

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2016



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By Justin L. Smith at 12:47 pm, Jan 03, 2017



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2016

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CherryCreek
Schools
Dedicated to Excellence

CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2016

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CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO
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INTRODUCTORY SECTION



CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO
BOARD OF EDUCATION
2015-2016



From Left to Right Standing

Karen Fisher, Treasurer
Janice McDonald, Secretary

From Left to Right Sitting

Randy Perlis, President
David Willman, Vice President
Eric Parish, Assistant Secretary/Treasurer



Cherry Creek
Schools
Dedicated to Excellence

Our Mission

To inspire every student

to think,

to learn,

to achieve,

to care.

The Cherry Creek Vision and Mission

The words “*dedicated to excellence*” convey the vision of the Cherry Creek School District. The pursuit of excellence in academics, athletics, activities, and the arts guides our decisions and actions. We believe in education of the whole person, as expressed in the district mission,

“to inspire every student to think, to learn, to achieve, to care.”

The vision and mission reflect a commitment to inspire all students toward excellence and the full development of their potential.

The Cherry Creek School District will provide safe, intellectually stimulating schools. The school programs will enable all students to demonstrate significant achievement of district-defined learning goals, and develop as healthy, well-rounded individuals. The education students receive will equip them to succeed in higher education and the work place, ready them for responsible citizenship, and prepare them for a complex and changing world.



Dedicated to Excellence

Cherry Creek’s Values

As a district, we are committed to:

- Placing the needs and welfare of students above all else.
- Providing safe and caring environments for learning.
- Holding high expectations for the growth and achievement of each student.
- Developing meaningful relationships with students and families.
- Respecting and understanding the diversity of the students and families we serve.
- Engaging students, parents, and community members as partners in the educational process.
- Utilizing organizational strategies that promote involvement and empowerment.
- Attracting quality personnel who reflect the diversity of our community, are knowledgeable, and care deeply about young people.
- Demonstrating a strong service orientation to students and parents.
- Encouraging creativity and innovation to attain the vision.
- Improving the organization continuously.
- Fostering a desire for lifelong learning, achievement, and service to others.



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Letter
of
Transmittal



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October 14, 2016

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, 2016. The CAFR was prepared by the Fiscal Services Division. Responsibility for the accuracy, completeness, and fairness of presentation, including all disclosures, rests with the District. We believe the data, as presented, is accurate in all material respects, that it is presented in a manner designed to fairly set forth the financial position and results of operations of the District as measured by the financial activity of its various funds, and that all disclosures necessary to enable the reader to gain an understanding of the District's financial activities for the fiscal year ended June 30, 2016, have been included.

The CAFR is presented in conformity with Governmental Accounting Standards Board Statement No. 34 titled *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. This reporting standard is intended to parallel private sector reporting by consolidating governmental activities and business-type activities into a single total column for government-wide activities. Statement No. 34 also requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditor in the Financial Section on pages 41-57.

The CAFR is presented in four sections: Introductory, Financial, Statistical, and Single Audit Reports. The Introductory Section includes this letter of transmittal, a list of the Board of Education members for the District, an organization chart of the District, and the mission statement of the District. The Financial Section includes the Independent Auditors' Report, MD&A, the Basic Financial Statements, Notes to Basic Financial Statements, and Supplementary Information, which includes financial statements by fund type. The Basic Financial Statements, together with the Independent Auditors' Report, MD&A, and the Notes to Basic Financial Statements are designed to provide a financial overview of the District; the Supplementary Information provides more detailed financial information on a fund-by-fund basis. Also included in the Financial Section as supplementary information is a report required as part of the Colorado Public School Finance Act showing fiscal year spending under Section 20 Article X of the State Constitution, also known as the Taxpayer's Bill of Rights (TABOR). The Statistical Section, which is unaudited, includes financial and demographic information, generally presented on a multi-year basis. The Single Audit Reports Section contains the Schedule of Expenditures of Federal Awards and related Schedules on Findings and Recommendations, and the Independent Auditors' Reports on the internal control structure and compliance aspects. The District is required to undergo an annual single audit in conformity with the provisions of the U.S. Office of Management and Budget guidance outlined in *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

THE DISTRICT AND ITS SERVICES

This report includes all of the activities of the District (the Primary Government), as well as its component unit. The District provides a full range of educational programs and services authorized by Colorado Statutes. These include K-12 education in elementary, middle, and high schools, special education for handicapped students, career and technical education, multicultural education, and numerous other programs.

The Cherry Creek Schools Foundation (Foundation) was organized in the spring of 1993, and is a nonprofit, tax-exempt corporation established for the purpose of attracting funding from business, industry, and individuals to enhance educational programs and activities for students. The Foundation is not presented as part of the reporting entity for financial reporting purposes because the Foundation's financial operations are not considered to be significant in comparison to the District as a whole. All grants and funding provided to the District by the Foundation have been accounted for within the District's Special Revenue - Designated Purpose Grants Fund.

On July 21, 1995, the District entered into an agreement with Cherry Creek Academy, as allowed under the Colorado Charter Schools Act, for the educational instruction of children in grades K-8. While the charter school is a public school funded through the District under the school finance act and under the general supervision of the local Board of Education, the school meets the requirements under Governmental Accounting Standards to be presented as a discrete component unit.

ECONOMIC CONDITION AND OUTLOOK

State and Local Economy

The District includes approximately 108 square miles and is located in the southeast portion of the Denver metropolitan area in Arapahoe County, approximately 10 miles southeast of downtown Denver. Included within the District are the cities of Cherry Hills Village and Glendale, and the Town of Foxfield, portions of the cities of Aurora, Centennial, Greenwood Village, Englewood, and certain unincorporated areas of Arapahoe County. The Denver Technological Center and other office complexes also located partially within the boundaries of the District include many office buildings as well as hotels, restaurants, and other facilities. Arapahoe County, with more than 631,000 residents, has the third largest population of the counties in Colorado. The District, with approximately 54,000 students projected for fiscal year 2016-2017, is currently the fourth largest of the 178 school districts in the state.

The following economic data was obtained from the September 2016 revenue forecast for the State of Colorado, prepared by the Governor's Office of State Planning and Budgeting.



Colorado's economy remains in expansion. The urban areas along the Front Range have among the lowest unemployment rates in the country, with the Denver metro area having the lowest unemployment rate among large U.S. metro areas. The oil and gas industry's deep contraction that contributed to slowing in the overall economy appears to have reached a bottom, though industry activity is expected to remain at subdued levels. Even so, the absence of the large decline in spending in the economy going forward will help overall economic conditions. Further, data shows renewed growth in new business formation in Colorado, a key ingredient for economic and job growth. Sustained growth in housing construction and home sales, albeit still at comparatively low levels, will also add to employment and spending in the economy. However, due in part to continued tight labor market conditions, the State's economic growth will remain at a more moderate pace than earlier in the expansion.

Average rents continue to rise in most Colorado urban areas, though rent growth is beginning to moderate in the Denver metro area due to new rental inventory.



New housing construction is at persistently low levels, which will add continued upward pressure to housing costs. New housing construction dropped to low levels during the Great Recession, and construction activity has rebounded only gradually. It is taking time for the housing industry to rebuild its capacity for new housing development in the aftermath of its massive contraction during the Great Recession. The industry continues to experience substantial labor shortages and many builders went out of business. Further, builders report higher costs for homebuilding, and financing for housing development and home buying remains more cautious after the housing boom and bust in the 2000s. The gradual rebound from low levels will cause continued upward pressure on housing costs, especially in fast-growing regions.

In 2015, housing permits grew at their slowest rate since the Great Recession. In 2016, Colorado permits are expected to increase 20.2 percent, when 37,356 permits are expected to be issued; 41,800 permits are projected for 2017. The increases will be driven by population growth and continued strength in the State's metro housing markets.

Growth in nonresidential construction value in Colorado slowed to 10.8 percent in 2015 from 19.1 percent in 2014, the highest growth rate since before the Great Recession. The value of nonresidential construction is expected to slow to a growth rate of 1.1 percent in 2016 and is projected to remain steady through 2017.

Gross Domestic Product (GDP) is a barometer for the economy's overall performance and reflects the value of final output in the U.S. The U.S. economy posted a moderate expansion of 2.6 percent in 2015 in the face of slow global growth. The pace of growth is expected to moderate further in 2016 to 1.5 percent, but is projected to increase to 2.2 percent in 2017. Colorado's GDP also shows growth despite the contraction in industrial sectors, particularly the oil and gas industry. The U.S. Bureau of Economic Analysis recently reported that Colorado's real, or inflation-adjusted, GDP grew 3.0 percent in the first quarter of 2016.

Personal income growth in Colorado slowed to 5.1 percent in 2015 from a 6.2 percent rate in 2014, largely due to slowing employment growth and especially the oil and gas industry's contraction. Personal income growth is expected to moderate further in 2016 as the energy sector continues to weigh on the economy; Statewide income growth is projected to increase to 5.2 percent in 2017. Nationwide, personal income growth increased 4.4 percent in 2015, and is expected to slow to 3.1 percent in 2016. A tighter labor market and gradual wage increases is projected to allow personal income growth to pick up through the rest of 2017.

Per-capita income in Colorado increased to \$50,409 in 2015 and is expected to grow 3.0 percent to \$51,939 in 2016. In the U.S., per-capita income increased to \$48,095 in 2015 and is projected to grow 2.3 percent to \$49,208 in 2016.

Wage and salary growth in Colorado moderated in 2015 to 5.6 percent, largely due to the loss of relatively high-paying oil and gas jobs. Growth is expected to decrease slightly in 2016 to 5.4 percent, but is projected to increase to 5.5 percent in 2017. Wage and salary income for the nation increased 5.1 percent in 2015. Moderating employment growth and the slowdown in the industrial sector is resulting in wages and salary growth of 3.5 percent in 2016. Higher growth in wage levels is projected to push total wage and salary income to increase 5.4 percent in 2017.

Relatively high in-migration rates pushed Colorado's population growth rate to 1.9 percent in 2015, over double the national rate. A similar trend is expected to continue in 2016, as the State is expected to add 67,000 people through net migration. The State's total population is projected to reach 5.75 million by 2018. The nation's population growth rate is expected to remain steady at about 0.8 percent per year, and the population is projected to reach 328.8 million by 2018.

The unemployment rate in Colorado averaged 3.9 percent in 2015, down over a full percentage point from 2014 despite the oil and gas slowdown. Unemployment is expected to average 3.6 percent in 2016 and 4.1 percent in 2017. The national unemployment rate followed a similar trend in 2015, but remained more than a percentage point higher than in Colorado, averaging 5.3 percent in 2015. Continued improvements in the labor market is expected to cause the rate to drop to 4.8 percent in 2016 and 4.6 percent in 2017.

