,538,222
Community services	263,390	-	-	888,290	1,151,680
Pupil activities	-	-	-	11,852,886	11,852,886
Non-departmental	387,558	-	-	-	387,558
Capital outlay	195,417	-	12,669,262	11,229,003	24,093,682
Debt service					
Principal	-	28,745,000	-	2,105,000	30,850,000
Interest and fiscal charges	-	18,116,171	-	256,120	18,372,291
Total expenditures	<u>379,203,336</u>	<u>46,861,171</u>	<u>12,669,262</u>	<u>56,390,238</u>	<u>495,124,007</u>
Excess of revenues over (under) expenditures	<u>(8,865,633)</u>	<u>5,358,628</u>	<u>(11,879,762)</u>	<u>(1,961,667)</u>	<u>(17,348,434)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	1,550,709	-	-	774,014	2,324,723
Transfers out	(56,188)	-	(81,484)	(2,268,535)	(2,406,207)
Total other financing sources (uses)	<u>1,494,521</u>	<u>-</u>	<u>(81,484)</u>	<u>(1,494,521)</u>	<u>(81,484)</u>
Net change in fund balances	(7,371,112)	5,358,628	(11,961,246)	(3,456,188)	(17,429,918)
Fund balances, Beginning	<u>22,307,262</u>	<u>39,664,302</u>	<u>28,146,063</u>	<u>14,166,774</u>	<u>104,284,401</u>
Fund balances, Ending	<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>

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, 2008

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

Total net change in fund balances - governmental funds	\$ (17,429,918)
--	-----------------

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	\$ 15,154,638	
Depreciation expense	<u>(21,291,307)</u>	(6,136,669)

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.	6,138,427
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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.	(6,236,520)
--	-------------

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.	(914,591)
--	-----------

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.	451,083
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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.	30,850,000
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Premiums, discounts and deferred charges are amortized in the governmental activities, but are recognized as expenditures in the governmental funds.	327,249
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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.	57,050
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Total change in net assets - governmental activities	<u><u>\$ 7,106,111</u></u>
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See accompanying notes to basic financial statements.

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

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

For The Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes				
Property taxes	\$ 153,663,666	\$ 155,112,995	\$ 155,259,786	\$ 146,791
Specific ownership taxes	17,800,000	17,800,000	16,768,029	(1,031,971)
Intergovernmental - State				
State equalization aid	182,564,074	177,621,343	177,511,301	(110,042)
Transportation	2,848,000	3,026,639	3,086,331	59,692
Education of handicapped	7,510,000	7,434,381	7,507,649	73,268
Vocational education	1,250,000	1,250,000	1,491,395	241,395
Other state	634,000	641,570	665,442	23,872
Earnings on investments	1,650,000	1,358,150	1,292,810	(65,340)
Other				
Tuition	880,900	764,192	863,826	99,634
Fees and fines	1,025,000	919,000	680,212	(238,788)
Miscellaneous	3,364,118	3,567,197	4,174,426	607,229
Total revenues	<u>373,189,758</u>	<u>369,495,467</u>	<u>369,301,207</u>	<u>(194,260)</u>
EXPENDITURES				
Current				
Instruction	249,322,623	248,813,424	248,591,750	221,674
Indirect instructional				
Pupil services	21,586,812	21,816,124	21,814,124	2,000
Instructional staff services	14,958,670	14,473,580	14,357,283	116,297
School administration	21,690,822	21,845,900	21,704,437	141,463
Support services				
General administration	3,169,520	3,215,654	3,191,921	23,733
Business services	3,241,977	3,308,239	3,155,654	152,585
Operations and maintenance	35,541,470	35,847,257	34,422,299	1,424,958
Pupil transportation	14,409,630	14,707,282	17,053,845	(2,346,563)
Central services	11,737,206	11,708,670	11,564,609	144,061
Community services	465,232	418,832	263,390	155,442
County treasury fees	389,467	389,467	387,558	1,909
Facilities construction services	212,945	211,945	195,416	16,529
Total expenditures	<u>376,726,374</u>	<u>376,756,374</u>	<u>376,702,286</u>	<u>54,088</u>
Excess of revenues (under) expenditures	(3,536,616)	(7,260,907)	(7,401,079)	(140,172)
OTHER FINANCING SOURCES (USES)				
Transfers in	1,200,000	1,375,411	1,550,709	175,298
Transfers out	(160,000)	(130,000)	(56,188)	73,812
Total other financing sources (uses)	<u>1,040,000</u>	<u>1,245,411</u>	<u>1,494,521</u>	<u>249,110</u>
Net change in fund balance	(2,496,616)	(6,015,496)	(5,906,558)	108,938
Fund balance (Budgetary Basis), Beginning	<u>49,991,928</u>	<u>52,203,144</u>	<u>52,203,144</u>	<u>-</u>
Fund balance (Budgetary Basis), Ending	<u>\$ 47,495,312</u>	<u>\$ 46,187,648</u>	<u>46,296,586</u>	<u>\$ 108,938</u>
Less effect of salaries earned but unpaid			(32,977,299)	
Plus effect of compensated absences payable			1,340,118	
Plus effect of encumbrances and other adjustments			276,745	
Fund Balance (GAAP Basis), Ending			<u>\$ 14,936,150</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, 2008

	Business-Type Activities Enterprise Fund
	Food Services Fund
ASSETS	
Current Assets	
Cash	\$ 4,599,965
Receivables, net	
Other governments	560,940
Interfund receivable	23,755
Other	13,948
Inventories	<u>895,126</u>
Total Current Assets	6,093,734
Capital Assets	
Equipment, net of accumulated depreciation	<u>944,783</u>
Total Assets	<u><u>\$ 7,038,517</u></u>
LIABILITIES	
Current liabilities	
Accounts payable	\$ 87,480
Accrued salaries and benefits	415,160
Deferred revenue	321,100
Compensated absences payable	<u>178,583</u>
Total Current Liabilities	<u>1,002,323</u>
NET ASSETS	
Invested in capital assets	944,783
Restricted for TABOR	257,000
Unrestricted	<u>4,834,411</u>
Total Net Assets	<u>6,036,194</u>
Total Liabilities and Net Assets	<u><u>\$ 7,038,517</u></u>

See accompanying notes to basic financial statements.

CHERRY CREEK SCHOOL DISTRICT NO. 5

ARAPAHOE COUNTY, COLORADO

STATEMENT OF REVENUES, EXPENSES

AND CHANGES IN FUND NET ASSETS

PROPRIETARY FUND

For The Year Ended June 30, 2008

	Business-Type Activities Enterprise Fund
	<u>Food Services Fund</u>
OPERATING REVENUES	
Food sales - school meals	\$ 8,310,815
Other	<u>321,052</u>
Total operating revenues	<u>8,631,867</u>
OPERATING EXPENSES	
Purchases	6,351,903
Salaries and benefits	4,978,702
Donated commodities	862,890
Depreciation	143,897
Utilities	354,100
Workers' compensation insurance	70,430
Indirect costs	776,245
Other	<u>303,202</u>
Total operating expenses	<u>13,841,369</u>
Operating (loss)	<u>(5,209,502)</u>
NONOPERATING REVENUES (EXPENSES)	
Federal aid	
Breakfast reimbursement	663,939
Lunch reimbursement	3,781,023
USDA commodity contribution	862,890
State aid	210,298
Earnings on investments	<u>141,982</u>
Total nonoperating revenues	<u>5,660,132</u>
Income before transfers	<u>450,630</u>
TRANSFERS	
Transfers in	<u>81,484</u>
Total transfers in	<u>81,484</u>
Change in net assets	532,114
Total net assets, Beginning	<u>5,504,080</u>
Total net assets, Ending	<u><u>\$ 6,036,194</u></u>

See accompanying notes to basic financial statements.

CHERRY CREEK SCHOOL DISTRICT NO. 5

ARAPAHOE COUNTY, COLORADO

STATEMENT OF CASH FLOWS

PROPRIETARY FUND

For The Year Ended June 30, 2008

	Business-Type Activities Enterprise Fund
	Food Services Fund
CASH FLOWS FROM (USED FOR) OPERATING ACTIVITIES	
Receipts from sales	\$ 8,391,349
Payments to vendors	(6,493,863)
Payments to employees	(4,966,943)
Other operating revenues	321,052
Other operating expenses	<u>(1,527,732)</u>
Net cash (used for) operating activities	<u>(4,276,137)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Grants received	4,677,636
Transfers in	<u>81,484</u>
Net cash from noncapital financing activities	<u>4,759,120</u>
CASH FLOWS (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of capital assets	<u>(128,831)</u>
CASH FLOWS FROM (USED FOR) INVESTING ACTIVITIES	
Purchase of investment securities	(4,523,672)
Proceeds from maturities of investment securities	6,727,366
Interest received	<u>169,096</u>
Net cash from investing activities	<u>2,372,790</u>
Net increase in cash and cash equivalents	2,726,942
Cash and cash equivalents, Beginning	<u>1,873,023</u>
Cash and cash equivalents, Ending	<u>\$ 4,599,965</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM (USED FOR) OPERATING ACTIVITIES	
Operating income (loss)	\$ (5,209,502)
Adjustments to reconcile operating (loss) to net cash from (used for) operating activities:	
Depreciation	143,897
Donated food	862,890
(Increase) decrease in receivables	38,046
(Increase) decrease in inventories	(83,147)
(Increase) decrease in interfund receivables	(23,755)
Increase (decrease) in accounts payable and accruals	(58,813)
Increase (decrease) in accrued salaries/benefits	11,759
Increase (decrease) in deferred revenue	<u>42,488</u>
Total adjustments	<u>933,365</u>
Net cash (used for) operating activities	<u>\$ (4,276,137)</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES	
Donated food commodities	\$ 862,890

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, 2008

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, nine 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 almost 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, 2008. 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 2007 but not yet collected in 2008 are identified as property taxes receivable and deferred revenues in the governmental funds balance sheet at June 30, 2008, and are presented net of an allowance for uncollectible taxes in the amount of \$6,138,427. Intergovernmental receivable of \$4,767,414 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, 2008, \$4,767,414 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 \$1,315,388.



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 \$148,694 in the General Fund, \$14,525 in the Designated Purpose Grant Fund, and \$13,549 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 2008 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, 2008 in the amount of \$6,138,427. 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 \$292 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 \$10,247,222 of state equalization revenue directly to its Special Revenue (Capital Reserve) Fund and utilized \$3,480,405 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, 2008.

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

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 \$118,595, 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 \$81,484.

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	\$ 370,337,703
(Deduct) recognition of agreement fees in current year under the amortization method versus the recognition in initial year	(601,255)
(Deduct) instructional material fees abated for budgetary purposes	<u>(435,241)</u>
Revenues reported on a budgetary basis	<u>\$ 369,301,207</u>
Expenditures reported on a GAAP basis	\$ 379,203,336
Add current year encumbrances	1,421,197
(Deduct) expenditures on prior year's encumbrances	(1,626,099)
Add earned but unpaid compensation, July 1, 2007	30,968,500
(Deduct) earned but unpaid compensation, June 30, 2008	(32,977,299)
(Deduct) instructional material fees abated for budgetary purposes	(435,241)
Add for change in early retirement, sick and vacation liability	<u>147,892</u>
Expenditures reported on a budgetary basis	<u>\$ 376,702,286</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, 2008 are not required to be funded by Colorado statutes. Accordingly, for

budgetary purposes, the District considers accrued salaries and benefits aggregating \$32,977,299 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, 2008 is as follows:

Fund equity reported on a GAAP basis	\$ 14,936,150
Plus effect of salaries earned but unpaid	32,977,299
Less effect of compensated absences payable	(1,340,118)
Less effect of encumbrances and other adjustments	<u>(276,745)</u>
Fund equity available on a budgetary basis	46,296,586
Less reservation of fund balance	<u>(13,486,449)</u>
Unreserved fund equity available on a budgetary basis	<u>\$ 32,810,137</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>\$ 13,841,369</u>
Expenses, per budgetary basis	<u>\$ 13,841,369</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, 2008, 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, 2008, the District had bank deposits of \$31,079,079 and a carrying balance of \$26,550,726, the difference is checks issued but not yet cashed. The District had cash of \$10,530,228 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	\$ 9,603,206
Equity in pooled cash	15,157,401
Cash in trust	901,257
Cash in savings	<u>888,862</u>
Total	<u>\$ 26,550,726</u>

Component unit:

As of June 30, 2008, the Charter School had bank deposits of \$441,927 and a carrying balance of \$391,885, and cash on hand of \$60. At June 30, 2008, State regulatory commissioners have indicated that all financial institutions holding deposits for the Charter School are eligible public depositories.

INVESTMENTS

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



5) CASH AND INVESTMENTS (Continued)

Investments as of June 30, 2008 are classified in the accompanying financial statements as follows:

Investments held by the District	\$ 54,086,844
Investments held by an escrow agent	<u>42,083,379</u>
Total	<u>\$ 96,170,223</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</u>
				<u>Year end</u>
				<u>Not Rated</u>
Federal Home Loan Bank	\$ 31,740,233	33	N/A	\$ 31,740,233
Federal Home Loan Mtg. Corp	14,953,500	16	N/A	14,953,500
Federal National Mtg. Assoc.	6,296,720	6	N/A	6,296,720
Bankers acceptance	1,096,391	1	N/A	1,096,391
Money market funds	21,234,379	22	N/A	21,234,379
Forward delivery agreement	<u>20,849,000</u>	<u>22</u>	N/A	<u>20,849,000</u>
Total	<u>\$ 96,170,223</u>	<u>100%</u>		<u>\$ 96,170,223</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, 2008, 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.

The forward delivery agreement and the money market funds are not rated, they are invested in U.S. Government and government backed securities.

Concentration of Credit Risk

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

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

Interest Rate Risk

Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. 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:

<u>Investment Type</u>		<u>Remaining Maturity (in Months)</u>		
		<u>12 Months Or Less</u>	<u>13 to 24 Months</u>	<u>25 to 60 Months</u>
Federal Home Loan Bank	\$ 31,740,233	\$ 31,740,233	\$ -	\$ -
Federal Home Loan Mtg. Corp.	14,953,500	14,953,500	-	-
Federal National Mtg. Assoc.	6,296,720	6,296,720	-	-
Bankers acceptance	1,096,391	1,096,391	-	-
Money market funds	21,234,379	21,234,379	-	-
Forward delivery agreement	<u>20,849,000</u>	<u>20,849,000</u>	-	-
Total	<u>\$ 96,170,223</u>	<u>\$ 96,170,223</u>	<u>\$ -</u>	<u>\$ -</u>

Component Unit:

At June 30, 2008, the Charter School had invested \$475,105 in a money market fund. The fund only invests in U.S. Treasury obligations and is rated AAAM. The Academy had invested \$1,210,831 in the Colorado Government Liquid Asset Trust (COLOTRUST). Investments consist of U.S. Treasury and U.S. Agency securities and repurchase agreements collateralized by U.S. Treasury and U. S. Agency securities.

6) CAPITAL ASSETS

A summary of changes in capital assets is as follows:

<u>Governmental activities</u>				
	<u>Balance</u> <u>July 1, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2008</u>
Non-depreciable assets:				
Land	\$ 19,387,111	\$ -	\$ -	\$ 19,387,111
Projects in progress	<u>40,188,611</u>	<u>9,401,616</u>	<u>13,158,350</u>	<u>36,431,877</u>
Total non-depreciable assets	<u>59,575,722</u>	<u>9,401,616</u>	<u>13,158,350</u>	<u>55,818,988</u>
Depreciable assets:				
Land improvements	21,472,732	1,238,053	-	22,710,785
Buildings	636,267,741	12,876,780	1,423,161	647,721,360
Equipment & vehicles	<u>56,377,780</u>	<u>4,796,539</u>	<u>249,733</u>	<u>60,924,586</u>
Total depreciable assets	<u>714,118,253</u>	<u>18,911,372</u>	<u>1,672,894</u>	<u>731,356,731</u>
Less accumulated depreciation for:				
Land improvements	13,866,359	915,450	-	14,781,809
Buildings	164,908,264	15,643,360	508,570	180,043,054
Equipment & vehicles	<u>40,398,929</u>	<u>4,732,497</u>	<u>249,733</u>	<u>44,881,693</u>
Total accumulated depreciation	<u>219,173,552</u>	<u>21,291,307</u>	<u>758,303</u>	<u>239,706,556</u>
Total capital assets being depreciated, net	<u>494,944,701</u>	<u>(2,379,935)</u>	<u>914,591</u>	<u>491,650,175</u>
Net capital assets	<u>\$ 554,520,423</u>	<u>\$ 7,021,681</u>	<u>\$ 14,072,941</u>	<u>\$ 547,469,163</u>
<u>Business-type activities</u>				
A summary of changes in Enterprise Fund capital assets is as follows:				
	<u>Balance</u> <u>July 1, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2008</u>
Capital assets:				
Equipment & Vehicles	\$ 3,433,329	\$ 128,831	\$ -	\$ 3,562,160
Accumulated depreciation	<u>(2,473,480)</u>	<u>(143,897)</u>	<u>-</u>	<u>(2,617,377)</u>
Total capital assets, net	<u>\$ 959,849</u>	<u>\$ (15,066)</u>	<u>\$ -</u>	<u>\$ 944,783</u>

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

Governmental activities:	
Instruction	\$ 17,876,869
Indirect instruction	342,088
General administration	12,054
Business services	144,391
Operations and maintenance	1,077,787
Pupil transportation	1,502,479
Central services	139,306
Community services	3,433
Other support services	<u>192,900</u>
Total depreciation expense - governmental activities	<u>\$ 21,291,307</u>
Business-type activities:	
Food services	<u>\$ 143,897</u>
Total depreciation expense - business-type activities	<u>\$ 143,897</u>

Component unit activities

	Balance <u>July 1, 2007</u>	Additions	Deletions	Balance <u>June 30, 2008</u>
Governmental activities:				
Land	\$ 744,711	\$ -	\$ -	\$ 744,711
Buildings	3,002,519	-	-	3,002,519
Building improvements	436,128	84,525	-	520,653
Furniture and equipment	53,948	-	-	53,948
Accumulated depreciation	<u>(586,461)</u>	<u>(76,997)</u>	-	<u>(663,458)</u>
Total Capital Assets, net	<u>\$ 3,650,845</u>	<u>\$ 7,528</u>	<u>\$ -</u>	<u>\$ 3,658,373</u>

Construction commitments: The District has active construction projects as of June 30, 2008. The projects include renovation, new construction, and site improvements.

A list of significant commitments as of June 30, 2008 is as follows:

	Commitment <u>Total</u>	Completed <u>to Date</u>	Remaining <u>Commitment</u>
Cottage Preschool Remodel	\$ 810,800	\$ 262,952	\$ 547,848
Arapahoe Campus Transportation Facility	8,161,390	7,308,678	<u>852,712</u>
			<u>\$ 1,400,560</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 2007 - 2008 fiscal year were as follows:

	Transfers In			
	General Fund	Nonmajor Funds		
		Food Services Fund	Capital Reserve Fund	Extended Child Services Fund
<u>Transfers Out</u>				
General Fund	\$ -	\$ -	\$ -	\$ 56,188
Building Fund	-	81,484	-	-
Nonmajor Funds:				
Capital Finance Corporation Fund	-	-	717,826	-
Designated Purpose Grants Fund	175,298	-	-	-
Extended Child Services Fund	1,375,411	-	-	-
Total	\$ 1,550,709	\$ 81,484	\$ 717,826	\$ 56,188

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	\$ 1,839,496
Food Service	General Fund	23,755
Total		\$ 1,863,251

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, 2008 are estimated to be \$32,977,299 for the General Fund.

The change in the liability at June 30, 2008 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, 2008, and are therefore reflected as a liability in the appropriate fund as of June 30, 2008.

9) COMPENSATED ABSENCES PAYABLE

As of June 30, 2008, compensated absences payable are as follows:

	<u>Current</u>	<u>Long-term</u>	<u>Total</u>
Governmental activities	\$ 5,844,818	\$ 23,466,714	\$ 29,311,532
Proprietary fund (Food Service)	<u>178,583</u>	<u>-</u>	<u>178,583</u>
 Total	 <u>\$ 6,023,401</u>	 <u>\$ 23,466,714</u>	 <u>\$ 29,490,115</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, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2008</u>
Governmental funds	<u>\$ 29,564,949</u>	<u>\$ 5,393,735</u>	<u>\$ 5,647,152</u>	<u>\$ 29,311,532</u>
Proprietary funds	<u>\$ 157,676</u>	<u>\$ 178,583</u>	<u>\$ 157,676</u>	<u>\$ 178,583</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, 2008 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%	\$ 22,630,000
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%	57,640,000
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%	65,215,000
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%	<u>128,095,000</u>
Total general obligation bonds payable	<u>\$ 373,580,000</u>

Long-term debt maturities for all general obligation bonds outstanding at June 30, 2008, including interest, are as follows:

<u>Fiscal year ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 25,035,000	\$ 16,856,657	\$ 41,891,657
2010	26,255,000	15,554,832	41,809,832
2011	27,635,000	14,159,994	41,794,994
2012	29,045,000	12,672,119	41,717,119
2013	27,815,000	11,147,769	38,962,769
2014-2018	123,640,000	35,047,915	158,687,915
2019-2023	90,455,000	12,597,892	103,052,892
2024	<u>23,700,000</u>	<u>597,963</u>	<u>24,297,963</u>
Totals	<u>\$ 373,580,000</u>	<u>\$ 118,635,141</u>	<u>\$ 492,215,141</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, 2008, are \$2,178,216,132 and \$1,849,659,062, respectively. As of June 30, 2008, 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, 2008 is \$134,225,000.

Certificates of Participation

In October of 1997 and October of 2002, the Cherry Creek School District Capital Finance Corporation (Corporation) issued \$6,635,000 and \$8,830,000, respectively, in certificates of participation for the purpose of the acquisition of approximately 90 school buses and related equipment with the 1997 issue and approximately 110 buses and related equipment with the 2002 issue. The 1997 debt issue was paid in full as of June 30, 2008.

Future lease payments are as follows:

<u>Fiscal year ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 795,000	\$ 200,501	\$ 995,501
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>\$ 5,165,000</u>	<u>\$ 667,624</u>	<u>\$ 5,832,624</u>

The buses and related equipment were purchased over a five- year period for the 1997 issue and have been purchased over a four-year period for the 2002 issue. 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, 2008, the following changes occurred in long-term debt:

	<u>Balance July 1, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Outstanding June 30, 2008</u>
Governmental Activities:				
General obligation bonds payable	\$ 402,325,000	\$ -	\$ 28,745,000	\$ 373,580,000
Unamortized premiums	<u>7,127,432</u>	<u>-</u>	<u>539,854</u>	<u>6,587,578</u>
Total bonds payable	409,452,432	-	29,284,854	380,167,578
Certificates of participation	7,270,000	-	2,105,000	5,165,000
Compensated absences	<u>29,564,949</u>	<u>5,393,735</u>	<u>5,647,152</u>	<u>29,311,532</u>
Total	<u>\$ 446,287,381</u>	<u>\$ 5,393,735</u>	<u>\$ 37,037,006</u>	<u>\$ 414,644,110</u>

<u>Due within one year:</u>	
Governmental activities:	
General obligation bonds payable	\$ 25,538,833
Certificates of participation	795,000
Compensated absences	<u>5,844,818</u>
Total	<u>\$ 32,178,651</u>

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.

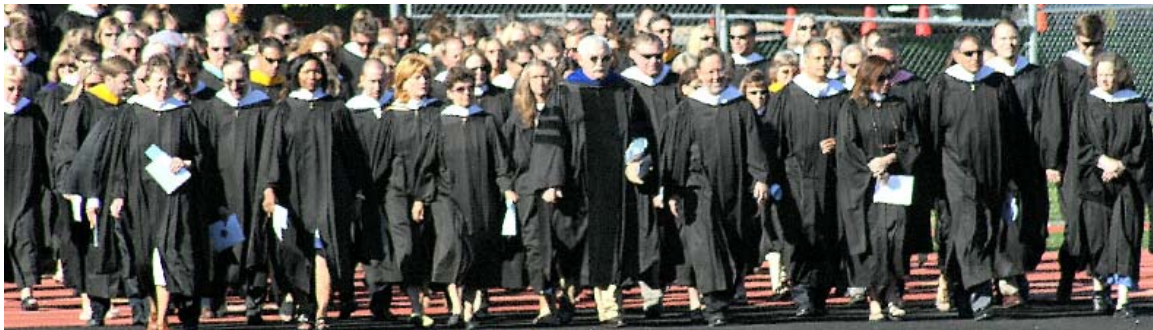
Future minimum equipment lease payments are as follows:

<u>Fiscal year ended June 30,</u>	
2009	\$ 41,787
2010	41,787
2011	<u>41,787</u>
 Total payments	 125,361
 Less amount representing interest	 <u>(13,590)</u>
 Future minimum lease payment	 <u>\$ 111,771</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>
2009	\$ 80,000	\$ 221,364	\$ 301,364
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
2014-2018	575,000	922,200	1,497,200
2019-2023	775,000	727,500	1,502,500
2024-2028	1,040,000	464,700	1,504,700
2029-2030	900,000	93,300	993,300
Totals	<u>\$ 3,720,000</u>	<u>\$ 3,270,788</u>	<u>\$ 6,990,788</u>

During the year ended June 30, 2008, the following changes occurred in the Charter School's long-term debt:

	<u>Balance July 1, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2008</u>
Building Lease	\$ 3,795,000	\$ -	\$ 75,000	\$ 3,720,000
Equipment Lease	-	111,771	-	111,771
Total	<u>\$ 3,795,000</u>	<u>\$ 111,771</u>	<u>\$ 75,000</u>	<u>\$ 3,831,771</u>
Due within one year:				
Building Lease				\$ 80,000
Equipment Lease				34,419
Total				<u>\$ 114,419</u>

11) SHORT-TERM DEBT

During the year ended June 30, 2008, the District borrowed \$71,229,183 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, 2008. The amount borrowed was paid in full by the maturity date June 25, 2008.

12) DEFINED BENEFIT PENSION PLAN

Plan Description

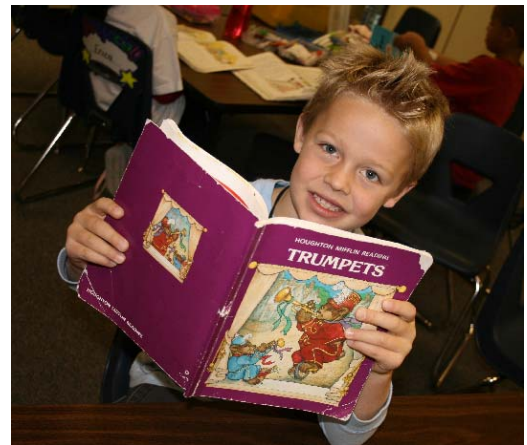
The District contributes to the School Division Trust Fund (SDTF), a cost sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). The SDTF provides retirement and disability, annual increases, and death benefits for members 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 11.15% of covered salary from July 1, 2007 through December 31, 2007 and 12.05% from January 1, 2008 to June 30, 2008. The District contribution rate will increase to 12.95 % on January 1, 2009 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, 2008, 2007 and 2006 were \$33,454,931, \$28,944,950, and \$25,899,458, respectively, equal to its required contributions for each year. The Employees contributions to SDTF for the years ending June 30, 2008, 2007, and 2006 were \$22,451,254, \$20,621,162, and \$19,914,506, 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, 2008, 2007, and 2006 was \$2,862,533, \$2,703,373, and \$2,539,100, 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 \$750,000,000 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, 2008, the amount of workers compensation liability was \$758,214. Changes in the reported liability for the years ended June 30, 2008, and 2007, were as follows:

	<u>2008</u>	<u>2007</u>
Beginning of fiscal year liability	\$ 712,101	\$ 1,057,761
Current-year claims and changes in estimate	2,037,045	1,325,933
Claim payments	<u>(1,990,932)</u>	<u>(1,671,593)</u>
Balance at fiscal year-end liability	<u>\$ 758,214</u>	<u>\$ 712,101</u>

The claims shortfall of \$758,214 as of June 30, 2008, is included in the General Fund. No long-term portion was identified as of June 30, 2008.

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 \$1,400,560 for capital projects at June 30, 2008, of which \$1,322,589 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, 2008, the District has reserved 3 percent of its fiscal year 2007-2008 spending as follows:

Governmental Activities:	
General Fund	\$ 11,378,000
Special Revenue Funds:	
Capital Reserve Fund	408,000
Extended Child Services Fund	476,000
Pupil Activities Fund	356,000
Business-type Activities:	
Food Service Fund	<u>257,000</u>
Total	<u>\$ 12,875,000</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, 2008 was \$161,897.