Despite slowing job growth throughout the year, average employment in Colorado grew 3.1 percent in 2015, slightly lower than in 2014. Continued weakness in the energy sector and a tighter labor market is expected to result in slower growth of 2.3 percent in 2016. Job growth is projected to pick up slightly in 2017 and increase to 2.4 percent.

The Denver-Boulder-Greeley Consumer Price Index (CPI) grew more than the national index in 2015, though the 1.2 percent increase was still low by historical standards due to the fall in energy prices. Growth is expected to rebound in 2016 to 2.7 percent as the impact of lower gas prices will be less pronounced and as housing costs place upward pressure on the index. The CPI is projected to increase 2.6 percent in 2017.



Retail sales in Colorado are expected to grow 4.3 percent in 2016 after 4.9 percent growth in 2015; sales are projected to increase to 5.2 percent growth in 2017. Nationwide retail trade increased 2.2 percent in 2015, the lowest rate since the Great Recession. Sales are expected to grow 2.9 percent in 2016 and 4.8 percent in 2017. The lower growth rates for both the nation and the State in 2015 and 2016 were due in part to the lower value of sales at gas stations from the sharp drop in gas prices.

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

Tax revenue to the State Education Fund increased 0.5 percent in fiscal year 2015-2016 and is expected to increase 4.6 percent and 6.6 percent in fiscal year 2016-2017 and fiscal year 2017-2018, respectively. Because this revenue is derived from taxable income, it follows the trends in individual income and corporate income tax revenue collections. The absence of a decline in income in the State from the contraction in the oil and gas industry and fewer headwinds on corporate taxable income will help generate modestly higher State Education Fund revenue growth for fiscal year 2016-2017 and fiscal year 2017-2018.

Transfers of money from the State General Fund to the State Education Fund in prior years have enabled the State Education Fund to support a larger share of education funding than it has historically. However, this larger share is drawing down the State Education Fund's balance. In fiscal year 2015-2016, the year-end balance in the State Education Fund dropped 55.8 percent from its level in fiscal year 2014-2015, and a larger drop of 65.7 percent is expected in fiscal year 2016-2017 when the projected ending balance is projected to be just over \$100.0 million.

Under current law, total State General Fund and State Education Fund expenditures combined are budgeted to increase 1.1 percent in fiscal year 2016-2017. These expenditures are projected to be able to grow just 0.3 percent in fiscal year 2017-2018, assuming that the negative factor in the School Finance Act is maintained at its current level. These lower growth rates are due in part to the smaller amount of funding available from the State Education Fund to support school finance.

The State's economy has demonstrated resilience in recent years, however, Colorado's economic growth continues to be more moderate. Although there are no clear indications of an economic downturn, business investment and industrial production nationally remains soft. Furthermore, there is heightened uncertainty related to developments in Europe, the upcoming presidential election, and the stance of monetary policy. Such uncertainty, especially when combined with adverse shocks to the economy, can lead to a pullback in spending and investment, and on a large enough scale, losses in jobs and income and a subsequent decline in revenue to the State. Such a decline would make it difficult to fund State programs and services at their current levels.

Even relatively small changes in the projected revenue growth rate can have important implications for the budget. The forecasted fiscal year 2016-2017 ending balance for the State's General Fund is just \$90.9 million above the threshold that requires the Governor to take budget balancing actions, which is when the projected ending balance falls below one-half of its required amount. Therefore, a reduction in expectations for the State's General Fund revenue by less than one percent would cause the ending balance to meet the threshold. This amount is well within typical forecast error. Some sources of revenue to the State's General Fund are volatile and difficult to predict, most notably individual income tax estimated payments and corporate income taxes. Future revisions to the forecast for these revenue sources and others could result in meeting the threshold requiring budget-balancing action by the Governor.

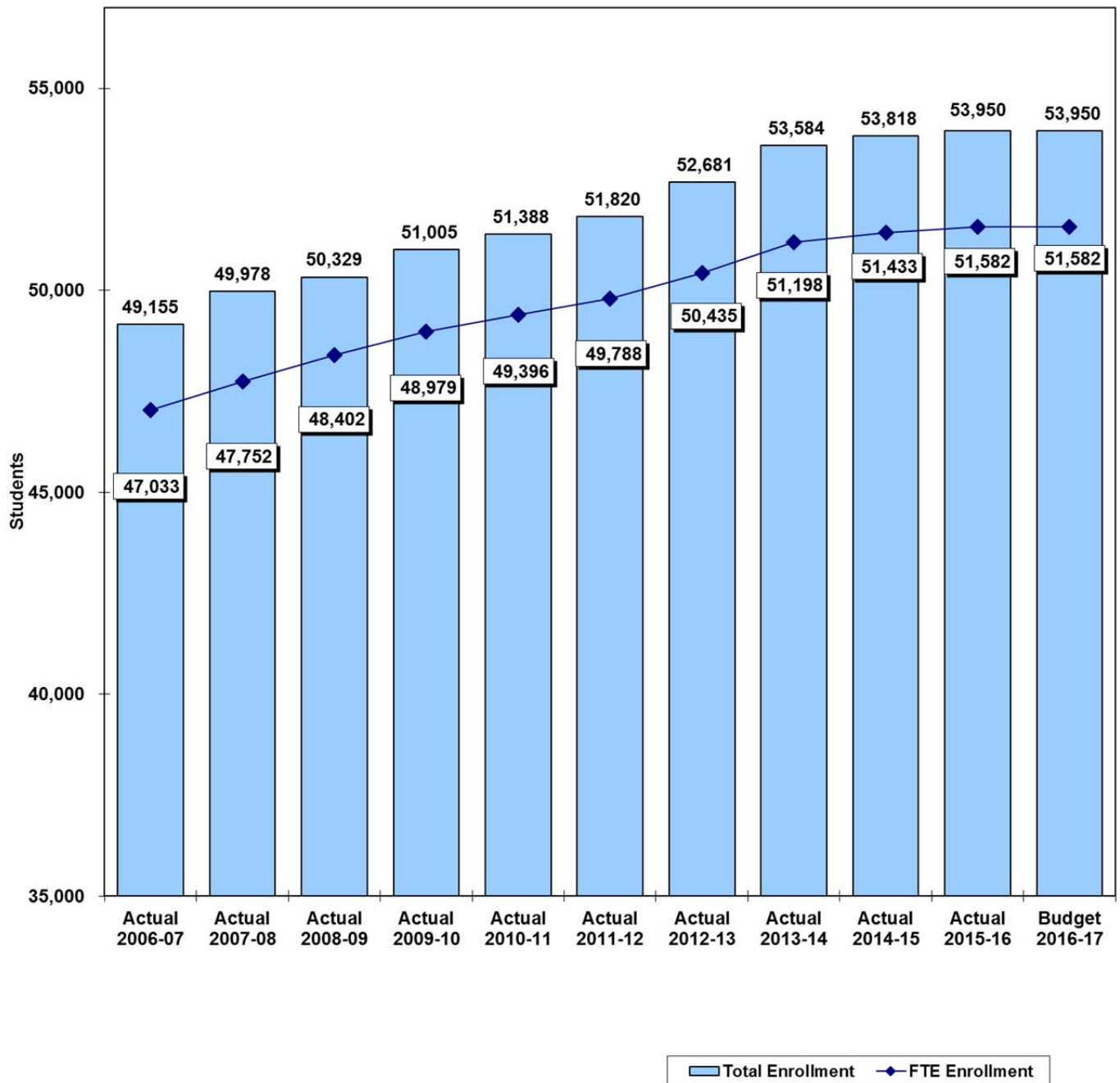


TABOR limits the growth of a large portion of State revenue to the sum of inflation and population growth. Revenue collected above the TABOR limit must be returned to taxpayers unless voters decide the State can retain the revenue. In November 2005, voters approved Referendum C, which allowed the State to retain all revenue through fiscal year 2009-2010 during a five-year TABOR "time out." Referendum C also set a new cap on revenue starting in fiscal year 2010-2011. Most State General Fund revenue and a portion of State cash fund revenue are included in calculating the revenue cap under Referendum C. Revenue that is not subject to TABOR includes revenue exempt by Colorado voters; federal money; and revenue received by entities designated as enterprises, such as public universities and colleges.

TABOR revenue came in \$26.7 million below the cap in fiscal year 2015-2016 and is projected to be \$158.8 million under the cap in fiscal year 2016-2017. TABOR revenue is expected to be above the cap by \$175.4 million in fiscal year 2017-2018 and \$221.8 million in fiscal year 2018-2019. The fiscal year 2017-2018 refund amount of \$195.0 million expected in this forecast includes the projected \$175.4 million exceeding the Referendum C cap plus \$19.6 million that needs to be refunded from fiscal year 2014-2015 due to the reclassification of the revenue transferred to the Adult Dental Fund from the Unclaimed Property Fund.

The current forecast assumes that no TABOR refund obligation will occur for fiscal year 2016-2017, but revenue is projected to be \$158.8 million, or 1.2 percent, below the Referendum C revenue cap. This amount is also within typical forecast error. Because TABOR refunds are paid out of the State General Fund, fluctuations in State cash fund revenue (outside of the State General Fund) subject to TABOR, can have a large impact on State General Fund obligations.

CHERRY CREEK SCHOOLS
Enrollment Growth For Ten Years



Note: 2016-2017 enrollment numbers are projected.

Enrollment

District enrollment increased last fall by 132 students to put the District at 53,950 students for the 2015-2016 school year. The breakdown of those students includes 23,302 in elementary schools; 12,307 in middle schools; 16,055 in high schools; 569 in the District's charter school; 1,054 pre-school students and 44 special program students, and 619 Options students.

The Options program started in the District in the 2012-2013 school year. The program is for students in grades K-12 designed to support parents who choose to school their children at home. Parents remain the primary instructional provider, with the District supplementing their efforts. Students participating in the program get limited instruction of about one day per week and receive educational materials from the District. The State funds these students at one half of the State per pupil funding.

Kindergarten students are counted as a partial student in the State funding formula, therefore, on a Full Time Equivalent Basis (FTE), enrollment increased last fall by 149.0 FTE students to 51,581.7 for the 2015-2016 school year. While the District continues to be a growing school district, the rate of growth has slowed. Prior to the 2008-2009 school year, enrollment growth in the District was in the range of about 900 students per year. From the 2008-2009 school year to the 2013-2014 school year, the average growth was closer to 600 students. The last two school years have shown slight increases in enrollment. Enrollment for the 2016-2017 school year is budgeted at the same level as the 2015-2016 school year. Current projections indicate the enrollment may increase slightly over last year.