CherryCreek
Schools
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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, 2008

	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	\$ 265,895	\$ 4,715,459	\$ -	\$ 4,981,604
Equity in pooled cash	939,061	4,795	2,589,681	384,711	-	3,918,248
Cash in trust	107	-	-	-	901,150	901,257
Investments	-	-	2,905,256	-	-	2,905,256
Receivables, net						
Other governments	-	4,760,483	-	-	-	4,760,483
Other	800	5,134	119,462	-	-	125,396
Prepayments and deposits	-	14,525	13,549	-	-	28,074
Total Assets	<u>\$ 939,968</u>	<u>\$ 4,785,187</u>	<u>\$ 5,893,843</u>	<u>\$ 5,100,170</u>	<u>\$ 901,150</u>	<u>\$ 17,620,318</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 388,294	\$ 218,165	\$ 106,578	\$ 64,231	\$ -	\$ 777,268
Accrued salaries and benefits	-	1,344,392	890,752	-	-	2,235,144
Interfund payables	-	1,839,496	-	-	-	1,839,496
Deferred revenues	-	1,383,134	523,181	-	-	1,906,315
Compensated absences	-	-	151,509	-	-	151,509
Total Liabilities	<u>388,294</u>	<u>4,785,187</u>	<u>1,672,020</u>	<u>64,231</u>	<u>-</u>	<u>6,909,732</u>
Fund balances						
Reserved for encumbrances	277,878	-	32,973	-	-	310,851
Reserved for prepayments and deposits	-	14,525	13,549	-	-	28,074
Reserved for restricted sinking fund cash	-	-	-	-	901,150	901,150
Reserved for TABOR amendment	408,000	-	476,000	356,000	-	1,240,000
Unreserved, designated for future transfers	-	-	2,210,622	-	-	2,210,622
Unreserved	(134,204)	(14,525)	1,488,679	4,679,939	-	6,019,889
Total Fund balances	<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>
Total Liabilities and Fund balances	<u>\$ 939,968</u>	<u>\$ 4,785,187</u>	<u>\$ 5,893,843</u>	<u>\$ 5,100,170</u>	<u>\$ 901,150</u>	<u>\$ 17,620,318</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, 2008**

	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	\$ -	\$ 13,956,561	\$ -	\$ -	\$ -	\$ 13,956,561
State - grants	-	23,927	-	-	-	23,927
State equalization aid	10,247,222	-	-	-	-	10,247,222
Tuition	-	-	15,509,493	-	-	15,509,493
Earnings on investments	30,146	-	114,116	148,892	53,923	347,077
Pupil activities	-	-	-	11,571,446	-	11,571,446
Cash in lieu of land	90,397	-	-	-	-	90,397
Donations	-	2,660,992	-	-	-	2,660,992
Other	4,473	-	16,983	-	-	21,456
Total revenues	<u>10,372,238</u>	<u>16,641,480</u>	<u>15,640,592</u>	<u>11,720,338</u>	<u>53,923</u>	<u>54,428,571</u>
EXPENDITURES						
Current						
Instruction	-	12,622,195	13,734,655	-	-	26,356,850
Pupil services	-	3,429,650	-	-	-	3,429,650
Business services	-	-	272,439	-	-	272,439
Community services	-	414,337	473,953	-	-	888,290
Pupil activities	-	-	-	11,852,886	-	11,852,886
Capital outlay	11,227,845	-	-	-	1,158	11,229,003
Debt service	-	-	-	-	-	-
Principal	2,105,000	-	-	-	-	2,105,000
Interest and fiscal charges	256,120	-	-	-	-	256,120
Total expenditures	<u>13,588,965</u>	<u>16,466,182</u>	<u>14,481,047</u>	<u>11,852,886</u>	<u>1,158</u>	<u>56,390,238</u>
Excess of revenues over (under) expenditures	<u>(3,216,727)</u>	<u>175,298</u>	<u>1,159,545</u>	<u>(132,548)</u>	<u>52,765</u>	<u>(1,961,667)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	717,826	-	56,188	-	-	774,014
Transfers out	-	(175,298)	(1,375,411)	-	(717,826)	(2,268,535)
Total other financing sources (uses)	<u>717,826</u>	<u>(175,298)</u>	<u>(1,319,223)</u>	<u>-</u>	<u>(717,826)</u>	<u>(1,494,521)</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>(2,498,901)</u>	<u>-</u>	<u>(159,678)</u>	<u>(132,548)</u>	<u>(665,061)</u>	<u>(3,456,188)</u>
Fund balances, Beginning	<u>3,050,575</u>	<u>-</u>	<u>4,381,501</u>	<u>5,168,487</u>	<u>1,566,211</u>	<u>14,166,774</u>
Fund balances, Ending	<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>

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, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes				
Property	\$ 49,604,527	\$ 51,313,691	\$ 51,754,079	\$ 440,388
Earnings on investments	30,000	30,000	465,720	435,720
Total revenues	<u>49,634,527</u>	<u>51,343,691</u>	<u>52,219,799</u>	<u>876,108</u>
EXPENDITURES				
Debt service				
Principal	28,745,000	28,745,000	28,745,000	-
Interest	18,111,738	18,111,738	18,111,738	-
Fiscal charges	30,000	30,000	4,433	25,567
Total expenditures	<u>46,886,738</u>	<u>46,886,738</u>	<u>46,861,171</u>	<u>25,567</u>
Excess of revenues over expenditures	2,747,789	4,456,953	5,358,628	901,675
Fund balance, Beginning	<u>39,547,027</u>	<u>39,664,302</u>	<u>39,664,302</u>	<u>-</u>
Fund balance, Ending	<u>\$ 42,294,816</u>	<u>\$ 44,121,255</u>	<u>\$ 45,022,930</u>	<u>\$ 901,675</u>

CHERRY CREEK SCHOOL DISTRICT NO. 5

ARAPAHOE COUNTY, COLORADO

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL PROJECTS - BUILDING FUND**

For The Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Earnings on investments	\$ 500,000	\$ 500,000	\$ 789,500	\$ 289,500
Total revenues	<u>500,000</u>	<u>500,000</u>	<u>789,500</u>	<u>289,500</u>
EXPENDITURES				
Capital outlay				
Building and improvements	14,502,531	14,252,531	8,274,921	5,977,610
Furniture and equipment	5,571,393	5,864,909	3,348,452	2,516,457
Other	1,003,157	1,048,157	1,045,889	2,268
Total expenditures	<u>21,077,081</u>	<u>21,165,597</u>	<u>12,669,262</u>	<u>8,496,335</u>
Excess of revenues over (under) expenditures	<u>(20,577,081)</u>	<u>(20,665,597)</u>	<u>(11,879,762)</u>	<u>8,785,835</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(170,000)</u>	<u>(81,484)</u>	<u>(81,484)</u>	<u>-</u>
Net change in fund balance	(20,747,081)	(20,747,081)	(11,961,246)	8,785,835
Fund balance, Beginning	<u>21,386,513</u>	<u>28,146,063</u>	<u>28,146,063</u>	<u>-</u>
Fund balance, Ending	<u>\$ 639,432</u>	<u>\$ 7,398,982</u>	<u>\$ 16,184,817</u>	<u>\$ 8,785,835</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 - CAPITAL RESERVE FUND
For The Year Ended June 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental				
State equalization aid	\$ 10,427,800	\$ 10,247,200	\$ 10,247,222	\$ 22
Earnings on investments	150,000	30,000	30,146	146
Cash in lieu of land	200,000	90,000	90,397	397
Other	-	-	4,473	4,473
Total revenues	<u>10,777,800</u>	<u>10,367,200</u>	<u>10,372,238</u>	<u>5,038</u>
EXPENDITURES				
Capital outlay				
Land and improvements	5,583,352	717,164	686,699	30,465
Building and improvements	-	5,013,971	4,982,399	31,572
Furniture and equipment	3,405,528	3,257,745	3,257,402	343
Debt service				
Principal	2,105,000	2,105,000	2,105,000	-
Interest	256,120	256,120	256,120	-
Total expenditures	<u>11,350,000</u>	<u>11,350,000</u>	<u>11,287,620</u>	<u>62,380</u>
Excess of revenues over (under) expenditures	<u>(572,200)</u>	<u>(982,800)</u>	<u>(915,382)</u>	<u>67,418</u>
OTHER FINANCING SOURCES				
Transfers in	<u>711,897</u>	<u>711,897</u>	<u>717,826</u>	<u>5,929</u>
Total other financing sources	<u>711,897</u>	<u>711,897</u>	<u>717,826</u>	<u>5,929</u>
Net change in fund balances	139,697	(270,903)	(197,556)	73,347
Fund balance (Budgetary Basis), Beginning (Restated)	<u>569,330</u>	<u>471,352</u>	<u>471,352</u>	<u>-</u>
Fund balance (Budgetary Basis), Ending	<u>\$ 709,027</u>	<u>\$ 200,449</u>	273,796	<u>\$ 73,347</u>
Add outstanding encumbrances ending			<u>277,878</u>	
Fund balance (GAAP Basis), Ending			<u>\$ 551,674</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, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental				
Federal - Grants	\$ 15,190,700	\$ 14,490,700	\$ 13,956,561	\$ (534,139)
State - Grants	544,000	544,000	23,927	(520,073)
Donations	1,934,600	2,634,600	2,660,992	26,392
Total revenues	<u>17,669,300</u>	<u>17,669,300</u>	<u>16,641,480</u>	<u>(1,027,820)</u>
EXPENDITURES				
Current				
Instruction	13,467,300	13,294,002	12,622,195	671,807
Pupil services	700,000	700,000	597,243	102,757
Instructional staff services	2,600,000	2,600,000	2,516,284	83,716
School administration	400,000	400,000	316,123	83,877
Community services	500,000	500,000	414,337	85,663
Total expenditures	<u>17,667,300</u>	<u>17,494,002</u>	<u>16,466,182</u>	<u>1,027,820</u>
Excess of revenues over expenditures	2,000	175,298	175,298	-
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(2,000)</u>	<u>(175,298)</u>	<u>(175,298)</u>	<u>-</u>
Total other financing sources (uses)	<u>(2,000)</u>	<u>(175,298)</u>	<u>(175,298)</u>	<u>-</u>
Net change in fund balances	-	-	-	-
Fund balance, Beginning	-	-	-	-
Fund balance, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CHERRY CREEK SCHOOL DISTRICT NO. 5

ARAPAHOE COUNTY, COLORADO

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

For The Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Tuition	\$ 15,228,900	\$ 15,380,900	\$ 15,509,493	\$ 128,593
Earnings on investments	150,000	110,000	114,116	4,116
Other	16,000	16,000	16,983	983
Total revenues	<u>15,394,900</u>	<u>15,506,900</u>	<u>15,640,592</u>	<u>133,692</u>
EXPENDITURES				
Current				
Instruction	12,451,800	13,512,992	13,467,823	45,169
Instructional staff services	208,900	317,992	227,275	90,717
Business services	675,000	286,010	272,272	13,738
Community services	500,000	500,000	473,986	26,014
Total expenditures	<u>13,835,700</u>	<u>14,616,994</u>	<u>14,441,356</u>	<u>175,638</u>
Excess of revenues over expenditures	<u>1,559,200</u>	<u>889,906</u>	<u>1,199,236</u>	<u>309,330</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	162,000	50,000	56,188	6,188
Transfers out	<u>(1,200,000)</u>	<u>(1,388,706)</u>	<u>(1,375,411)</u>	<u>13,295</u>
Total other financing sources (uses)	<u>(1,038,000)</u>	<u>(1,338,706)</u>	<u>(1,319,223)</u>	<u>19,483</u>
Net change in fund balances	521,200	(448,800)	(119,987)	328,813
Fund balance, Beginning	<u>2,724,696</u>	<u>4,308,837</u>	<u>4,308,837</u>	<u>-</u>
Fund balance, Ending	<u>\$ 3,245,896</u>	<u>\$ 3,860,037</u>	<u>\$ 4,188,850</u>	<u>\$ 328,813</u>
Add outstanding encumbrances ending			<u>32,973</u>	
Fund balance (GAAP Basis), Ending			<u>\$ 4,221,823</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, 2008

	<u>Budgeted Amounts</u>		<u>Actual (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Earnings on investments	\$ 323,000	\$ 323,000	\$ 148,892	\$ (174,108)
Pupil activities	12,088,800	12,088,800	11,571,446	(517,354)
Total revenues	<u>12,411,800</u>	<u>12,411,800</u>	<u>11,720,338</u>	<u>(691,462)</u>
EXPENDITURES				
Current				
Pupil activities	<u>12,411,800</u>	<u>12,411,800</u>	<u>11,852,886</u>	<u>558,914</u>
Excess of revenues (under) expenditures	-	-	(132,548)	(132,548)
Fund balance (Budgetary Basis), Beginning	<u>4,921,624</u>	<u>5,168,487</u>	<u>5,168,487</u>	<u>-</u>
Fund balance (Budgetary Basis), Ending	<u>\$ 4,921,624</u>	<u>\$ 5,168,487</u>	5,035,939	<u>\$ (132,548)</u>
Add outstanding encumbrances ending			<u>-</u>	
Fund balance (GAAP Basis), Ending			<u>\$ 5,035,939</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, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Earnings on investments	\$ 40,000	\$ 40,000	\$ 53,923	\$ 13,923
Total revenues	<u>40,000</u>	<u>40,000</u>	<u>53,923</u>	<u>13,923</u>
EXPENDITURES				
Capital outlay				
School buses and equipment	-	-	-	-
Certificates of participation issuance costs	-	-	-	-
Other expenditures	-	2,000	1,158	842
Total expenditures	<u>-</u>	<u>2,000</u>	<u>1,158</u>	<u>842</u>
Excess of revenues over expenditures	<u>40,000</u>	<u>38,000</u>	<u>52,765</u>	<u>14,765</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(711,897)</u>	<u>(719,897)</u>	<u>(717,826)</u>	<u>2,071</u>
Total other financing sources (uses)	<u>(711,897)</u>	<u>(719,897)</u>	<u>(717,826)</u>	<u>2,071</u>
Net change in fund balances	(671,897)	(681,897)	(665,061)	16,836
Fund balance, Beginning	<u>1,659,366</u>	<u>1,566,211</u>	<u>1,566,211</u>	<u>-</u>
Fund balance, Ending	<u>\$ 987,469</u>	<u>\$ 884,314</u>	<u>\$ 901,150</u>	<u>\$ 16,836</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, 2008

GOVERNMENTAL FUNDS CAPITAL ASSETS

Land	\$ 19,387,111
Improvements	22,710,785
Buildings	647,721,360
Projects in progress	36,431,877
Equipment and vehicles	<u>60,924,586</u>
Total Governmental Funds Capital Assets	<u>\$ 787,175,719</u>

INVESTMENT IN GOVERNMENTAL FUNDS CAPITAL ASSETS

General Fund	\$ 18,163,109
Special Revenue Funds:	
Capital Reserve Fund	152,460,033
Designated Purpose Grants Fund	1,676,988
Extended Child Services Fund	1,512,469
Capital Projects Fund (Building Fund)	<u>613,363,120</u>
Total Investment in Governmental Funds Capital Assets	<u>\$ 787,175,719</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, 2008

	<u>Land and Improvements</u>	<u>Buildings and Projects In Progress</u>	<u>Equipment and Vehicles</u>	<u>Total</u>
Instruction				
Elementary education	\$ 11,971,878	\$ 247,155,050	\$ 10,256,392	\$ 269,383,320
Middle school education	5,276,561	165,448,553	5,601,546	176,326,660
High school education	18,094,430	218,439,537	10,072,526	246,606,493
Special programs	3,433,891	22,980,384	1,553,846	27,968,121
Support services				
Administrative	343,530	17,547,485	8,753,029	26,644,044
Maintenance	350,397	2,275,748	1,288,155	3,914,300
Transportation	2,319,916	9,366,216	22,584,636	34,270,768
Warehouse	307,293	940,264	814,456	2,062,013
Total capital assets	<u>\$ 42,097,896</u>	<u>\$ 684,153,237</u>	<u>\$ 60,924,586</u>	<u>\$ 787,175,719</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, 2008

	Governmental Funds Capital Assets June 30, 2007	Additions	Deductions	Governmental Funds Capital Assets June 30, 2008
Instruction				
Elementary education	\$ 268,185,625	\$ 13,112,157	\$ 11,914,462	\$ 269,383,320
Middle school education	175,023,464	2,708,531	1,405,335	176,326,660
High school education	246,011,062	1,236,296	640,865	246,606,493
Special programs	27,136,782	1,070,751	239,412	27,968,121
Support services				
Administrative	26,670,336	534,870	561,162	26,644,044
Maintenance	3,798,476	116,838	1,014	3,914,300
Transportation	24,842,064	9,455,768	27,064	34,270,768
Warehouse	2,026,166	77,777	41,930	2,062,013
Total capital assets	\$ 773,693,975	\$ 28,312,988	\$ 14,831,244	\$ 787,175,719



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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, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Food sales	\$ 8,492,600	\$ 8,417,600	\$ 8,310,815	\$ (106,785)
Earnings on investments	125,000	125,000	141,982	16,982
Other	220,000	295,000	321,052	26,052
Transfer in	170,000	81,484	81,484	-
State aid	170,000	200,000	210,298	10,298
Federal aid				
Reimbursement for meals	4,090,580	4,090,580	4,444,962	354,382
USDA commodities	690,000	690,000	862,890	172,890
Total revenues	<u>13,958,180</u>	<u>13,899,664</u>	<u>14,373,483</u>	<u>473,819</u>
EXPENSES				
Salaries and benefits	4,968,800	4,978,900	4,978,702	198
Purchased services	749,900	373,800	373,632	168
Supplies and materials	7,028,250	7,584,250	7,568,893	15,357
Depreciation	165,000	145,000	143,897	1,103
Indirect costs	850,000	780,000	776,245	3,755
Total expenses	<u>13,761,950</u>	<u>13,861,950</u>	<u>13,841,369</u>	<u>20,581</u>
Excess of revenues over (under) expenses	196,230	37,714	532,114	494,400
Net Assets, Beginning	<u>5,426,514</u>	<u>5,504,080</u>	<u>5,504,080</u>	<u>-</u>
Net Assets, Ending	<u>\$ 5,622,744</u>	<u>\$ 5,541,794</u>	<u>\$ 6,036,194</u>	<u>\$ 494,400</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)