School Financial Issues

The primary revenue sources for the District are based on the current provisions of the Colorado Public School Finance Act of 1994, as amended annually. Funding provided under this Act, which is from local property taxes including voter approved mill levy budget overrides of \$84.6 million, specific ownership taxes from vehicle registration, and state equalization aid is approximately 94% of the District's General Fund revenues for fiscal year 2015-2016.

Voters approved State Constitutional Amendment 23 in November 2000, which provides for funding per student of at least the Denver-Boulder CPI rate plus 1% through the 2010-2011 fiscal year and then at inflation thereafter.

Due to the Great Recession and the lack of available resources at the State level, the State has not been able to fund at that level and introduced a negative factor into the State funding formula starting during the 2010-2011 fiscal year which reduces State per pupil funding. While the State still faces budget constraints, the economy has improved during the last four fiscal years.

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

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

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

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

The State did continue to provide partial funding of full day kindergarten for the 2015-2016 fiscal year at an additional .08 FTE for each kindergartener enrolled. The District continues to provide full day kindergarten at six schools.

The budget balancing plan for fiscal year 2015-2016 included using \$10.9 million of General Fund reserves to fund the gap between State funding and expenditures. The actual results for fiscal year 2015-2016 required the use of approximately \$6.3 million of General Fund reserves. The actual results for fiscal year 2015-2016 are discussed more fully in the MD&A found on pages 41-57.

The budget balancing plan for fiscal year 2016-2017 includes using \$14.9 million of General Fund reserves to fund the gap between State funding and District expenditures. The District will maintain adequate reserves consistent with Board policy and a fiscally sound approach to District financial management. The District has planned for an adequate level of Unassigned General Fund reserves to provide protection from possible reductions in District funding such as State legislative action, lower than anticipated property tax collections, lower than projected enrollment, or other factors.

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

In order to address reductions in funding while minimizing the use of District reserves, the Board of Education has called for an election to be held on November 8, 2016 asking the voters to increase the mill levy budget override by \$23.9 million or twenty-five percent of total program funding to provide additional funding to the District. The Board has also put on the ballot a bond election request for \$250 million for capital needs in the District. The mill levy override and bond election are discussed more fully on pages 27-29.

Additional discussion of Economic Factors and Next Year's Budget can be found in the MD&A on pages 55-57.



Other realities affecting the financial outlook are mandates that are outside of the District's control. The District operates under the financial restrictions of two State Constitutional Amendments: the Gallagher Amendment and TABOR. The TABOR Amendment limits the growth in both revenues and expenditures for the State, local governments, and school districts. The annual percentage increase in revenues and expenditures is limited by TABOR to the total of the inflation rate and the rate of increase in student enrollment. If revenue exceeds this restricted level, the excess must be refunded to the taxpayers.

The assessed property values revisions required by the 1982 Gallagher Amendment have continued to limit increases in the residential assessed values used to levy taxes for the District, even though actual property values for most residential properties have increased substantially. This Amendment requires that the residential property share of the total assessed value in the State be stabilized at approximately 45% of the total. However, by fixing the residential percentage share of property tax collections, an increasing portion of the taxes levied continues to be shifted to the commercial and nonresidential property owners.

In an effort to equalize per pupil funding across the State, the 1988 School Finance Act shifted the responsibility of setting a district's property tax mill levy rate (per \$1,000 assessed valuation) from the local school boards to the State's General Assembly. The system required districts to first rely on its "local share" funding produced by a district's local tax rate, with the State share back-filling or equalization funding for districts that did not raise enough money locally.

In 1992, TABOR limited school districts from retaining any revenues that exceeded inflation plus student enrollment growth. An amended School Finance Act of 1994 established a new formula requiring districts to impose a mill levy at the same level as the preceding year, unless that particular number of mills generated revenues that exceeded TABOR's growth limits. In school districts with rising property values and growth

that outpaced TABOR's restrictions, districts were required to lower their mill levy rates, reducing districts' local revenue share and increasing the amount of State funding. Therefore, if assessed values of property decrease or increases are sufficiently restricted, and the mill levy rates restricted by TABOR cannot be increased, the education funding responsibility will continue to be shifted to the State. Senate Bill 07-199 passed in 2007, discussed later, also affects the mill levy of Colorado school districts.

It is possible that the State may not have sufficient spendable revenue or spending ceiling to meet increased education funding needs each year in the future, since annual increases in State revenue and spending are also limited by the provisions of TABOR. In November 2005, the voters approved Referendum C, which provides a temporary override to the current TABOR revenue formula for the State of Colorado. Referendum C allows the State to keep and spend the revenue it collects under current rates for five years and will establish a new base for the TABOR revenue formula to calculate future years' limits on inflation and population change.

In 2007, Senate Bill 07-199 was put into law, which stabilizes or "freezes" local property tax mill levies for the majority of Colorado public school districts. Although total funding for school districts will continue to grow, keeping pace with inflation and student growth, the relative proportions of State and local funding changed beginning in the 2007-2008 fiscal year. The 174 school districts that have had voter elections to retain revenues beyond the tax limitations of TABOR, had their mill levy rates permanently frozen at their 2006-2007 budget year levels, unless a district's levy exceeded the new levy cap of 27 mills. Those over the 27 mills limit received a mill levy reduction to the cap.

The amount of savings for the State is expected to grow over time from continued tax base appreciation in districts with stabilized tax rates. Over the long term, however, as the local share of basic funding grows and residents' property tax bills rise, some districts may encounter greater cash management challenges and added difficulty garnering voter support for property tax-supported mill levy overrides and bond elections since operating tax rates will no longer steadily decrease as before, which had the effect of creating additional taxing capacity.

The Cherry Creek School District and the three other districts in the State that have not had voter elections to retain revenues beyond the tax limitations of TABOR are not impacted by the law change. The District has not asked voters to be exempt from TABOR limits because the District has experienced yearly growth and annual spending within TABOR limits. The District's mill rate will continue to fluctuate downward with rising property assessment values that are in excess of the TABOR limits.

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



MAJOR INITIATIVES

Colorado Academic Standards

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

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

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

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

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

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

The Colorado Academic Standards establish vertical and horizontal connections.

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

The Colorado Academic Standards are written for mastery.

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

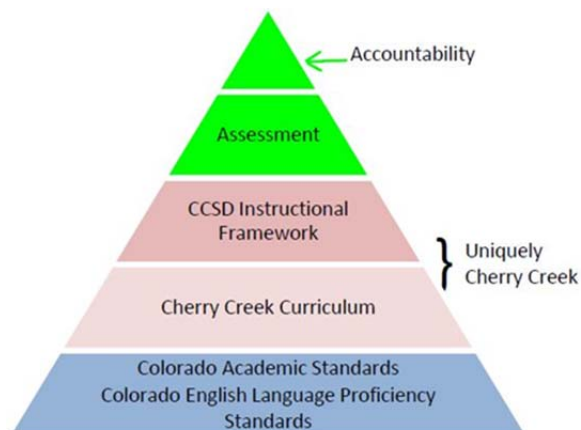
The Colorado Academic Standards reflect the importance of teaching the whole child.

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

Cherry Creek College and Career Framework

Key Points of the Cherry Creek College and Career Framework

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



Colorado Measures of Academic Success

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

To accurately measure students' mastery of these skills, Colorado adopted new assessments that align with the Colorado Academic Standards. The Colorado Measures of Academic Success (CMAS) are the State's common measurement of students' progress at the end of the school year in English language arts, mathematics, science and social studies. CMAS encompasses the Colorado-developed science and social studies assessments as well as the Partnership for Assessment of Readiness for College and Careers (PARCC)-developed, English language arts and mathematics assessments.

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

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

The assessment system for the 2016-2017 school year will include the following tests:

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

In the 2016-2017 school year, CMAS assessments for third through ninth graders will take place from April 10–28. However, the Colorado Department of Education will allow districts to begin testing one to three weeks early if they cannot complete testing within the allotted timeframe due to limitations on the number of computers or other devices needed for testing. The college entrance and preparatory exams taken by 11th and 10th graders, respectively, will be taken in the spring of 2017.

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



The first year of the new tests in English language arts and mathematics were in spring of 2015 and the scores mark a new baseline for students. The scores were not comparable to previous test scores. The new tests measure different things – such as where the students are in developing the critical-thinking and problem-solving skills employers in the 21st Century are demanding. They are also more rigorous, as they are aligned to higher standards. The level of knowledge that students have is the same as previous years, but since now the standards are higher the performance on these tests may change. The second year of the new test were administered in spring 2016 and the results were released in September 2016.

The test scores do not impact GPA, class ranking or college acceptance. The State legislature made the decision not to tie the first year test scores to teacher or school rankings and evaluations. This will give students, teachers and schools more time to gain more experience with the standards and aligned assessments. The second year of test scores were released in September 2016 and school rankings and evaluations are pending review of those results.

In September 2016, The Colorado State Board of Education decided to begin exploring whether Colorado should continue using the current Colorado Academic Standards and aligned PARCC assessment system.

The State's current agreements with PARCC end in June 2017, and its related contract with testing administrator Pearson expires in September 2017. New alternatives to the PARCC assessments would need to be in place by spring 2017 to be ready for the 2017-2018 school year.

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

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

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

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

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

- **Did Not Meet Expectations:** Students performing at this level demonstrate a minimal command of the concepts, skills, and practices embodied by the Colorado Academic Standards for English language arts or mathematics assessed at their grade level. They will likely need extensive academic support to engage successfully in further studies in this content area.

Assessments in Cherry Creek Schools

During the 2016-2017 school year the District will implement the CCSD Assessment System. This system will act as the District's internal summative assessment system and serve three purposes:

- Create stability for measuring student, school, and district performance that is independent from changes to the state assessment system.
- Maintain the District's long-standing recognition of the ACT assessment as the primary measure of College and Career Preparedness and Success.
- Extend the measure of College and Career Preparedness and Success into elementary and early middle school grade levels.

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

The ACT Aspire Summative is an online assessment designed to measure students' progress toward College and Career Preparedness and Success over the course of time. The ACT Aspire test battery produces scores that describe students' projected growth in English, reading, mathematics and science. For the 2016-2017 school year, the assessment will be administered between November and early December to students in grades 4, 6, 7, and 8. Students in grade 9 will test on October 13th.

Colorado READ Act

The Colorado Reading to Ensure Academic Development Act (READ Act) was passed by the Colorado Legislature during the 2012 legislative session. The READ Act repeals the Colorado Basic Literacy Act (CBLA) as of July 1, 2013, keeping many of the elements of CBLA such as a focus on K-3 literacy, assessment, and individual plans for students reading below grade level. The READ Act differs from CBLA by focusing on students identified as having a significant reading deficiency, delineating requirements for parent communication, and providing funding to support intervention. Other components of the READ Act include a competitive Early Literacy Grant and a resource bank of assessments, instructional programming, and professional development. The District was funded \$1.4 million for the 2014-2015 fiscal year to help 1,553 students, \$1.3 million for the 2015-2016 fiscal year to help 1,468 students and will be funded \$1.4 million for the 2016-2017 fiscal year to assist 1,689 students.



Colorado School Performance Framework

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

The performance frameworks measure attainment on the four key performance indicators identified in Senate Bill 09-163 as the measures of educational success: academic achievement, academic longitudinal growth, academic gaps and postsecondary and workforce readiness. State identified measures and metrics for each of these performance indicators are combined to arrive at an overall evaluation of a school's or a district's performance. For districts, the overall evaluation leads to their accreditation. For schools, the overall evaluation leads to the type of plan schools will implement.

Schools are assigned to an improvement plan category based on an index calculated from overall performance and growth on State assessments and graduation/dropout rates. Schools are assigned to one of four types of school plans:

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

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

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

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

For the last measurement period, most of the District’s schools are included in the top two plans with 86% of Cherry Creek schools assigned to Performance Plans, 12% assigned to Improvement Plans and 2% assigned to Turnaround Plans.

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

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

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

The District Performance Framework assigns to each district one of five accreditation categories:

- Accredited with Distinction: The district meets or exceeds statewide attainment on the performance indicators and is required to adopt and implement a Performance Plan.
- Accredited: The district meets statewide attainment on the performance indicators and is required to adopt and implement a Performance Plan.
- Accredited with Improvement Plan: The district is required to adopt and implement an Improvement Plan.
- Accredited with Priority Improvement Plan: The district is required to adopt and implement a Priority Improvement Plan.
- Accredited with Turnaround Plan: The district is required to adopt and implement a Turnaround Plan.

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



Curriculum Overview

The District is committed to ensuring that every student will be prepared for college or other post-secondary options. The educational program provides academic experiences for all students to meet or exceed expectations beyond the Colorado Academic Standards. In order to meet the needs of all students, a variety of programs and instructional practices are offered.

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

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

Middle School (6-8): Middle school builds on the academic fundamentals of the elementary grades, ensuring a strong foundation for student achievement in high school and postsecondary education. Students must master a broad and thorough knowledge base in reading, writing, mathematics, science, history and geography. Students also may participate in enhanced core curriculum programs, including the arts, media skills, world languages, computers, applied technology, physical education, health and consumer and family studies.

High School (9-12): The high-school curriculum ensures students are prepared for college and careers. All students are encouraged to take the academic core classes as defined by ACT and SAT. ACT defines the specific courses listed below as comprising the academic core. SAT defines the core as the 20+ credits below plus a world language.

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

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

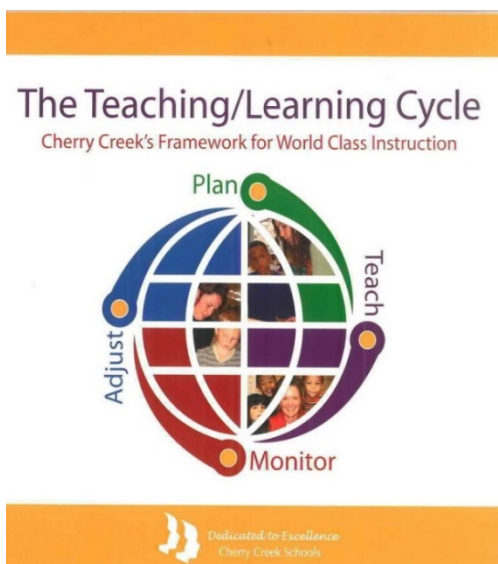


The Teaching/Learning Cycle

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

The District's Instructional Framework provides the foundation for pedagogical excellence. It outlines the essential components of teaching and learning while giving teachers the flexibility to exercise their professional judgment to meet the needs of individual students. This framework is a cycle with four key components: plan, teach, monitor, and adjust. While these components overlap to a degree, the framework outlines the key ideas and best instructional practices to achieve our mission.

The District's Instructional Framework is grounded in the principles of classroom practice, climate and organization that research has demonstrated are the most effective methods in increasing student achievement.



Excellence in Action

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

District Goals

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

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

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

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

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

- Placing the needs and welfare of students above all else.
- Providing safe and caring environments for learning.
- Holding high expectations for the growth and achievement of each student.
- Developing meaningful relationships with students and families.
- Respecting and understanding the diversity of the students and families we serve.
- Engaging students, parents, and community members as partners in the educational process.
- Promoting involvement and empowerment.
- Attracting quality personnel who reflect the diversity of our community, are knowledgeable, and care deeply about young people.
- Demonstrating a strong service orientation to students and parents.
- Encouraging creativity and innovation to attain the vision.
- Improving the organization continuously.
- Fostering a desire for lifelong learning, achievement, and service to others.



District Strategic Goals and Objectives

Inclusive Excellence

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

Objective: Every school will meet or exceed District and State targets for academic performance and growth by 2016-2017.

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

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

Objective: Every school will meet or exceed District and State targets for academic performance and growth for students of color by 2016-2017.

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

College and Post-secondary Preparedness and Success

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

Objective: Every school will meet District and State college readiness targets by 2016-2017.

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

Objective: Every high school will meet or exceed District and State graduation rate targets by 2016-2017.

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

Colorado Performance Frameworks

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

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

District Improvement Strategies and Key Actions

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

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



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

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

Provide equitable academic experiences which include all students in excellence.

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

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

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

Develop and implement a systemic plan for professional learning for all District employees.

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

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

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

Safety and Security

The District is committed to creating safe, respectful, and inclusive learning environments where all community members work together to promote academic excellence, civil behaviors, and social competence. All staff, students, and parents help create safe schools. This emphasis has resulted in a Comprehensive Safe Schools Plan that includes a purposeful connection between physical safety/security and the "psychological safety" of students.

Physical safety includes measures such as visitor check-in and identification badges, video surveillance, preparedness planning, and practice drills to prepare for a variety of potential incidents. District and school crisis plans are aligned with the recommendations of state Homeland Security, local emergency responders, and public safety officials and use the general response practices outlined in the National Incident Management System.

Psychological safety provides for the social-emotional well-being of students and works to create positive school climates through measures such as asset development, bullying prevention, Positive Behavior Supports, and early identification and intervention for at-risk students.

The District's Safe Schools Design Team, composed of staff from various District departments and schools, continually updates the District's planning and resources to reflect current needs and world events. Over the past several years, the District's safety efforts have been responsive to events such as Columbine and other school related shootings, September 11th, and the potential threat of domestic terrorism. Training and practice drills for staff and students have been held to contribute to preparedness for potential crisis events.

Each school has a functioning school safety team that monitors the building plan for both psychological and physical safety, and a crisis response & recovery team that oversees and implements the school's crisis response plan when needed. Major components of the District Comprehensive Safe Schools Plan and school safety plans as recommended by the US Department of Education (2004) are conceptualized as a continuum of efforts represented by the District safety triangle.



**Cherry Creek School District
Comprehensive Safe Schools Plan**

Prevention steps are taken to ensure that:

- C** - Communities are connected, inclusive and work to prevent bullying
- A** - Asset-building is integrated into the school, family and community
- R** - Responsive decision-making is based on data
- E** - Expectations are clearly communicated to students, staff and parents
- S** - Socio-emotional behavior skills are taught

Preparedness includes plans that schools develop to facilitate an effective response when a crisis situation occurs. This also includes planning for effective interventions with youth who demonstrate behavioral difficulties, including training of all staff, students and parents in Early Warning Signs of Violence: Getting Help for Troubled Children.

The District and schools have response protocols for situations and/or students who are at-risk, in crisis or potentially dangerous. Interventions are designed for students who may not respond to prevention efforts. This also includes implementing the District team danger assessment process, and using the RTI/Problem Solving Process when needed.

Recovery includes the steps the school community uses to respond appropriately during and after a crisis situation for the care and recovery of students and staff. The goal is to return the school to a caring and supportive learning environment.



School Bond Election and School Facilities

The mission of the Long-Range Facility Planning Committee (LRFPC), an advisory committee to the Board of Education, is to promote “Excellence in Education” by recommending cost-effective plans for the use of capital facilities. Toward this end, the committee evaluates issues such as new construction, renovation of existing facilities, attendance boundaries, and 4-track calendar issues from a K-12 facilities perspective, while honoring diversity among facilities and populations within the District.

The LRFPC engaged in an in-depth, 18-month process to develop the current Five-Year Facility Plan for District needs through the 2020-2021 school year. In February 2016, the LRFPC voted to finalize their formal recommendations to the Superintendent and the Board of Education. The Board of Education unanimously voted to support a bond and budget election at the April 11, 2016 Board Meeting. This election will take place in November 2016.

The budget election will provide \$23.9 million in operating funds to:

- Maintain class sizes throughout all grades to properly manage student growth.
- Prepare students for success in college and the workforce by investing in comprehensive curriculum and instruction.
- Continue the District's commitment to academic excellence by providing an educational program of the highest quality and meeting the highest standards.
- Ensure every student has access to STEM (science, technology, engineering, and mathematics) instruction for success in the 21st century.
- Recruit and retain a quality teaching staff.

The bond election will provide \$250 million for:

Career and Innovation Technology (\$77.7 million): Through the community-based Cherry Creek 2021 process of updating graduation requirements, parents, students, staff, District graduates, local business and industry owners determined that the District must prepare students differently for the workforce they will enter in the future. A focus on innovation, critical thinking, real world experiences, project-based learning, relevancy, communication skills, adaptability and working in teams is critical.

- Every elementary school will receive \$500,000, and every middle school will receive \$750,000 to work collaboratively with their community to renovate space to support 21st-century teaching and learning.
- The District will construct and equip a new Career and Innovation Academy to increase the pathways for students to complete high school. This building will be a stand-alone, central facility available to all District 11th and 12th grade students to ensure preparation for college and careers in the 21st century.
- Information systems upgrades will include wireless network, web filtering and firewall systems, data center upgrades, classroom projection improvements, technology asset management and timekeeping software.



New Facilities and Major Renovations (\$90.75 million): New facilities to support continued student growth and class sizes and provide a healthy learning environment to all students and teachers.

- New elementary school to alleviate overcrowding at Pine Ridge, Coyote Hills, and Black Forest Hills.
- New middle school to alleviate overcrowding at Fox Ridge.
- Major renovations include: New special education Transition Center, gym at Cherry Creek Academy, high traffic redesign at the Cherry Creek High School campus, Horizon breezeway, and identified cafeterias.
- Stutler Bowl track and turf is near the end of its product life, requiring replacement for safety and liability.

Safety and Security (\$1.88 million): The number one priority is the safety and security of students and staff. Students and school staff must be as prepared as they possibly can be, at all times, for the unexpected.