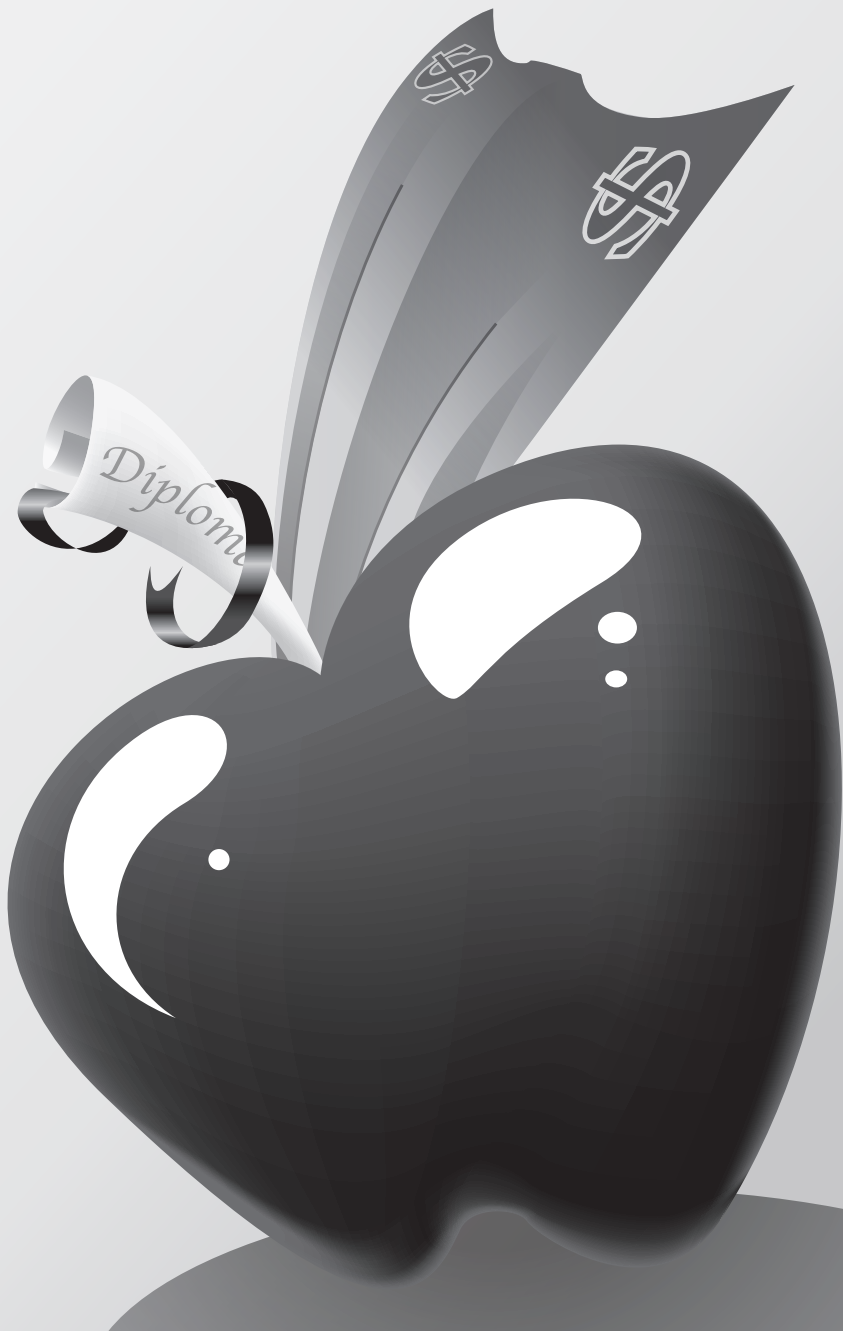
For The Year Ended June 30, 2008

Total Expenditures for All Funds Listed Below

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

General Fund	\$ 367,720,060	
Designated-Purpose Grants Fund	15,655,982	
Capital Reserve Fund	10,371,477	
Extended Child Services Fund	16,041,929	
Pupil Activities Fund	11,722,346	
Other Special Revenue Funds	N/A	
Building Fund	N/A	
Bond Redemption Fund	52,163,347	
Food Service Fund	<u>14,394,909</u>	
 Total Expenditures		 \$ 488,070,050
 Deduct the following expenditures included in totals above:		
Expenditures from Gifts/Foundations	2,660,992	
Expenditures from Federal Grants	17,416,025	
Amendment No. 23, November 2000	69,702,639	
Repayment of Voter-Approved Debt	52,163,347	
Post 1991 Voter-Approved Referendum	<u>24,500,000</u>	
 Total Deductions		 <u>166,443,003</u>
 Total Spending Subject to TABOR for Current Year		 <u>321,627,047</u>
 Total Spending Subject to TABOR Prior Year		 321,809,728
 % Change in Denver/Boulder Consumer Price Index for Prior Year	2.20	
 % Change in Student Enrollment	<u>1.53</u>	
 Total % Change	<u><u>3.73</u></u>	
 Change in Spending Permitted		 <u>12,003,503</u>
 Maximum Spending Subject to TABOR Allowed for Current Year		 <u>333,813,231</u>
 Spending Over (Under) Allowable Amount		 <u><u>\$ (12,186,184)</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.

Contents

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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.

Schedule 1	Net Assets by Component	102-103
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Schedule 4	Changes in Fund Balances, Governmental Funds	112-114

Revenue Capacity:

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

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Debt Capacity:

These schedules present information to help the user understand and assess the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

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Demographic and Economic Information:

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

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Operating Information:

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

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Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. 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 Seven Fiscal Years
(accrual basis of accounting)

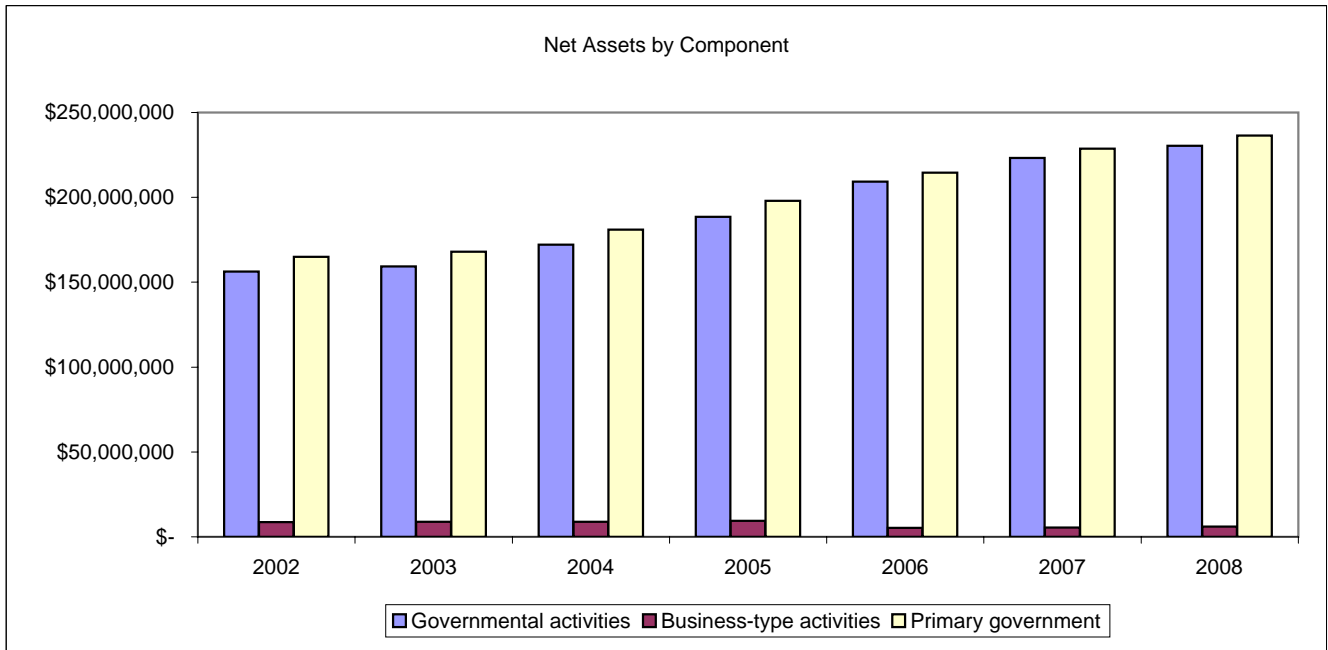
	Fiscal Year			
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Governmental activities				
Invested in capital assets, net of related debt	\$ 60,346,221	\$ 133,414,414	\$ 145,356,110	\$ 149,094,843
Restricted	112,426,692	46,036,494	38,607,135	43,514,037
Unrestricted	<u>(16,470,063)</u>	<u>(20,185,640)</u>	<u>(11,859,650)</u>	<u>(4,017,444)</u>
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	<u>5,985,460</u>	<u>5,965,511</u>	<u>6,908,533</u>	<u>7,442,401</u>
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	<u>(10,484,603)</u>	<u>(14,220,129)</u>	<u>(4,951,117)</u>	<u>3,424,957</u>
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>
\$ 157,731,564	\$ 165,944,054	\$ 180,282,382
45,912,121	50,528,449	56,904,127
5,701,242	6,758,344	(6,849,551)
<u>\$ 209,344,927</u>	<u>\$ 223,230,847</u>	<u>\$ 230,336,958</u>
\$ 1,012,102	\$ 959,849	\$ 944,783
252,000	255,000	257,000
3,945,411	4,289,231	4,834,411
<u>\$ 5,209,513</u>	<u>\$ 5,504,080</u>	<u>\$ 6,036,194</u>
\$ 158,743,666	\$ 166,903,903	\$ 181,227,165
46,164,121	50,783,449	57,161,127
9,646,653	11,047,575	(2,015,140)
<u>\$ 214,554,440</u>	<u>\$ 228,734,927</u>	<u>\$ 236,373,152</u>



CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO

Changes in Net Assets,
Last Seven 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>

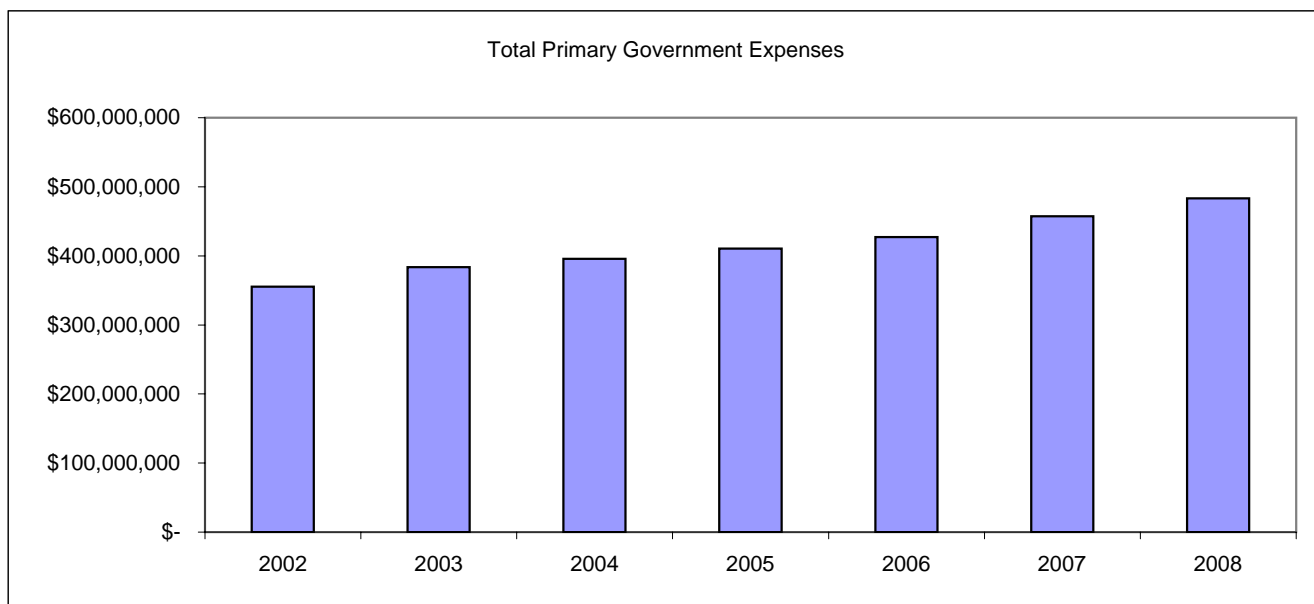
Notes:

(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>
\$ 264,844,642	\$ 288,668,360	\$ 306,386,804
21,568,550	23,019,380	25,204,203
13,843,270	14,409,001	14,552,126
19,962,085	20,817,498	21,640,585
2,806,143	3,169,042	3,281,998
3,066,894	3,504,958	3,636,338
32,809,665	33,002,853	34,244,558
13,093,193	15,598,597	17,433,438
9,965,888	9,535,413	11,725,014
875,268	1,044,669	1,241,794
11,189,035	11,501,773	11,852,886
595,535	603,777	600,163
<u>20,111,698</u>	<u>19,023,785</u>	<u>17,775,387</u>
<u>414,731,866</u>	<u>443,899,106</u>	<u>469,575,294</u>
12,658,997	13,207,896	13,841,369
-	-	-
<u>12,658,997</u>	<u>13,207,896</u>	<u>13,841,369</u>
<u>\$ 427,390,863</u>	<u>\$ 457,107,002</u>	<u>\$ 483,416,663</u>



CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO

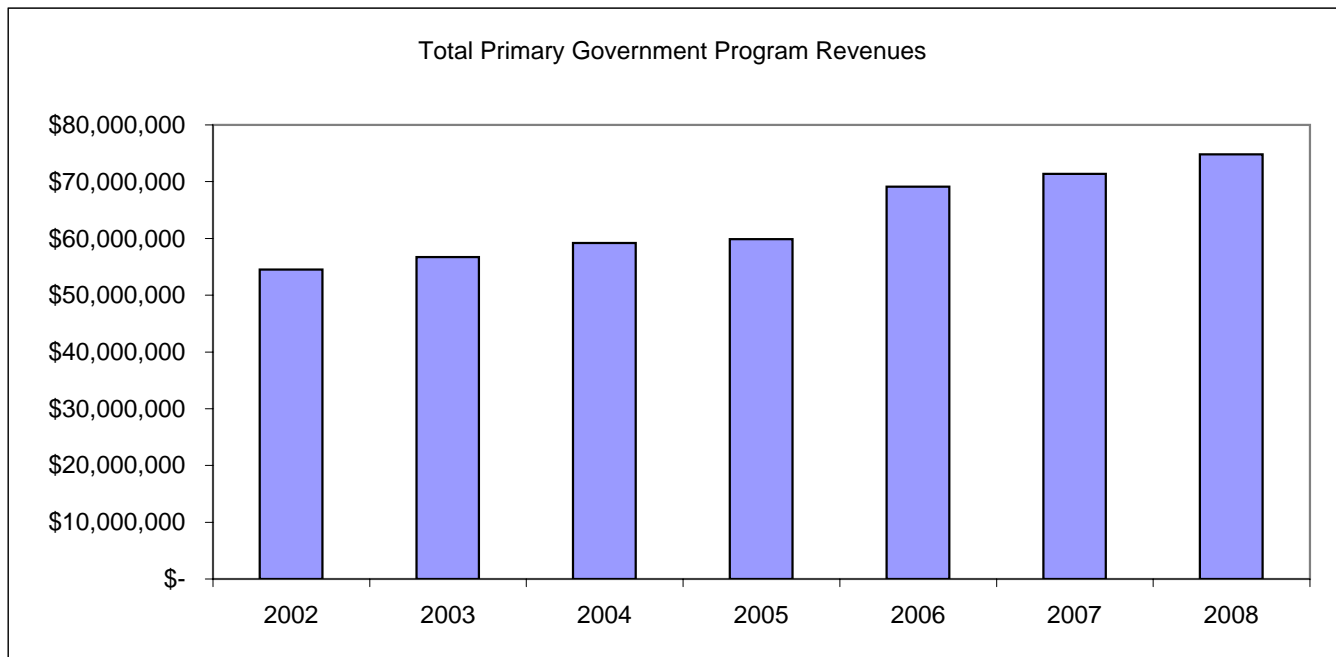
Changes in Net Assets,
Last Seven Fiscal Years
(accrual basis of accounting)

	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	<u>782,818</u>	<u>441,289</u>	<u>463,408</u>	<u>646,286</u>
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	<u>2,965,471</u>	<u>2,930,433</u>	<u>3,456,783</u>	<u>3,929,896</u>
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	<u>298,162</u>	<u>432,628</u>	<u>358,098</u>	<u>1,007,265</u>
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>
\$ 15,579,084	\$ 17,022,126	\$ 18,118,834
11,300,849	11,571,481	11,571,446
861,208	1,151,383	1,476,045
28,047,976	27,846,901	28,940,825
619,349	538,520	541,869
<u>56,408,466</u>	<u>58,130,411</u>	<u>60,649,019</u>
8,264,051	8,353,484	8,631,867
-	-	-
4,447,409	4,907,235	5,518,150
<u>12,711,460</u>	<u>13,260,719</u>	<u>14,150,017</u>
<u>\$ 69,119,926</u>	<u>\$ 71,391,130</u>	<u>\$ 74,799,036</u>
\$(332,041,977)	\$(385,768,695)	\$(408,926,275)
(9,571,112)	52,823	308,648
<u>\$(341,613,089)</u>	<u>\$(385,715,872)</u>	<u>\$(408,617,627)</u>



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

**Changes in Net Assets,
Last Seven 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>\$ 316,395,689</u>	<u>\$ 330,386,441</u>	<u>\$ 349,507,808</u>	<u>\$ 367,901,838</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>\$ 15,695,109</u>	<u>\$ 3,322,687</u>	<u>\$ 12,875,109</u>	<u>\$ 17,030,515</u>

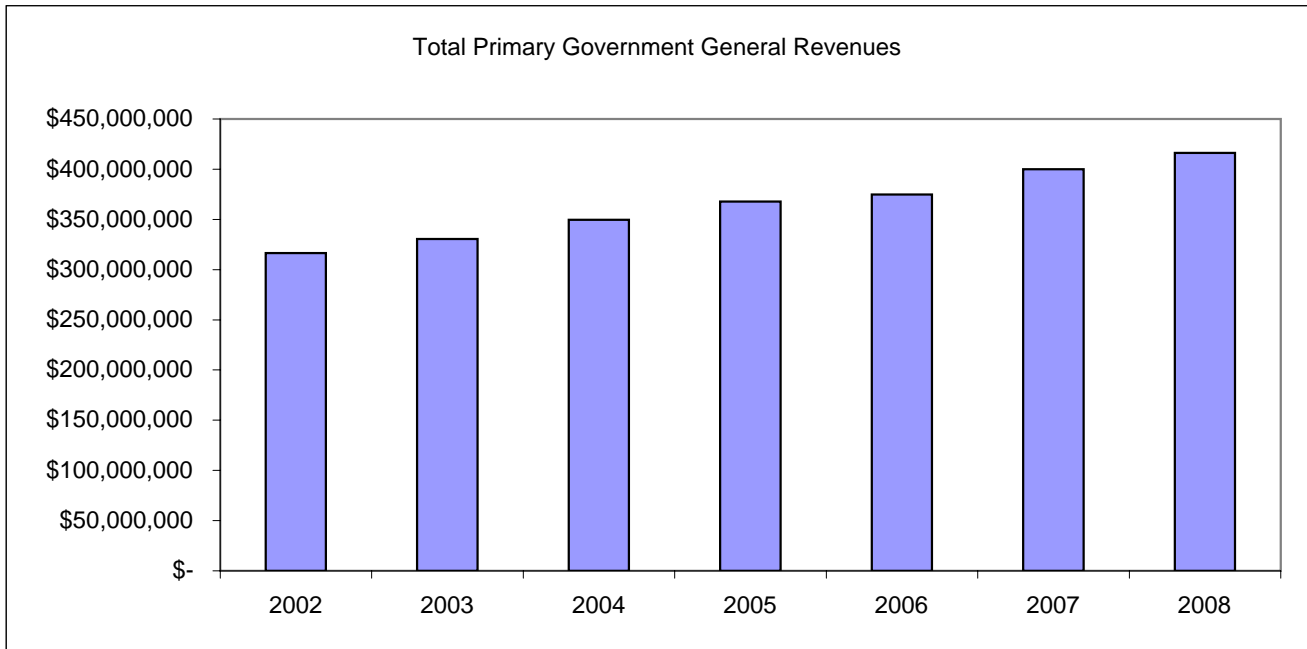
Notes:

(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>
\$ 191,435,995	\$ 200,318,318	\$ 206,915,772
17,658,917	17,450,360	16,768,029
4,374,881	4,740,873	2,895,107
2,083,166	2,151,510	1,776,439
159,224,806	175,076,405	187,758,523
<u>(178,352)</u>	<u>(82,851)</u>	<u>(81,484)</u>
<u>374,599,413</u>	<u>399,654,615</u>	<u>416,032,386</u>
98,384	158,893	141,982
<u>178,352</u>	<u>82,851</u>	<u>81,484</u>
<u>276,736</u>	<u>241,744</u>	<u>223,466</u>
<u>\$ 374,876,149</u>	<u>\$ 399,896,359</u>	<u>\$ 416,255,852</u>
\$ 22,720,825	\$ 13,885,920	\$ 7,106,111
<u>1,284,001</u>	<u>294,567</u>	<u>532,114</u>
<u>\$ 24,004,826</u>	<u>\$ 14,180,487</u>	<u>\$ 7,638,225</u>



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

**Fund Balances, Governmental Funds,
Last Ten Fiscal Years**

Schedule 3

(modified accrual basis of accounting)

General Fund						
Fiscal Year	Reserved	Unreserved	Total			
1999	\$ 10,893,567	\$ (1,279,209)	\$ 9,614,358			
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			

All Other Governmental Funds						
Fiscal Year	Reserved	Unreserved				Total
		Capital Reserve	Pupil Activities	Designated Purpose Grants	Extended Child Services	
1999	\$ 33,481,735	\$ 2,450,871	\$ 2,544,212	\$ -	\$ -	\$ 38,476,818
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

Notes:

(1) Other governmental funds from fiscal year 1999 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.



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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>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Revenues				
Local sources				
Property taxes	\$ 143,076,387	\$ 159,526,754	\$ 165,133,416	\$ 175,900,512
Specific ownership taxes	14,422,577	16,321,120	18,488,081	19,172,994
Tuition	1,453,253	1,189,997	1,034,583	1,023,438
Earnings on investments	1,998,445	9,361,316	12,583,774	8,287,360
Pupil activities	8,498,388	9,314,162	9,039,004	9,369,174
Other	9,073,947	5,880,872	5,068,670	8,310,746
State sources				
Equalization aid	87,332,103	93,185,640	99,400,435	109,144,312
Vocational education	679,765	778,798	1,034,990	854,825
Education of handicapped	4,200,577	4,219,516	4,360,704	4,687,976
Transportation	1,708,461	1,732,632	1,690,717	1,820,053
Other	491,016	636,588	668,841	1,358,249
Federal sources	5,220,046	5,724,690	5,619,033	7,480,318
Total revenues	<u>278,154,965</u>	<u>307,872,085</u>	<u>324,122,248</u>	<u>347,409,957</u>
Expenditures				
Instruction	153,596,504	164,234,491	175,254,854	193,973,501
Pupil services	13,303,664	14,425,995	15,306,051	18,119,212
Instructional staff services	8,367,936	9,135,814	9,564,155	11,544,196
School administration	14,103,542	15,307,707	15,597,228	17,330,929
General administration	2,146,238	2,190,617	2,235,894	2,525,173
Business services	2,498,616	2,568,106	2,473,455	2,717,960
Operations & maintenance	20,394,671	23,175,050	23,985,435	25,939,683
Pupil transportation	5,302,078	5,618,744	6,091,040	7,409,636
Central supporting services	5,694,945	6,925,940	8,092,853	8,126,108
Other services	1,539,380	2,451,456	2,174,781	-
Non-departmental	1,380,475	985,712	938,564	661,110
Pupil activities	7,937,747	9,343,256	8,808,228	9,344,837
Capital outlay	40,711,479	20,481,676	47,260,013	91,123,939
Debt service				
Interest	12,586,649	18,196,540	22,489,617	21,189,313
Principal	14,003,887	15,425,876	18,383,261	20,841,393
Advance refunding escrow and issue costs				
Total expenditures	<u>303,567,811</u>	<u>310,466,980</u>	<u>358,655,429</u>	<u>430,846,990</u>
Excess of revenues over (under) expenditures	(25,412,846)	(2,594,895)	(34,533,181)	(83,437,033)
Other Financing Sources (Uses):				
Transfers in	749,162	932,593	1,672,463	2,005,301
Transfers out	(44,637)	(48,538)	(19,016)	(1,124,065)
General obligation bonds issued	-	173,189,965	-	-
Bond premium	-	-	-	-
Bond refunding escrow agent	-	-	-	-
Equipment lease	101,384	-	-	203,560
Sale of assets	7,010,676	33,707	70,492	221,783
Other	-	1,355,364	-	-
Total other financing sources (uses)	<u>7,816,585</u>	<u>175,463,091</u>	<u>1,723,939</u>	<u>1,306,579</u>
Net change in fund balances	<u>\$ (17,596,261)</u>	<u>\$ 172,868,196</u>	<u>\$ (32,809,242)</u>	<u>\$ (82,130,454)</u>
Debt service as a percentage of noncapital expenditures				12.2%

Schedule 4

Fiscal Year					
2003	2004	2005	2006	2007	2008
\$ 182,209,209	\$ 186,967,678	\$ 190,964,705	\$ 194,339,986	\$ 199,571,172	\$ 207,013,865
18,280,862	18,082,240	17,984,695	17,658,917	17,450,360	16,768,029
940,862	936,605	770,158	13,713,445	15,247,271	16,373,319
3,459,085	1,808,941	2,574,816	4,374,881	4,740,873	2,895,107
10,503,356	10,449,613	10,674,825	11,300,849	11,571,481	11,571,446
6,719,299	6,114,307	7,484,071	7,322,820	6,920,467	8,687,906
124,971,830	139,947,621	151,055,322	159,224,806	175,076,405	187,758,523
903,278	996,075	1,113,314	2,002,053	723,110	1,491,395
5,017,061	5,254,446	5,417,924	7,149,487	7,587,737	7,507,649
2,079,280	2,265,448	2,363,142	2,570,702	2,612,078	3,086,331
1,678,682	1,576,622	1,243,568	1,090,670	2,017,101	665,442
9,068,970	10,471,840	9,745,340	13,350,891	13,657,343	13,956,561
<u>365,831,774</u>	<u>384,871,436</u>	<u>401,391,880</u>	<u>434,099,507</u>	<u>457,175,398</u>	<u>477,775,573</u>
207,279,122	215,019,643	220,457,921	240,390,990	260,993,962	277,624,127
20,102,006	22,237,540	21,135,995	21,549,955	22,955,861	24,991,634
12,127,646	11,149,839	13,529,753	13,431,218	14,186,080	14,376,166
18,462,674	18,828,858	18,690,096	20,189,689	20,883,529	21,766,883
2,586,707	2,596,437	2,641,443	2,774,131	3,231,813	3,192,004
2,763,206	2,729,878	2,885,117	2,979,475	3,159,154	3,428,093
27,391,354	28,694,011	29,027,240	31,893,410	32,998,360	34,454,985
8,663,563	9,337,639	10,589,929	11,409,808	13,345,503	17,043,796
9,180,097	8,296,417	8,878,048	9,967,331	9,465,979	11,538,222
-	-	-	-	-	-
755,964	723,852	702,992	1,223,626	1,318,533	1,539,238
10,094,024	10,150,045	10,311,846	11,189,035	11,501,773	11,852,886
63,701,349	36,243,083	83,434,386	48,882,913	41,017,521	24,093,682
18,663,341	18,560,140	20,679,967	20,580,649	19,626,055	30,850,000
23,417,525	26,835,962	21,495,000	24,275,000	26,560,000	18,372,291
<u>425,188,578</u>	<u>411,403,344</u>	<u>464,459,733</u>	<u>460,737,230</u>	<u>481,244,123</u>	<u>495,124,007</u>
(59,356,804)	(26,531,908)	(63,067,853)	(26,637,723)	(24,068,725)	(17,348,434)
1,962,771	1,866,451	1,614,472	1,294,903	1,297,107	2,324,723
(1,507,740)	(1,504,668)	(1,039,676)	(1,473,255)	(1,379,958)	(2,406,207)
8,978,603	198,765,000	199,715,000	-	-	-
-	9,760,750	14,402,671	-	-	-
-	(104,897,505)	(144,743,873)	-	-	-
135,650	-	-	-	-	-
7,920	25,259	31,242	13,225	-	-
(9,600)	-	-	-	-	-
<u>9,567,604</u>	<u>104,015,287</u>	<u>69,979,836</u>	<u>(165,127)</u>	<u>(82,851)</u>	<u>(81,484)</u>
<u>\$ (49,789,200)</u>	<u>\$ 77,483,379</u>	<u>\$ 6,911,983</u>	<u>\$ (26,802,850)</u>	<u>\$ (24,151,576)</u>	<u>\$ (17,429,918)</u>
11.5%	12.0%	10.7%	11.4%	10.9%	10.3%

**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) Due to implementation of GASB Statement #10, the Special Revenue (Insurance Reserve) Fund was reclassified to an Internal Service Fund, effective fiscal year 1993-94. Effective fiscal year 1999-2000, the District reclassified the Internal Service (Insurance Reserve) Fund to the General Fund.

(4) 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.