- Communication: Radio system upgrades, uniform dispatch center, CARE Line upgrades.
- Physical Safety: Additions to the surveillance system, police Knox boxes, key cards, laminate glass.

Maintaining Community Investment (\$79.67 million): It is important that the school foundation (buildings and equipment), where students attend school, is maintained for current and future generations.

- Significant investment in the foundation includes:
 - o Fire Protection
 - o Roofing, Carpet and Flooring
 - o Mechanical/Electrical/Plumbing
 - o Doors/Hardware/Keying
 - o Utility/Specialty Infrastructure
 - o Tennis Courts/Tracks

Among other factors, the committee considers the age and condition of all the District buildings in determining projects to include in the bond issue. All of the District's buildings are of new construction or have had maintenance and renovations to maintain the buildings. A detail of each school's size, capacity, enrollment and year of opening is included in Schedule 19 of the Statistical Section on pages 146 to 150.

FINANCIAL INFORMATION

District management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP) and statutory requirements. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Single Audit

As a recipient of federal financial assistance, the District is also responsible for ensuring that an adequate internal control structure is in place, including that portion related to federal financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations. The results of the District's single audit for the fiscal year ended June 30, 2016, provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

Budgetary Controls

The District maintains numerous budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget adopted by the Board of Education. Activities of all funds are included in the District's financial plan. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the individual fund level.

The District also maintains an encumbrance accounting system to account for commitments for goods and services, which have not yet been provided or rendered. Encumbrances outstanding at year-end are not reported as expenditures in the financial statements for GAAP purposes, but are reported as assignment of fund balance for subsequent years' expenditures based on the encumbered appropriation authority carried over. Budgets for all fund types are adopted on a basis consistent with GAAP.

The District's financial plan, adopted in June of the year prior to the budget year, may be amended by the Board of Education or management. Management may amend individual lines within the budget. The Board of Education may revise the budget due to unforeseen circumstances, which did not exist at the time of the original budget adoption, such as emergencies or unanticipated revenues.

Accounting Policies

Detailed descriptions of the District's accounting policies are contained in the Notes to Basic Financial Statements on pages 67-99, and they are an integral part of this report. These policies describe the basis of accounting, funds and accounts used, valuation policies for inventories and investments, and other significant accounting information. No unusual situations or transactions occurred during the 2015-2016 fiscal year related to District accounting policies.

OTHER INFORMATION

Independent Audit

Under the provisions of the Colorado statutes, an annual audit of the District's financial statements must be performed by an independent public accounting firm licensed to practice in Colorado. The independent public accounting firm of CliftonLarsonAllen LLP was selected by the District to perform the audit for the fiscal year ended June 30, 2016. In addition to meeting the requirements of the Colorado statutes, the audit was also designed to meet the requirements of the provisions of the U.S. Office of Management and Budget guidance outlined in the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. The Independent Auditors' Report on the basic financial statements, the combining and individual fund statements and schedules, and supplementary information included in the financial section is on pages 37-39 of the Financial Section. The Independent Auditors' Report related specifically to the single audit is included in the Single Audit Reports Section.

Awards

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting, and the Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2015. In order to be awarded a Certificate of Achievement and the Certificate of Excellence, the District published an easily readable and efficiently organized Comprehensive Annual Financial Report. This report satisfied both generally accepted accounting principles and applicable legal requirements. The Certificate of Achievement and the Certificate of Excellence are valid for a period of one year. The District has received a Certificate of Achievement and a Certificate of

Excellence for the last twenty three 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 2015-2016 budget document. In addition, the ASBO awarded its Meritorious Budget Award to the District for the fiscal year 2015-2016 budget document.

Acknowledgments

The preparation of the Comprehensive Annual Financial Report on a timely basis could not be accomplished without the efficient and dedicated services of the members of the staff of the Fiscal Services Division, as well as the independent auditors, the members of the Publications Department, and administrative staff. We would like to express our appreciation to all staff members who assisted and contributed to its preparation. We would also like to thank the members of the Cherry Creek School District Board of Education for their interest and support in planning and conducting the financial operations of the District in a responsible and progressive manner.

Respectfully submitted,

/s/

Dr. Harry C. Bull, Jr.
Superintendent

/s/

Guy G. Bellville
Chief Financial Officer



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

Cherry Creek School District No. 5

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2015**

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



Brenda Burkett

Brenda R. Burkett, CPA, CSBA, SFO
President

John D. Musso

John D. Musso, CAE, RSBA
Executive Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Cherry Creek School District No. 5
Colorado**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015



Jeffrey R. Egan

Executive Director/CEO

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

**List of Elected and Appointed Officials
as of July 1, 2016**

Elected Officials

Board of Education

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

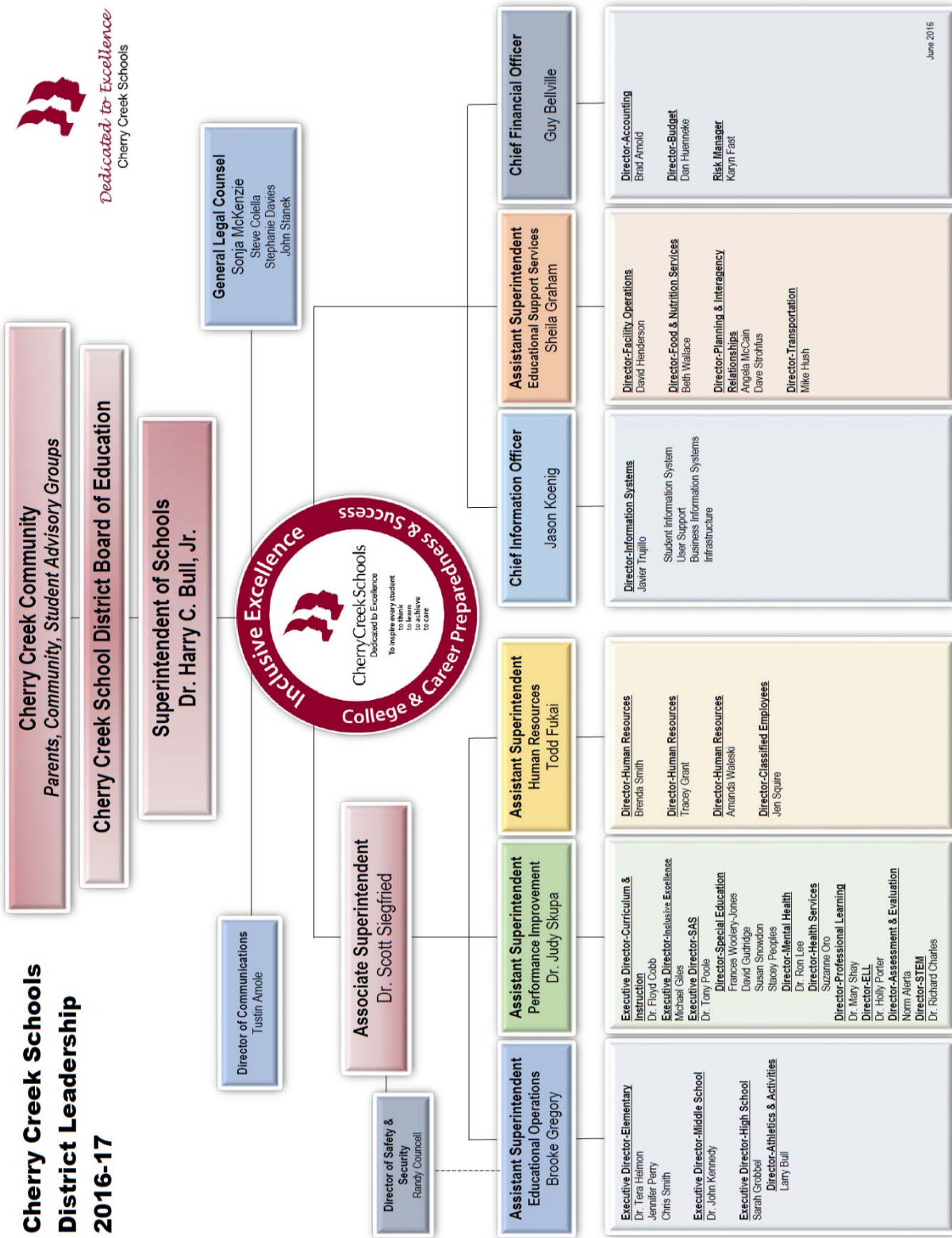
Appointed Officials

District Leadership Team

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

CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO

ADMINISTRATIVE ORGANIZATIONAL CHART
as of July 1, 2016



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

**Administrative Functions
as of July 1, 2016**

CHERRY CREEK SCHOOL DISTRICT ADMINISTRATIVE FUNCTIONS

**Associate Superintendent
Dr. Scott Segfried**

**Educational Operations
Performance Improvement
Human Resources
Safety & Security**

**Assistant Superintendent
Educational Operations
Brooke Gregory**

**Supervision of Schools
Elementary Schools**

- Principals
- Challenge School
- Cherry Creek Academy
- Extended Child Services

Middle Schools

- Principals

High Schools

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

Athletics & Activities

**Career & Technical Education
Prevention/Bully-Prevention**

Safety & Security

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

**Assistant Superintendent
Performance Improvement
Dr. Judy Skupa**

Curriculum & Instruction

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

Inclusive Excellence

- District P.A.S.S. & Equity Teams
- AVID/English Language Acquisition
- Cultural Liaison & Title I

Student Achievement Services

- Adaptive Programs
- Colorado Preschool & Early Childhood
- Expulsion Program & Foote Youth Services

• Head Start

• Interdisciplinary Teams

• Mental Health

• Out-of-District Placement

• Special Education

• Transition Program

Health Services & Wellness

• School Nurses

• Pandemic Planning

• Comprehensive Wellness Strategy

• Physical, Psychological, & Environmental Wellness

Assessment & Evaluation

• Districtwide Testing

• District & School Performance Improvement Reports

• District Accountability Committees

Funded Projects

• Federal/State/Local Grants

Science, Technology, Engineering, & Mathematics (STEM)

• STEM Coaches

**Assistant Superintendent
Human Resources
Todd Fukai**

Human Resources Services

- Administrative Leadership Academy
- Background Checks
- Benefits-Health Insurance
- Employee Negotiations/Relations
- Licensure/NCLB Liaison
- Post-employment Certified Relations
- Pre-employment Recruitment
- Student-Teacher Placement/Substitutes
- Teacher & Administrator Recruitment
- Teacher & Classified Evaluations

**Assistant Superintendent
Educational Support Services
Sheila Graham**

Facilities Maintenance

- Facility Planning
- Construction/Renovation
- Custodial Maintenance
- Grounds/Carpentry

Facilities Support

- Utilities/Energy Conservation

Planning & Interagency Relationships

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

Food & Nutrition Services

- Catering
- Food Services Operations

Transportation

**General Legal Counsel
Legal Matters
Sonja McKenzie**

Legal Matters

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

**Chief Information Officer
Information Systems
Jason Koenig**

Information Systems

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

**Chief Financial Officer
Fiscal Services
Guy Bellville**

Fiscal Services

Accounting

- Accounts Payable
- Accounting/Reporting
- Foundation Accounting & Reporting
- General Fixed Assets
- Investments
- Payroll

Budget

- Budget Preparation
- Financial Planning/Projections
- Financial Systems

Legislative Liaison

Risk Management

- Property & Casualty Insurance
- Workers' Compensation Claims
- Printing Services/Purchasing
- Risk Assessment
- Workforce/Facility Safety Programs
- Warehouse/Mail Delivery



CherryCreek
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FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Cherry Creek School District No. 5 (the District), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Cherry Creek Academy, which represent 100 percent of the assets, net position, and revenues of the discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Cherry Creek Academy, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of Cherry Creek Academy were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal controls over financial reporting or reportable noncompliance associated with Cherry Creek Academy.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the District as of June 30, 2016, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 41-57 and pension information on pages 101-103 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, the Colorado Department of Education Auditors Integrity Report, the schedules of revenues, expenditures and changes in fund balance – budget and actual for the Bond Redemption Fund, Building Fund, Capital Reserve Fund, Designated Purpose Grants Fund, Extended Child Services Fund, Food Services Fund, and Pupil Activities Fund, and the State required schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules, the schedule of expenditures of federal awards, the Colorado Department of Education Auditors Integrity Report, the schedules of revenues, expenditures and changes in fund balance – budget and actual for the Bond Redemption Fund, Building Fund, Capital Reserve Fund, Designated Purpose Grants Fund, Extended Child Services Fund, Food Services Fund, and Pupil Activities Fund, and the State required schedules are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the

underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section listed in the table of contents has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Report on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 2016, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Greenwood Village, Colorado
October 14, 2016



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Management's Discussion and Analysis



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Management's Discussion and Analysis

Cherry Creek School District No. 5

Arapahoe County, Colorado

June 30, 2016

As management of the Cherry Creek School District No. 5, Arapahoe County, Colorado (the District), we offer readers of the District's Comprehensive Annual Financial Report (CAFR) this narrative and analysis of the financial activities of the District for the fiscal year ended June 30, 2016. We encourage readers to consider the information presented here in conjunction with additional information that can be found in the Letter of Transmittal on pages 5-30.

Financial Highlights

Financial statements presented in the CAFR include both government-wide financial statements and fund financial statements. The differences in these two presentations are presented in more detail starting on page 43.

The District has a negative net position. The governmental liabilities and deferred inflows of resources exceed its assets and deferred outflows of resources by \$790.1 million. This negative net position is the result of the application of Governmental Accounting Standards Board (GASB) Statement No. 68 *Accounting and Financial Reporting for Pensions* (GASB 68). The fiscal year ended June 30, 2016 is the second year that the District has been required to apply GASB 68. This GASB pronouncement is discussed in more detail under New Accounting Pronouncements on page 44.

GASB 68 revised and established new financial reporting requirements for governments that provide their employees with pension benefits. The District provides its employees with pension benefits through a multiple employer cost-sharing defined benefit retirement program administered by the Public Employees' Retirement Association of Colorado (PERA).

Among other requirements, the District is required to report its proportionate share of the total PERA net pension liability (NPL) in its government-wide financial statements. The District's share of the PERA NPL is \$1,267.4 million as of June 30, 2016. Inclusion of this figure in the government-wide financial statements does not indicate that the District has a liability to pay the amount shown. The District's liability is limited to the annually required contributions established by the State Legislature.

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

The net position of the District's governmental activities includes \$180.1 million net investment in capital assets; net position of \$73.3 million restricted for debt service payments, required emergency reserves, restricted cash and food service operations; and an unrestricted net position balance of \$(1,043.5) million. The unrestricted balance is negative due to the effects of GASB 68. The unrestricted balance is also different than what would be reflected on a governmental fund accounting basis due to the accounting treatment in the government-wide statements of accrued salaries and benefits earned but unpaid and compensated absences payable. Under governmental fund accounting, long term compensated absences are not recorded in governmental funds as a liability because they are not payable with current funds.

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

The total net position of the District's governmental activities decreased by \$75.5 million during fiscal year 2015-2016. This decrease in net position on a government-wide basis is similar to the decrease in fund balance on a governmental fund basis, however, several large factors impact differences between the two methods. The reconciliation between the two methods is found on page 65. The last two reconciling items on page 65 shows the effect of GASB 68 on net position. The District's share of the NPL of PERA increased by \$202.7 million (from \$1,064.7 million at June 30, 2015 to \$1,267.4 million at June 30, 2016). The impact of that increase in NPL is an increase in pension expense reflected in the Statement of Activities. If not for the effect of GASB 68, the District would show an increase in net position.

The fund balance of the District's governmental funds also decreased, however at a different level than the government-wide basis. In addition to the effect of GASB 68 discussed above, the difference is due in part to the treatment of the spending of funds in the Capital Projects - Building Fund related to the \$125.0 million bond election approved by voters in 2012. On a governmental fund basis, the capital outlays associated with those projects are reflected as a reduction of the fund balance while on a government-wide basis the capital outlay is reflected as an increase in capital assets. Another difference is the treatment of the payment of principal on long term debt. Debt is reflected as a liability on the government-wide statements while long term debt is not reflected in the governmental fund statements.

Depreciation expense begins on new capital expenditures upon completion of the projects which has the effect on the government-wide statements of reducing net position. While the repayment of bond principal is an expenditure on a governmental fund basis, those payments reduce long term liabilities on the government-wide statements and do not reduce net position. The net effect from capital related activity for the District is about a \$7.0 million decrease in net position and the net effect of debt related activity is an increase of \$33.9 million in net position.

Fund balance of the District's governmental funds decreased by \$17.5 million resulting in an ending fund balance of \$151.7 million.

The General Fund had a decrease in fund balance of \$6.3 million. Due to constraints in school funding levels discussed in the Letter of Transmittal on pages 22-25 and Economic Factors discussed on pages 55-58, the budget balancing plan for fiscal year 2015-2016 included using \$10.9 million of General Fund reserves to fund the gap between State funding and expenditures. As discussed more fully on page 52, actual results were favorable to the budget.

The Capital Projects - Building Fund had a decrease in fund balance of \$18.4 million. Voters approved a \$125.0 million bond election in November 2012 to provide facilities and equipment to increase student learning opportunities in Science, Technology, Engineering, and Mathematics (STEM) focused classrooms; repair, renovations and building additions across the District including modernizing wiring, fire protection, heat and air conditioning systems and plumbing; new technology including internet and network equipment; and safety and security. These bonds were issued in December 2012. The remaining proceeds from that bond issue reside in the Capital Projects – Building Fund. Planned capital outlay associated with those projects during the year is reflected as expenditure and reduces fund balance.

The Debt Service – Bond Redemption Fund and the other governmental funds had an increase of \$1.7 million and \$5.4 million in fund balance from operations, respectively.

The District's long-term obligations decreased by \$34.5 million to \$497.2 million. The decrease is the net result of refinancing \$51.4 million of debt issued in 2005 at a lower interest rate, a capital lease entered into during the year for the purchase of school buses and by the scheduled current year payments on existing debt. Further discussion of long-term debt is also found on page 54.

Overview of the Financial Statements

Management's Discussion and Analysis is intended to serve as an introduction to the District's basic financial statements. This document also provides a comparison to the prior year's activity. The basic financial statements presented on pages 59-99 are comprised of three components: 1) Government-Wide Financial Statements, 2) Fund Financial Statements, and 3) Notes to the Basic Financial Statements. This CAFR also contains other supplementary information in addition to the basic financial statements themselves.



Government-Wide Financial Statements

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

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

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

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

The Government-Wide Financial Statements can be found on pages 59-61 of this report.

New Accounting Pronouncements

PERA adopted GASB No. 67, *Financial Reporting for Pension Plans* (GASB 67), effective for the year ending December 31, 2014. GASB 67 establishes a shift in financial disclosure requirements from a funding-based approach to an accounting-based approach. GASB 67 requires a different approach for determining the net pension liability (NPL) as opposed to the previously disclosed unfunded accrued actuarial liability (UAAL).

Actuarially determined contributions (“ADC”) have replaced annual required contributions (“ARC”) as the gauge of the adequacy of the State’s statutory contribution rates. GASB 67 requires the disclosure of the amount of contributions, the ADC amount and the difference between those amounts. The ADC is calculated using the investment rate of return and discount rate assumptions according to the PERA Board’s Funding policy (currently 7.5%). An ADC deficiency arises when contributions are less than the ADC.

The District has no legal obligation to fund PERA’s UAAL or ADC, nor does it have any ability to affect funding, benefits or annual required contribution decisions made by PERA in administering the defined benefit pension plan.

Effective with fiscal year 2014-2015, the District was required to apply GASB 68. GASB 68 significantly changed pension accounting and financial reporting by requiring a NPL on the statement of net position. Historically, an unfunded pension obligation for employers in a cost-sharing plan, such as PERA, was considered a liability to be reported in future periods. Information about the total liability, unfunded and funded, was disclosed only in the notes to the financial statements and as required supplemental information. Financial statements now reflect a NPL based on a model similar to single employer plans.

The current period pension expense primarily results from changes in the components of the NPL. NPL is computed as the difference between the employer’s obligation to provide pension benefits earned and funding of those benefits (the plan assets held in trust); pension amounts earned by current and former employees for past services are recorded as a liability in current statements, not in future statements. Most causes of change in the NPL are included in pension expense immediately. Changes resulting from certain causes are introduced into pension expense over multiple periods.

See Note 13 on pages 89-96 in the Notes to Basic Financial Statements for the full disclosure related to PERA.

The GASB issued Statement No. 72, *Fair Value Measurement and Application* in February 2015. The objective of this Statement is to address accounting and financial reporting issues related to fair value measurements and provide guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The requirements of this Statement are effective with fiscal year 2015-2016. This Statement increases disclosure of investments in Note 5 on pages 77-80 in the Notes to Basic Financial Statements .



Fund Financial Statements

Fund financial statements are designed to demonstrate compliance with finance-related requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific objectives. Fund financial statements for the District include one of the three possible fund types. The fund types presented here are governmental funds. The District currently does not use proprietary or fiduciary fund types.

Governmental funds account for essentially the same information reported in the governmental activities of the government-wide financial statements. However, unlike the government-wide statements, the governmental fund financial statements focus on near-term financial resources and fund balances. Such information may be useful in evaluating the financing requirements in the near term.