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

(6) 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>
1999	1,084,443	1,113,862	362,926	195,108	2,366,123	6.1059	15,549,822	15.22%
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%

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>
1999	9.74	29.0	1997
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

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

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

Schedule 6

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				
1999	50.071	10.988	61.059	42.288	15.549	1,040.290	1,159.186
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

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 1.621 to 60.00 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	2008			1999		
	Taxable Assessed Value	Rank	Percent of District's Total Taxable Value	Taxable Assessed Value	Rank	Percent of District's Total Taxable Value
Qwest Corporation	\$ 52,104,100	1	1.17%	\$ 44,330,640	1	1.87%
Xcel Energy	33,991,880	2	0.76%	24,826,420	2	1.05%
Verizon FKA Airtouch Comm.	32,461,760	3	0.73%	-		-
Greenwood Property Corporation	29,000,010	4	0.65%	13,340,000	4	0.56%
Property Colorado OBJLW One	22,330,010	5	0.50%	17,545,000	3	0.74%
Crescent Peakview Tower	13,050,000	6	0.29%	-		-
FSP Greenwood Plaza Corporation	12,768,000	7	0.29%	-		-
CSHV Denver Tech Center LLC	11,600,000	8	0.26%	-		-
LR Fiddlers LLC	11,600,000	9	0.26%			
Galleria Acquisition Inc.	11,599,990	10	0.26%	9,280,000	6	0.39%
EOP - Millennium LLC	-		-	9,541,000	5	0.40%
Galileo International	-		-	8,864,960	7	0.37%
EOP Quadrant LLC	-		-	8,352,000	8	0.35%
Anemone Properties Associates	-		-	8,265,000	9	0.35%
Prefco VIII Ltd. Partnership	-		-	8,120,000	10	0.34%
	<u>\$ 230,505,750</u>		<u>5.17%</u>	<u>\$ 152,465,020</u>		<u>6.44%</u>

Source: Arapahoe County Assessor's Office

Notes:

(1) The total assessed valuation upon which the 2007 tax levy is based for collection in 2008 is \$4,455,398,490. The total assessed valuation upon which the 1998 tax levy is based for collection in 1999 is \$2,366,123,050.

(2) Qwest was known as US West Communications in 1999

(3) Xcel was known as Public Service Company of Colorado in 1999

**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
1999	144,473,107	140,145,808	97.00%	3,023,322	143,169,130	99.10%
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%	8,925,231	175,834,765	96.88%
2003	185,435,427	176,534,635	95.20%	5,803,659	182,338,294	98.33%
2004	188,198,530	182,624,336	97.04%	1,859,913	184,484,249	98.03%
2005	195,922,830	191,719,622	97.85%	948,629	192,668,251	98.34%
2006	198,024,067	193,962,837	97.95%	918,453	194,881,290	98.41%
2007	201,036,940	197,160,029	98.07%	1,734,632	198,894,661	98.93%
2008	211,148,521	206,670,244	97.88%	-	206,670,244	97.88%

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 2008 collection year include actual collections through June 30, 2008 only.

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

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

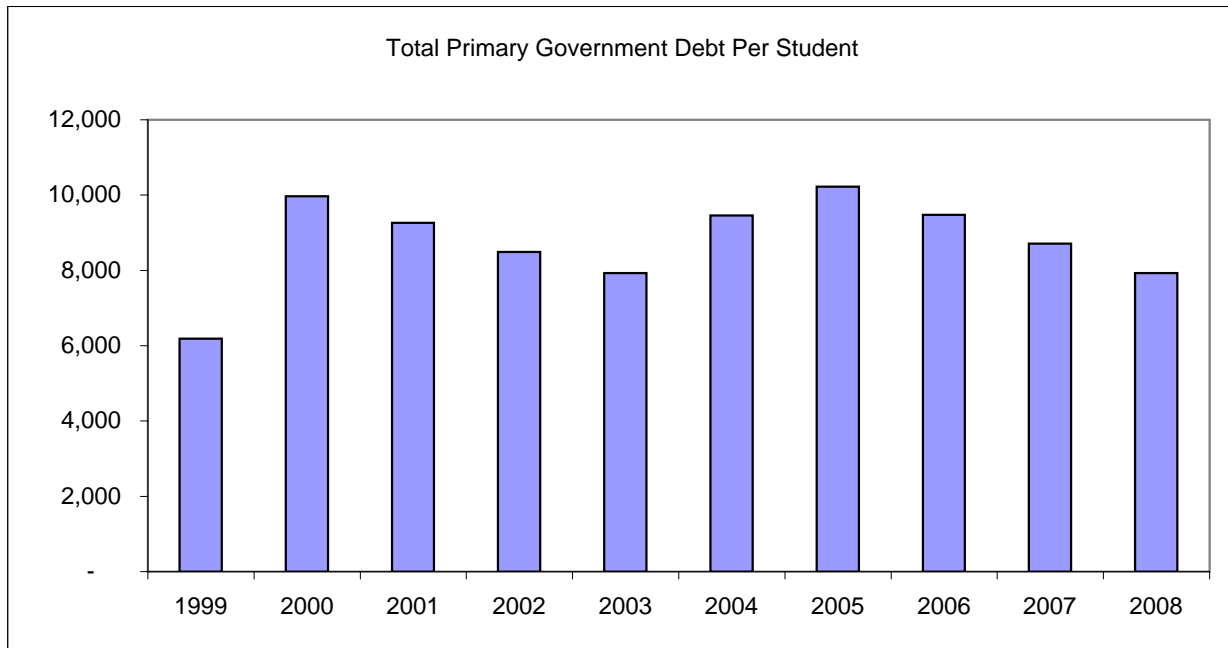
**Ratios of Outstanding Debt by Type,
Last Ten Fiscal Years**
(dollars in thousands, except per student)

Schedule 9

Fiscal Year	Governmental Activities			Total Primary Government	Percentage of Estimated Actual Value of Taxable Property	Per Capita	Per Student
	General Obligation Bonds	Certificates of Participation	Capital Leases				
1999	234,280	5,710	379	240,369	1.55%	1,173	6,191
2000	391,400	5,265	278	396,943	2.07%	1,918	9,971
2001	373,605	4,785	170	378,560	1.88%	1,803	9,263
2002	353,435	4,270	150	357,855	1.38%	1,664	8,491
2003	330,705	12,565	133	343,403	1.28%	1,516	7,928
2004	405,130	11,305	102	416,537	1.40%	1,751	9,455
2005	450,425	10,005	69	460,499	1.56%	1,880	10,221
2006	427,495	8,660	34	436,189	1.43%	1,729	9,474
2007	402,325	7,270	-	409,595	1.31%	1,594	8,709
2008	373,580	5,165	-	378,745	1.04%	1,431	7,932

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 and student data can be found in Schedule 14



**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)

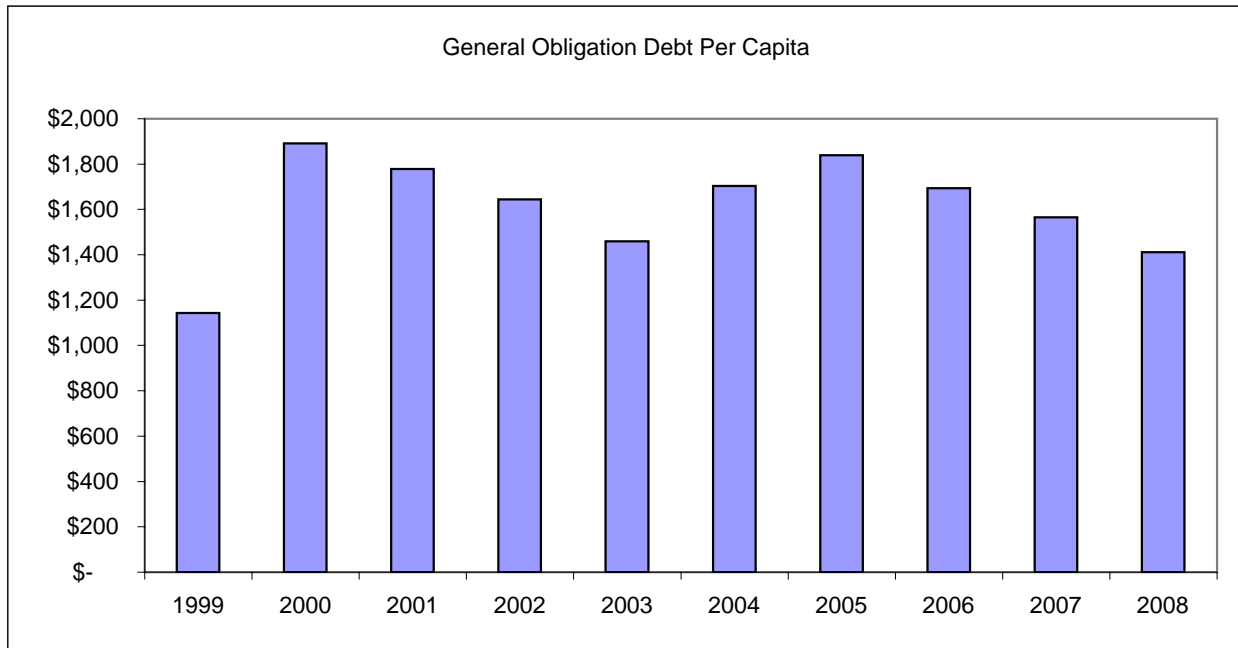
<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Percentage of Estimated Actual Value of Taxable Property</u>	<u>Per Capita</u>	<u>Per Student</u>
1999	\$ 234,280	1.51%	\$ 1,143	\$ 6,034
2000	391,400	2.04%	1,891	9,832
2001	373,605	1.86%	1,779	9,142
2002	353,435	1.36%	1,644	8,386
2003	330,705	1.23%	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

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, 2008
(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	\$ 3,035	100.00 %	\$ 3,035
Arapahoe Park & Recreation District	15,375	100.00	15,375
Arapahoe Water & Wastewater Public Improvement District	101,358	100.00	101,358
Beacon Point Metropolitan District	17,250	100.00	17,250
Centennial 25 Metropolitan District	2,300	100.00	2,300
Cherry Creek Vista Metro Park & Rec District	5,430	100.00	5,430
City of Aurora	36,545	38.36	14,019
City of Englewood	30,427	3.63	1,105
Columbia Metropolitan District	2,275	100.00	2,275
Conservatory Metropolitan District	25,045	100.00	25,045
Country Homes Metropolitan District #A	220	100.00	220
Dove Valley Metropolitan District	42,820	100.00	42,820
Eagle Bend Metropolitan District #A	37,895	100.00	37,895
East Cherry Creek Valley Water & Sanitation	110,694	100.00	110,694
East Quincy Highlands Metro District #1	3,510	100.00	3,510
East Smoky Hill Metro District #1	4,225	100.00	4,225
East Smoky Hill Metro District #2	9,175	100.00	9,175
Fiddler's Green Business Improve. District	55,815	100.00	55,815
Galleria Metropolitan District	5,935	100.00	5,935
Goldsmith Metropolitan District	26,020	47.76	12,427
Goodman Metropolitan District	4,870	100.00	4,870
Greenwood Metropolitan District	4,375	98.50	4,309
Heather Gardens Metropolitan District	815	40.16	327
High Plains Metropolitan District	24,000	100.00	24,000
Highline Glen Metropolitan District	220	100.00	220
Inverness Metropolitan Improvement District	4,875	71.10	3,466
Inverness Water & Sanitation District	23,415	69.32	16,231
Landmark Metropolitan District	1,970	100.00	1,970
Liverpool Metropolitan District	3,760	100.00	3,760
Panorama Metropolitan District	8,575	100.00	8,575
Parker Jordan Metropolitan District	18,070	100.00	18,070
Piney Creek Metropolitan District	5,595	100.00	5,595
Saddle Rock Metro District	11,200	100.00	11,200
Saddle Rock South Metropolitan District #2	5,420	100.00	5,420
Saddle Rock South Metropolitan District #3	4,330	100.00	4,330
Saddle Rock South Metropolitan District #4	8,205	100.00	8,205
Serenity Ridge Metropolitan District No. 2	6,750	100.00	6,750
Smoky Hill Metropolitan District	705	100.00	705
Sorrel Ranch Metropolitan District	14,410	100.00	14,410
South Suburban Metropolitan Park & Recreation District	32,350	36.17	11,701
Southeast Public Improvement Metro District	7,480	57.70	4,316
Southgate Corporate Center Metropolitan District	1,235	100.00	1,235
Southlands Metropolitan District No. 1	58,940	100.00	58,940
Sundance Hills Metropolitan District	760	100.00	760
Town of Foxfield	2,123	100.00	2,123
Tallgrass Metropolitan District	17,925	100.00	17,925
Tallyn's Reach Metropolitan District No. 2	6,630	100.00	6,630
Tallyn's Reach Metropolitan District No. 3	19,585	100.00	19,585
Tollgate Crossing Metropolitan District No. 2	11,611	100.00	11,611
Willow Trace Metropolitan District	9,970	100.00	9,970
Total overlapping debt	855,518		757,117
Direct debt:			
Cherry Creek School District Number Five	373,580	100.00	373,580
Total	<u>\$ 1,229,098</u>		<u>\$ 1,130,697</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 2008

	<u>Assessed Value</u>	<u>Actual Value</u>
Assessed or Estimated Actual Value	\$ 4,454,890,990	\$ 36,303,602,205
Legal debt limit percentage	<u>20%</u>	<u>6%</u>
Legal debt limit (greater of the two amounts)	<u>890,978,198</u>	<u>2,178,216,132</u>
Amount of debt applicable to debt limit:		
Total bonded debt		373,580,000
Less Debt Service Fund available		<u>45,022,930</u>
Total amount of debt applicable to debt limit		<u>328,557,070</u>
Legal debt margin		<u>\$ 1,849,659,062</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>
1999	932,989,306	212,397,615	720,591,691	22.8%
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%

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

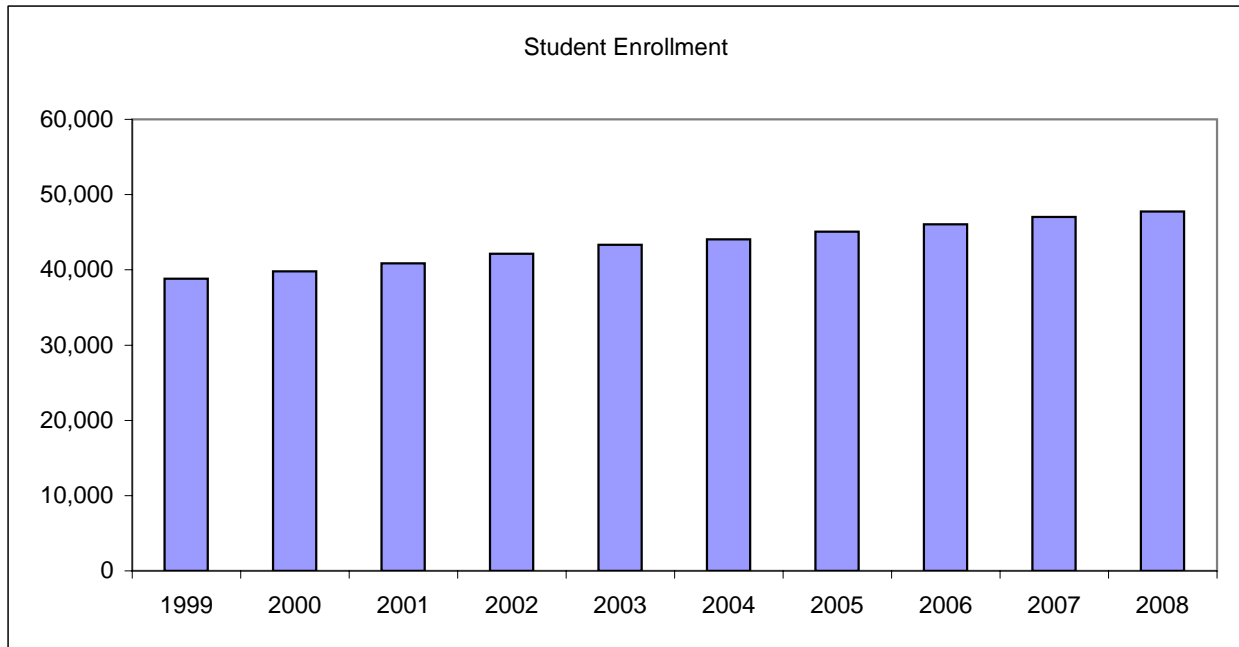
Fiscal Year	Arapahoe County				Cherry Creek School District	
	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Unemployment Rate	Population	FTE Student Enrollment
1999	486,089	\$ 18,460	\$ 38,277	2.5%	205,000	38,826
2000	497,310	21,053	42,824	2.2%	207,000	39,808
2001	503,536	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			4.3%	257,000	47,033
2008	561,388			5.4%	264,600	47,752

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 2007 and 2008.