Since the governmental funds and the governmental activities reports use the same functions, it is useful to compare the information presented. Because the focus of each report differs, reconciliation is provided on the fund financial statements to assist the reader in comparing the near-term requirements with the long-term needs.

The District maintains eight different governmental funds. The major funds are the General Fund, the Capital Projects - Building Fund, and the Debt Service – Bond Redemption Fund. They are presented separately in the fund financial statements with the remaining governmental funds combined into a single aggregated presentation labeled Nonmajor Governmental Funds. Individual fund information for the nonmajor governmental funds is presented as supplementary information elsewhere in this document.

The District adopts an annual appropriated budget for each of the governmental funds. A budgetary comparison schedule for the General Fund is included in the basic financial statements to demonstrate compliance with the adopted budget. The remaining governmental funds budgetary comparisons are reported as supplementary information.

The basic governmental fund financial statements can be found on pages 62-66 of this report.

Notes to the Basic Financial Statements

The Notes to the Basic Financial Statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes can be found on pages 67-99 of this report.

Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also contains supplemental information concerning the District's non-major governmental funds and schedules required as part of the Colorado Public School Finance Act and GASB 68 required schedules. Combining and individual fund statements and schedules can be found on pages 106-114 of this report. The additional schedule required as part of the Colorado Public School Finance Act can be found on pages 115 of this report. The GASB 68 schedules can be found on pages 101-103 of this report.



Government-Wide Financial Analysis

The assets of the District are classified as current assets and noncurrent assets. Cash, investments, receivables, inventories, and prepaid expenses are current assets. These assets are available to provide resources for the near-term operations of the District. The majority of the current assets are the result of the property tax collection process; the District receives about 94% of the annual property tax assessment by the end of June.

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

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

Current and long-term liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, accrued salaries and benefits, unearned revenues, and current debt obligations. The liquidation of current liabilities is anticipated to be either from currently available resources, current assets or new resources that become available during fiscal year 2016-2017. Long-term liabilities such as long-term debt obligations, compensated absences payable and net pension liability will be liquidated from resources that will become available after fiscal year 2016-2017.

Deferred inflows of resources are an acquisition of net position that is applicable to a future reporting period. This has a negative effect on net position, similar to liabilities.

Net position is the residual of all elements presented in a statement of financial position equal to assets plus deferred outflows less liabilities less deferred inflows.

The liabilities and deferred inflows of resources of the primary governmental activities exceed assets and deferred outflows of resources by \$790.1 million. Total net position of the primary government does not include internal balances.

A net investment of \$180.1 million in land, improvements, buildings, equipment, and vehicles, provide services to the District's 53,950 public school students. Net position of \$51.7 million, accumulated due to voter approved bonded debt mill levy assessments, have been restricted to provide resources to liquidate the current general obligation bond principal and related interest payments. The net position of Food Services operations of \$4.8 million is restricted for that funds use only. The required emergency reserves of \$16.8 million have also been restricted.

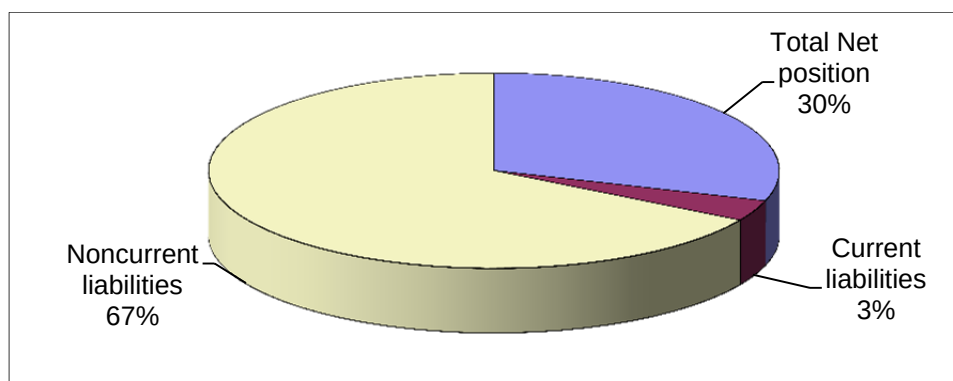
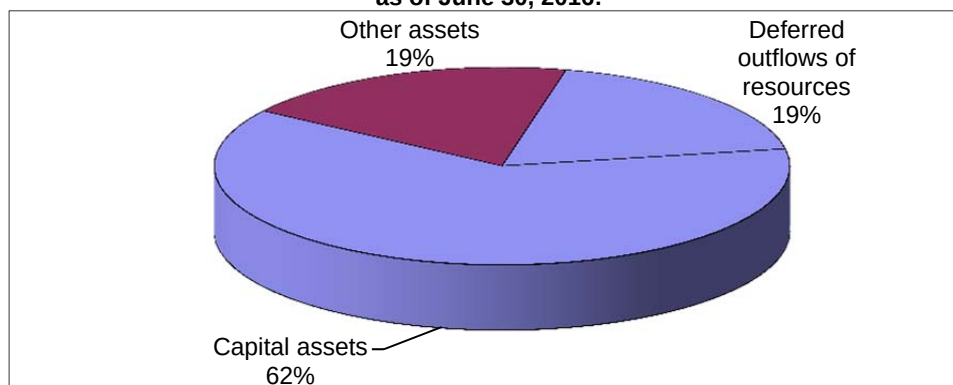
As mentioned earlier, unrestricted net position is different than what would be reflected on a governmental fund accounting basis. This is due to GASB 68 along with the accounting treatment in the government-wide statements of accrued salaries and benefits earned but unpaid and compensated absences payable. The \$31.2 million long-term portion of compensated absences is recorded as a liability on the government-wide statements, but not on the governmental fund statements because they are not payable with current funds. The GASB 68 net pension liability is reported in the same manner as compensated absences and is \$1,267.4 million.



Cherry Creek School District No. 5
Comparative Summary of Net Position
as of June 30, 2016 and 2015
(in millions)

	Primary Government Governmental Activities	
	2016	2015
Assets:		
Capital assets	\$ 669.5	\$ 676.4
Other assets	206.2	254.0
Total assets	<u>875.7</u>	<u>930.4</u>
Deferred outflows of resources:	<u>200.6</u>	<u>58.2</u>
Liabilities:		
Current liabilities	91.3	113.7
Noncurrent liabilities	<u>1,757.1</u>	<u>1,589.5</u>
Total liabilities	<u>1,848.4</u>	<u>1,703.2</u>
Deferred inflows of resources:	<u>18.0</u>	<u>-</u>
Net position:		
Net investment in capital assets	180.1	170.5
Restricted	73.3	73.9
Unrestricted	<u>(1,043.5)</u>	<u>(959.0)</u>
Total Net position	<u>\$ (790.1)</u>	<u>\$ (714.6)</u>

**Government-Wide Total Assets as compared to Total Liabilities and Total Net Position
as of June 30, 2016:**

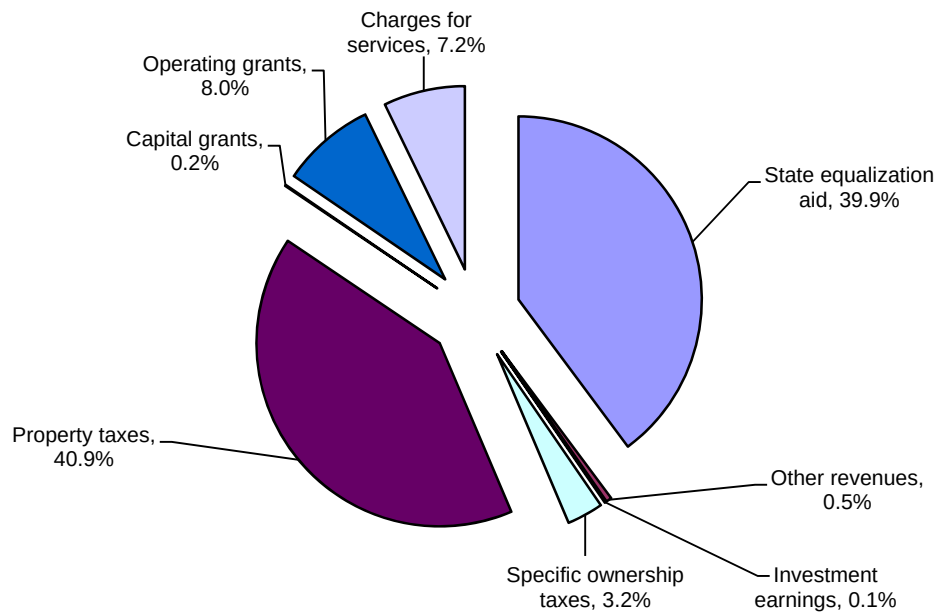


Government-Wide Activities

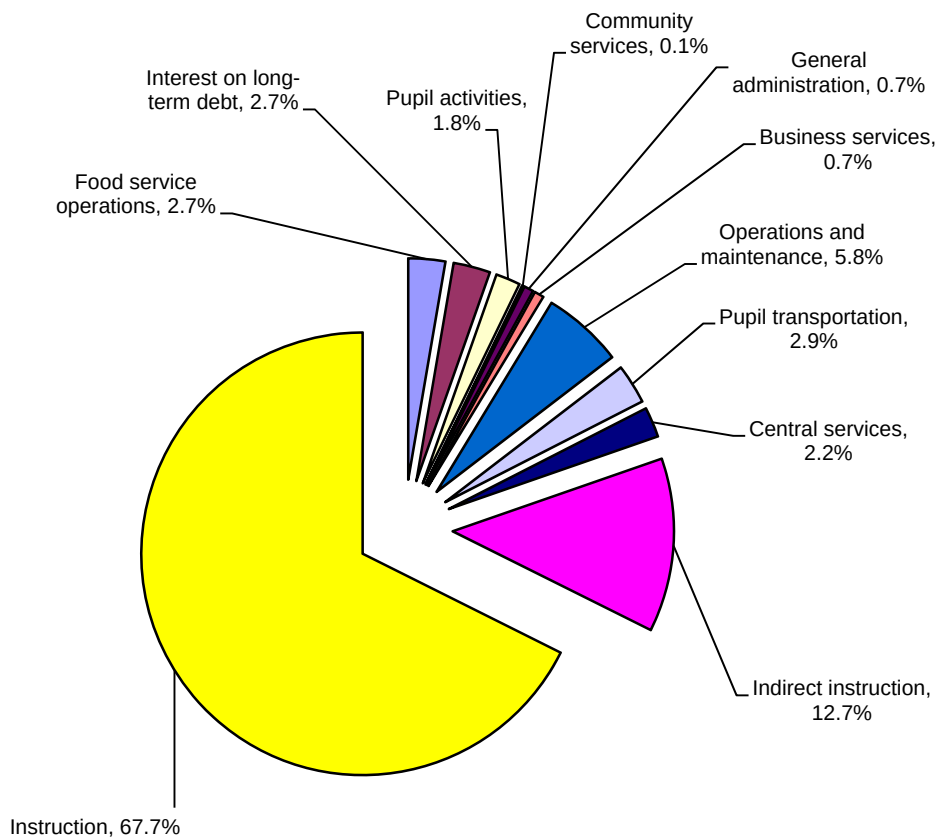
Governmental activities decreased the net position of the District by \$75.5 million.