(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 half-day kindergarten and preschool programs at one half time. 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	2008			1999		
	Employees	Rank	Percentage of Metro Denver Employment	Employees	Rank	Percentage of Metro Denver Employment
U.S. Federal Government	35,141	1	2.65%	34,957	1	3.00%
State of Colorado	31,273	2	2.36%	31,450	2	2.70%
Wal-Mart Stores Inc.	24,686	3	1.86%	-	-	-
University of Colorado System	23,772	4	1.79%	17,768	3	1.52%
King Soopers, Inc.	17,118	5	1.29%	13,853	6	1.19%
Denver Public Schools	13,452	6	1.02%	11,300	8	0.97%
City & County of Denver	12,975	7	0.98%	10,000	9	0.86%
Safeway, Inc	12,075	8	0.91%	-	-	-
Centura Health	12,000	9	0.91%	-	-	-
US Postal Service-CO/WY District	10,917	10	0.82%	14,500	5	1.24%
US West Inc. (now Qwest)	-	-	-	14,900	4	1.28%
Jefferson County Public Schools	-	-	-	11,707	7	1.00%
Columbia-HealthOne LLC	-	-	-	8,883	10	0.76%
Total	<u>193,409</u>		<u>14.59%</u>	<u>169,318</u>		<u>14.51%</u>

Source:

Employer data was obtained from the Denver Business Journal "Top 25 Lists" Archives 1998-1999 and 2007-2008. 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 2008 was 1,325,310 and for 1999 was 1,166,549 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**

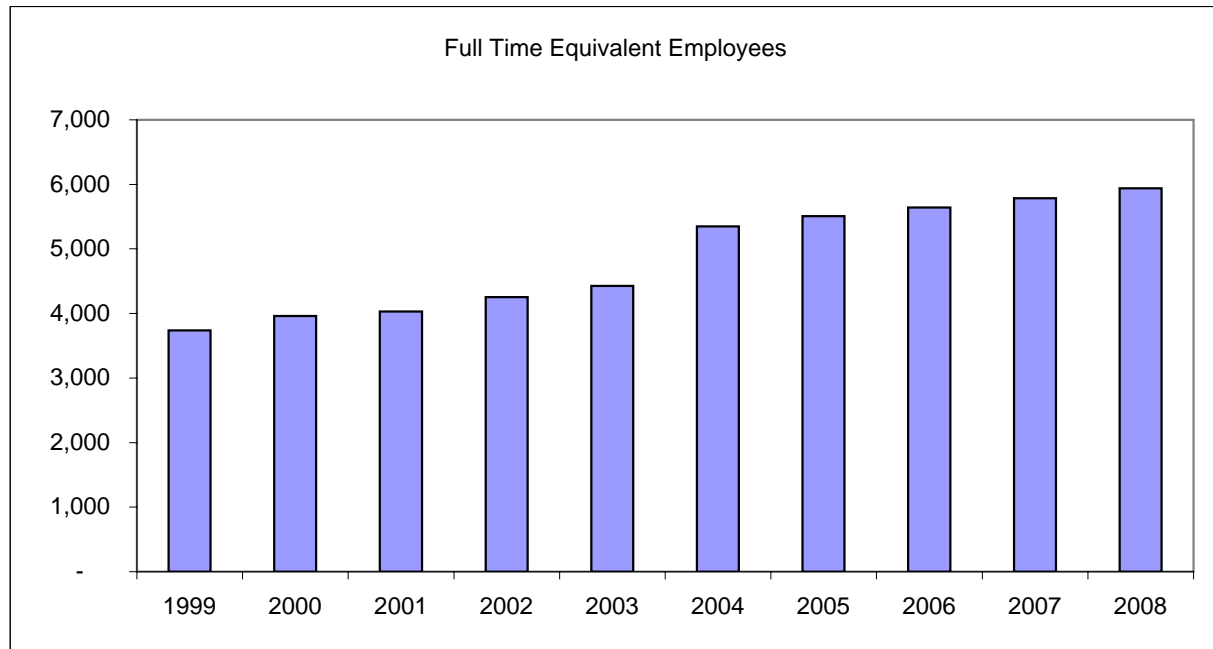
Schedule 16

	Full-time Equivalent Employees as of June 30									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Fund										
Administrators	98	105	107	112	121	124	128	134	136	138
Teachers	2,463	2,602	2,637	2,783	2,904	2,941	3,020	3,080	3,157	3,241
Teacher Assistants & Aides	167	172	176	180	183	195	190	182	180	179
Staff Support	274	306	317	338	352	361	365	369	376	388
Secretarial	316	332	340	342	349	359	371	371	370	382
Maintenance	45	48	50	54	56	57	60	64	68	70
Custodians	76	79	79	80	82	85	85	89	90	91
Bus Drivers	147	147	139	154	164	178	195	209	223	241
Mechanics	15	15	15	15	16	19	20	20	20	21
Mental Health	55	63	67	76	80	83	86	90	93	94
Nurses	48	51	53	56	57	57	55	56	57	59
Bus Aides	33	43	49	63	64	68	76	76	80	80
Designated purpose grants						148	162	189	203	192
Extended child services						480	488	496	511	514
Other governmental funds						13	20	14	12	21
Food services operations						181	185	201	208	228
Total	<u>3,737</u>	<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>

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.



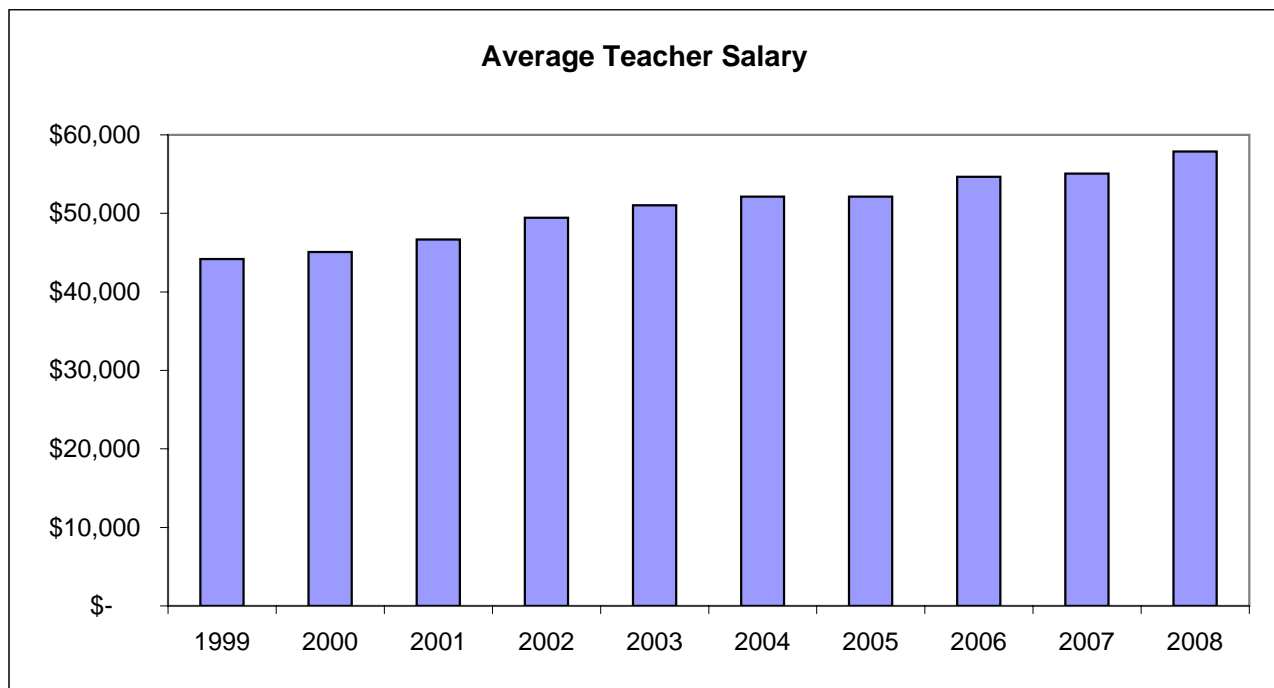
**CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO**

**Teacher Salary
Last Ten Fiscal Years**

Schedule 17

Fiscal Year	Contract Length	Salary		
		Beginning Teacher	Maximum Teacher	Average Teacher
1999	185	\$ 23,581	\$ 59,268	\$ 44,202
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

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 Seven Fiscal Years**

<u>Fiscal Year</u>	<u>Governmental Activities Expenses (in thousands)</u>	<u>FTE Enrollment</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Pupil FTE / Teacher Ratio</u>	<u>Students Receiving Free or Reduced Meals</u>	<u>Percent of Students Receiving Free or Reduced Meals</u>
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%

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 half-day kindergarten and preschool programs at one half time. Student enrollment is as of the October count date of each year, as audited by the Colorado Department of Education.

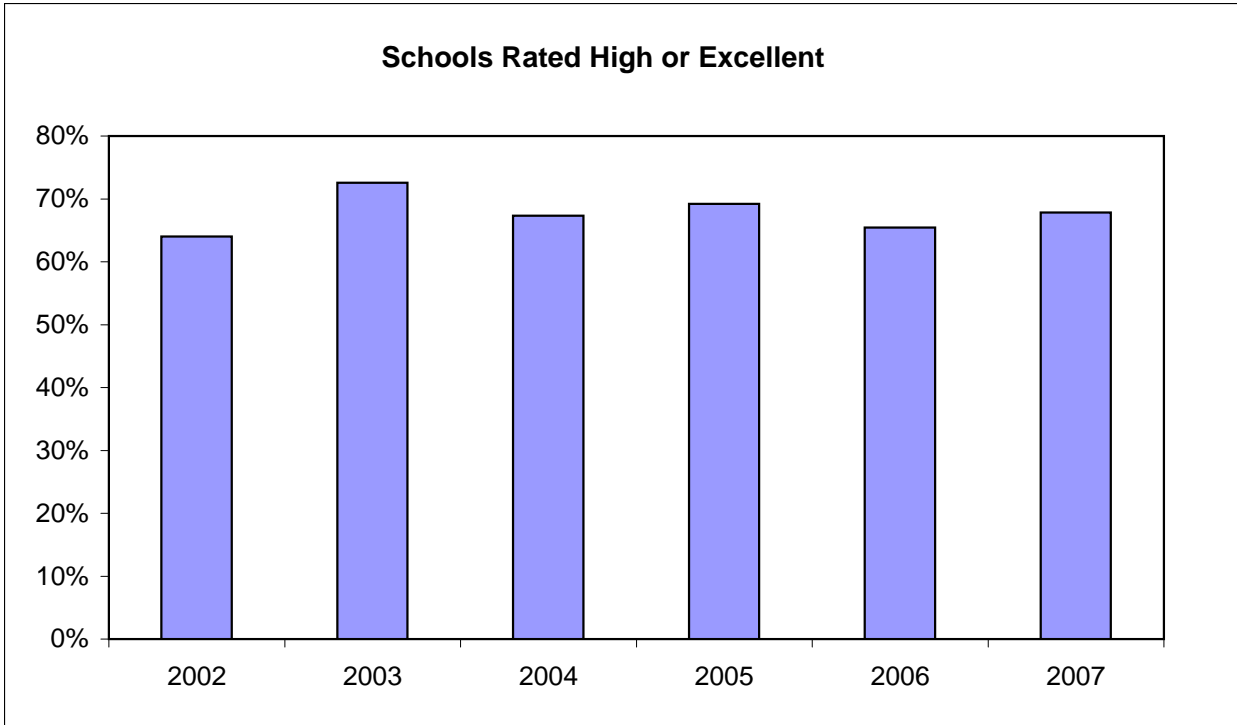
(4) School Accountability Reports are released by the Colorado Department of Education annually in December for the prior fiscal year. The ratings are : Excellent, High, Average, Low and Unsatisfactory. The District has no schools rated in the Low or Unsatisfactory category. School Accountability Report information for fiscal year 2008 is not yet available 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.

(6) Graduating seniors taking the American College Testing Program (ACT).

(7) Graduation and dropout rates for fiscal year 2008 are not yet available from the Colorado Department of Education.

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%
-	-	-	75%	63%	62%	55%	21.6	-	-



**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>
High Schools								
Cherokee Trail (2004)								
Square feet				362,000	362,000	362,000	362,000	362,000
Capacity (students)				2,347	2,347	2,347	2,347	2,347
Enrollment				440	809	1,235	1,599	1,901
Cherry Creek (1956)								
Square feet	464,265	464,265	464,265	475,101	475,101	475,101	471,632	471,632
Capacity (students)	3,726	3,726	3,726	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
Eaglecrest (1989)								
Square feet	338,752	338,752	338,752	359,752	355,300	355,300	352,584	352,584
Capacity (students)	2,270	2,270	2,270	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
Grandview (1999)								
Square feet	343,440	343,440	343,440	343,440	352,672	349,552	353,024	353,024
Capacity (students)	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
Overland (1979)								
Square feet	323,530	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
Enrollment	1,965	2,022	1,942	1,984	2,026	2,014	2,036	2,084
Smoky Hill (1976)								
Square feet	379,904	379,904	379,904	379,904	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
Enrollment	2,802	2,781	2,738	2,653	2,582	2,496	2,417	2,422
Middle Schools								
Campus (1972)								
Square feet	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
Enrollment	1,334	1,292	1,313	1,361	1,317	1,238	1,270	1,348
Falcon Creek (2000)								
Square feet	148,960	148,960	148,960	148,960	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
Enrollment	1,412	1,475	1,125	1,114	1,142	1,160	1,143	1,118
Horizon Community (1983)								
Square feet	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
Enrollment	1,307	1,298	1,348	1,406	1,442	1,264	1,183	1,130
Laredo (1975)								
Square feet	178,306	178,306	178,306	178,306	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
Enrollment	1,468	1,460	1,440	1,368	1,398	1,346	1,286	1,227
Liberty (2002)								
Square feet		145,500	145,500	145,500	145,500	145,500	149,820	149,820
Capacity (students)		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
Prairie (1978)								
Square feet	162,704	162,704	162,704	162,704	156,240	156,240	180,240	180,240
Capacity (students)	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

(continued)

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

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

Schedule 19(continued)

	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>
Middle Schools (cont.)								
Sky Vista (2006)								
Square feet						156,245	156,245	156,245
Capacity (students)						1,225	1,225	1,225
Enrollment						508	742	838
Thunder Ridge (1993)								
Square feet	177,792	177,792	177,792	177,792	183,168	181,376	179,584	179,584
Capacity (students)	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
West (1967)								
Square feet	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
Enrollment	1,375	1,383	1,340	1,370	1,305	1,244	1,164	1,170
Elementary Schools								
Antelope Ridge (2000)								
Square feet	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
Enrollment	626	828	685	659	673	672	692	682
Arrowhead (1978)								
Square feet	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
Enrollment	611	590	599	575	593	613	597	587
Aspen Crossing (2006)								
Square feet						64,600	64,600	64,600
Capacity (students)						648	648	648
Enrollment						273	409	367
Belleview (1955)								
Square feet	36,126	36,126	36,126	51,120	51,120	51,120	54,240	54,240
Capacity (students)	510	510	510	592	592	592	592	592
Enrollment	478	466	480	485	502	510	513	531
Buffalo Trail (2008)								
Square feet								66,380
Capacity (students)								648
Enrollment								337
Canyon Creek (2003)								
Square feet			60,930	63,810	63,810	63,810	63,810	63,810
Capacity (students)			668	668	668	810	810	810
Enrollment			357	516	602	619	636	653
Cherry Hills Village (1984)								
Square feet	55,319	55,319	55,319	56,759	56,759	56,759	56,759	56,759
Capacity (students)	587	587	587	587	587	587	587	587
Enrollment	478	472	476	480	503	494	494	493
Cimarron (1980)								
Square feet	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
Enrollment	574	551	556	531	518	497	510	490
Cottonwood Creek (1977)								
Square feet	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
Enrollment	508	498	475	482	506	529	531	550

(continued)

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

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

Schedule 19(continued)

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

(continued)

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

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

Schedule 19(continued)

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

(continued)

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

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

Schedule 19(continued)

	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>
Elementary Schools (cont.)								
Trails West (1981)								
Square feet	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
Enrollment	596	575	563	513	503	512	491	499
Village East (1972)								
Square feet	44,816	44,816	69,650	76,466	71,090	71,090	71,090	71,090
Capacity (students)	648	648	810	810	810	810	810	810
Enrollment	560	538	531	547	603	603	592	605
Walnut Hills (1970)								
Square feet	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
Enrollment	321	325	298	322	330	356	380	373
Willow Creek (1978)								
Square feet	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
Enrollment	321	325	298	322	330	356	491	492
Alternative Schools								
Challenge (1996/2003)								
Square feet	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
Enrollment	455	462	486	522	538	527	522	523
Cherry Creek Academy (1998)								
Square feet	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
Enrollment	422	417	425	421	428	433	435	430
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
Capacity (students)	500	500	500	500	500	500	500	500
Enrollment	175	288	288	333	333	387	398	396
I-Teams - 5 facilities								
Square feet	30,468	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
Capacity (students)		40	40	40	20	90	90	90
Enrollment		29	28	43	36	27	28	30
Administrative and Support								
10 Current Facilities								
Square feet	212,809	212,809	212,809	212,809	220,089	220,089	220,089	220,089
Stadiums								
Legacy (2004)								
Square feet				13,725	13,725	13,725	13,725	13,725
Capacity (students)				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
Capacity (students)	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 Seven Fiscal Years**

Schedule 19(continued)

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 five 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, 2008**

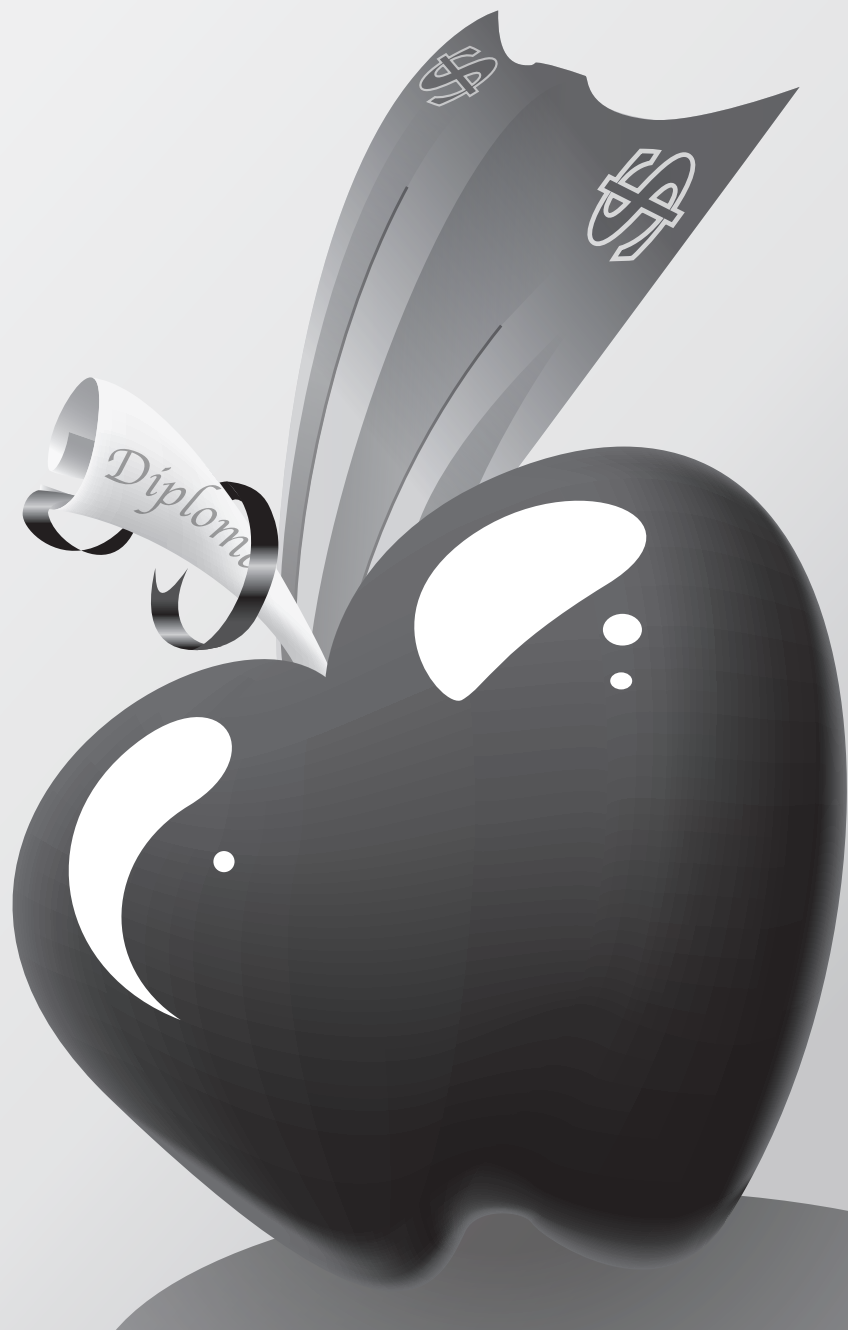
<u>Insurer</u>	<u>Policy Number</u>	<u>Type of Policy</u>	<u>Policy Period</u>
Colorado School Districts Self Insurance Pool	0305-07-00003	"All Risk" 1) Flood/Earth Movement (A) Property Insurance (B) Inland Marine 1) Cameras, Projection Equipment, Films, etc. 2) Musical Instruments, etc. 3) Builder's 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	07-01-07 to 07-01-08
Joint School Districts Workers' Compensation Self Insurance Pool	22-C	Statutory Workers' Compensation Insurance	07-01-07 to 07-01-08
ACE USA	PHFD36755386	Foreign Liability Insurance	07-01-07 to 07-01-08

Limits		Deductible
Per Occurrence	\$ 750,000,000	(Pool limit)
	\$ 100,000,000	(Pool limit)
-Total Reported values		\$ 25,000 per occurrence
-Buildings	\$ 890,220,308	
-Contents	\$ 130,894,513	
	Included	\$ 25,000 per occurrence
	\$ 1,274,123	\$ 25,000 per occurrence
Reported value		\$ 25,000 per occurrence
	\$ 2,762,953	\$ 25,000 per occurrence
	Included	\$ 25,000 per occurrence
	Included	\$ 25,000 per occurrence
	\$ 1,348,854	\$ 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
	\$ 75,000,000	\$ 10,000 damage to covered property
	Included	
	\$ 250,000	
	\$ 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



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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, 2008**

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		
Direct program		
National Science Foundation, Education and Human Resources	47.076	
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		



Accrued (Deferred) Revenue 06/30/2007	Cash/ Inventory Receipts	Disbursements/ Expenditures	Accrued (Deferred) Revenue 06/30/2008
\$ 28,568	\$ 131,653	\$ 149,320	\$ 46,235
5,330	68,839	64,859	1,350
1,216,289	3,252,223	3,262,165	1,226,231
187,679	187,679	161,128	161,128
1,578,330	6,638,661	7,661,429	2,601,098
94,917	210,576	154,217	38,558
26,025	107,301	124,925	43,649
79,189	118,361	57,419	18,247
411,963	699,863	372,810	84,910
528,732	1,054,122	918,845	393,455
34,509	57,262	15,590	(7,163)
36,856	150,709	203,955	90,102
<u>4,228,387</u>	<u>12,677,248</u>	<u>13,146,662</u>	<u>4,697,801</u>
92,261	666,679	663,939	89,521
491,055	4,668,911	4,643,913	466,057
<u>583,316</u>	<u>5,335,590</u>	<u>5,307,852</u>	<u>555,578</u>
(2,855)	-	2,855	-
22,506	162,481	168,081	28,107
92,693	272,416	205,645	25,921
(69,359)	161,812	231,171	-
-	5,000	3,891	(1,109)
<u>42,985</u>	<u>601,709</u>	<u>611,644</u>	<u>52,920</u>
<u>\$ 4,854,688</u>	<u>\$ 18,614,547</u>	<u>\$ 19,066,158</u>	<u>\$ 5,306,299</u>

CHERRY CREEK SCHOOL DISTRICT NO. 5

ARAPAHOE COUNTY, COLORADO

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For The Year Ended June 30, 2008

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 \$862,890, 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, each major fund, the aggregate discretely presented component unit, and the aggregate remaining fund information of Cherry Creek School District No. 5 as of and for the year ended June 30, 2008, which collectively comprise Cherry Creek School District No. 5's basic financial statements and have issued our report thereon dated October 30, 2008. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statement 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 entity'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 that 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 30, 2008

**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, 2008. 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, 2008.

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.

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.

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.

Our consideration of internal control over compliance 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 compliance that we consider to be material weaknesses, as defined above.

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 Anderson LLP

Greenwood Village, Colorado
October 30, 2008

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2008**

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
- Reportable condition(s) 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
- Reportable condition(s) 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

Dollar threshold used to distinguish between type A and type B programs \$571,985

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, 2008**

PART II—FINDINGS RELATED TO FINANCIAL STATEMENTS

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

PART III—FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

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

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

**PRIOR YEAR FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2008**

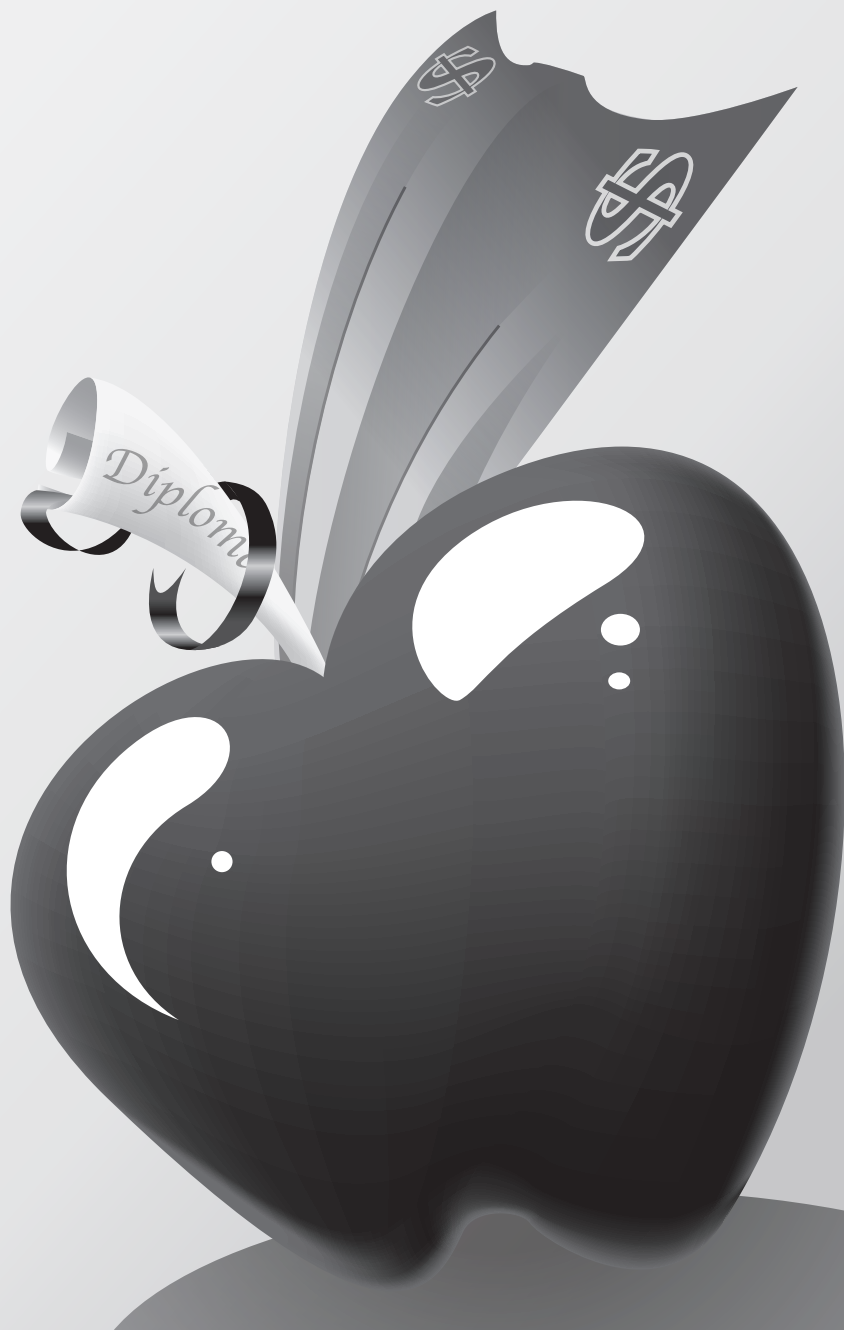
Section III—Federal Award Findings and Questioned Costs

There were no findings required to be reported relating to federal awards for the fiscal year ended June 30, 2007.



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DATA INTEGRITY CHECK FIGURES



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	22,281,015	367,584,686	374,929,549	14,936,152
18 Risk Mgmt Sub-Fund of General Fund	26,249	3,480,405	3,506,654	0
19 Colorado Preschool Program Fund	0	767,133	767,133	0
Subtotal	22,307,264	371,832,224	379,203,336	14,936,152
11 Charter School Fund	1,230,055	3,161,487	2,901,583	1,489,959
20,26-29 Special Revenue Fund	5,947,712	13,657,466	14,482,206	5,122,972
21 Capital Reserve Spec Revenue Fund	3,527,087	11,399,713	13,900,020	1,026,780
22 Govt Designated-Purpose Grants Fund	-0	16,466,182	16,466,182	0
23 Pupil Activity Special Revenue Fund	5,168,488	11,720,338	11,852,886	5,035,940
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	39,664,302	52,219,799	46,861,172	45,022,930
41 Building Fund	28,146,064	708,016	12,669,262	16,184,818
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	0	0	0	0
TOTALS	105,990,972	481,165,226	498,336,646	88,819,551
Proprietary				
51 Food Service Fund	5,504,079	14,373,484	13,841,368	6,036,194
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	5,504,079	14,373,484	13,841,368	6,036,194
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.



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