Cherry Creek School District No. 5 Comparative Schedule of Changes in Net Position as of and for the fiscal year ended June 30, 2016 and 2015 (in millions)		
	Primary Government Governmental Activities	
	<u>2016</u>	<u>2015</u>
Revenues:		
Program revenues		
Charges for services	\$ 44.2	\$ 42.0
Operating grants and contributions	51.0	50.5
Capital grants and contributions	0.7	0.8
General unrestricted revenues		
Property taxes	251.4	253.0
Specific ownership taxes	19.6	19.1
Investment earnings	0.4	0.3
Other revenues	2.9	2.9
State equalization aid	<u>245.1</u>	<u>232.1</u>
Total revenues	<u>615.3</u>	<u>600.7</u>
Expenses:		
Governmental activities		
Instruction	467.5	414.3
Indirect instruction	87.5	79.8
Supporting services	85.7	81.2
Community services	0.8	0.7
Pupil activities	12.2	12.3
Interest on long-term debt	18.5	19.6
Food services operations	<u>18.6</u>	<u>16.9</u>
Total expenses	<u>690.8</u>	<u>624.8</u>
Increase (decrease) in net position before transfers	(75.5)	(24.1)
Changes in net position	(75.5)	(24.1)
Net position, beginning of year	<u>(714.6)</u>	<u>(690.5)</u>
Net position, end of year	<u><u>\$ (790.1)</u></u>	<u><u>\$ (714.6)</u></u>

Government-Wide Revenues fiscal year ended June 30, 2016



Government-Wide Expenses fiscal year ended June 30, 2016



Key elements of the change in net position for governmental activities are as follows:

The Colorado Public School Finance Act provides for the majority of the funding of local school districts based on a funded per pupil count formula and a maximum property tax mill levy determined for each school district. State equalization aid increased by \$13.0 million during the fiscal year, while property taxes decreased by \$1.6 million during the year. The economic condition of the State continued to improve during the 2014-2015 fiscal year which enabled the State Legislature to increase school funding for the 2015-2016 fiscal year. The State was able to decrease the amount of the Negative Factor in the school funding formula and State funding included a 2.8% increase in base per pupil funding in accordance with the annual increase in the 2014 Consumer Price Index. The per pupil funding for the District for the 2015-2016 fiscal year was \$7,264.57, compared to the fiscal year 2014-2015 funding of \$6,982.33, an increase of \$282.24. State equalization aid also increased from increased enrollment of 149.0 FTE. The slight decrease in property taxes is primarily due to a timing difference in the method required for recording outstanding property tax receivables on the government-wide basis. Unearned property taxes of the prior year received in the current year are recognized in the prior year statement of activities and in the current year fund statements. On the governmental fund basis, property taxes increased by \$8.4 million. Specific Ownership taxes and other revenue areas also showed increases over the prior year.

The State did continue to provide partial funding of full day kindergarten for the 2015-2016 school year at an additional .08 FTE for each kindergartener enrolled. The District continues to provide full day kindergarten at six schools.

School financial issues are discussed in more detail in the Letter of Transmittal on pages 12-15.

Total governmental activities expenses increased by \$66.0 million. Approximately \$50.4 million of that increase relates to the way pension expenses are recorded as a result of GASB 68. In prior years, pension expense was equal to the amount the District was legally obligated to contribute at the established statutory amount. Pension expense is now calculated based on the District's share of the change in PERA NPL which includes many more factors such as changes in investment earnings that affect the NPL. Another \$8.5 million of the increase in expenses relates to higher actual PERA payments made by the District related to a higher salary base and an increase in the blended employer contribution rate from 17.9% for fiscal year 2014-2015 to 18.35% for fiscal year 2015-2016. Instructional expenses also increased as a result of increased enrollment and related staffing and direct expenses related to those students.

For the 2015-2016 fiscal year, the District provided teachers with a 2.9% increase to the salary schedule and a 0.5% lump sum payment to employees who have reached maximum salary along with providing experience step increases and additional education attainment increases. Employee groups other than teachers received a 2.8% increase to base pay. Employee groups other than teachers and administrators also received a lump sum payment in November 2015 equivalent to 2% of their pro-rated annual salary for the 2015-2016 fiscal year. Administrators received a lump sum payment in November 2015 equivalent to 1% of their pro-rated annual salary for the 2015-2016 fiscal year.



Financial Analysis of the Government's Funds

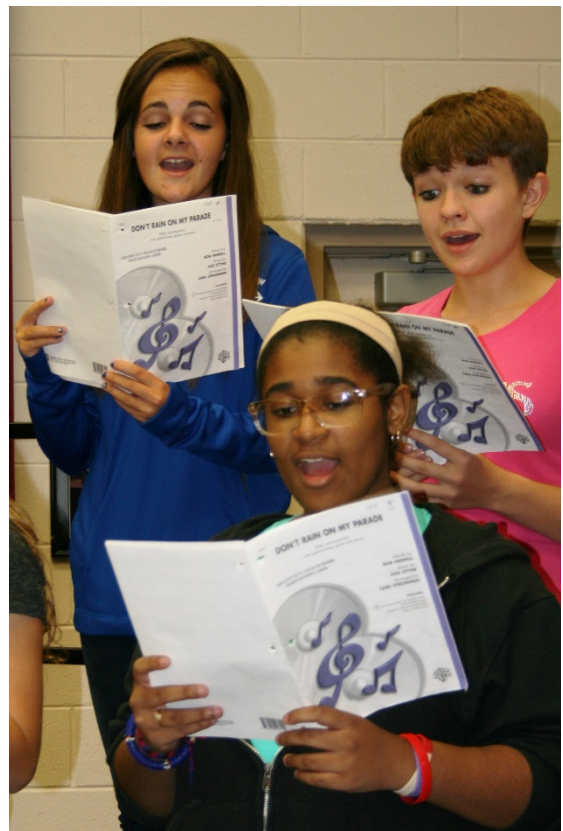
As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$151.7 million, a decrease of \$17.5 million in comparison with the prior year. Activity related to the Capital Projects – Building Fund from spending the proceeds of a \$125.0 million bond election approved by voters in November 2012 accounts for a decrease in governmental fund balance of \$18.4 million. The General Fund had a decrease in fund balance of \$6.3 million discussed more fully on page 52. The Debt Service – Bond Redemption Fund had property tax and other revenues in excess of the required payments on outstanding debt which resulted in an increase in fund balance of \$1.7 million. Long Term Debt is also discussed on page 54. Other governmental funds show an increase of \$5.4 million in fund balance primarily in the Capital Reserve Fund. That increase in fund balance includes funding from the General Fund for capital projects that were not completed by year end with the fund balance available for use in the following fiscal year. Fund balances also increased slightly in the Pupil Activities, Extended Child Services and Food Services Funds.

The unassigned fund balance for the District at the end of the fiscal year includes \$30.4 million for the General Fund. The remainder of the fund balance is in other categories to indicate that it is not available for new spending because it is 1) nonspendable for inventories and prepayments, \$3.4 million; 2) restricted for construction, \$7.5 million; restricted to pay debt service, \$52.6 million; restricted for food service operations, \$4.8 million; and restricted for emergency reserves, \$16.8 million; 3) committed for next year expenditures and future year commitments, \$15.5 million; committed to specific Extended Child Services activities, \$3.9 million; and committed to Pupil Activity activities, \$5.2 million; and 4) for a variety of other assigned purposes, \$11.6 million.

The Debt Service - Bond Redemption Fund has adequate resources accumulated to make the December 2016 principal and interest payments. The mill levy to accumulate resources for the June 2017 and December 2017 principal and interest payments will be certified in December 2016.



General Fund

Differences between the original budget and the final amended budget include supplemental budget appropriations approved by the Board of Education. The supplemental budget appropriations include certification of the mill rate for taxation purposes for the fiscal year. The budget was also increased to include encumbrances at June 30, 2015 in the amount of \$594,664 for supplies ordered but not yet received by the end of the prior fiscal year. This amount was reflected as an assignment of fund balance as of June 30, 2015. Another supplemental budget appropriation was approved in the amount of \$2,029,900. This supplemental included funding for operations and construction of a pilot cafeteria program at two of the District high schools and the pass through of additional State funding to the Special Revenue - Capital Reserve Fund.

During the current fiscal year, the fund balance in the General Fund decreased by \$6.3 million. While per pupil funding increased during the fiscal year by \$282 compared to the prior fiscal year and student enrollment increased by 149.0 FTE, the District budget included using \$10.9 million of General Fund reserves to fund the gap between expected State

funding and projected expenditures. Revenues received were more than projected while expenses were less than projected resulting in less of a decrease in fund balance than budgeted.

Total actual revenue received in the General Fund was positive to the revised budgeted revenue by \$3.6 million due to higher than projected property and specific ownership tax collections. State equalization aid and other revenues including indirect costs revenue were also favorable to budget. The District was also able to reduce actual expenditures by \$9.0 million against budget. The positive expenditure variances include utilities, general supplies, and benefits. Transportation expenditures were greater than anticipated. The positive results allowed the District to fund additional projects in the Special Revenue -Capital Reserve Fund.

As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Actual expenditures of the General Fund including other financing uses amounted to \$503.1 million. Unassigned fund balance represents 6.0% of expenditures while total fund balance represents 12.6% of budget-based expenditures.

The components of the fund balance are as follows:

Cherry Creek School District No. 5 Fund Balance Components: General Fund June 30, 2016 and 2015 (in millions)		
	General Fund	
	<u>2016</u>	<u>2015</u>
Nonspendable for:		
Prepayments and deposits	\$ 271,910	\$ 160,524
Inventories	1,605,860	1,636,053
Restricted for:		
Emergency reserve	15,092,000	14,148,000
Committed for:		
Multiple year commitments	645,626	1,052,911
Future year expenditures	14,880,000	10,866,300
Assigned for:		
Future year purchases and curriculum	542,797	594,664
Unassigned	<u>30,374,491</u>	<u>41,231,173</u>
Total fund balance	<u>\$ 63,412,684</u>	<u>\$ 69,689,625</u>

Capital Assets and Long-term Debt

Capital Assets

The District's investment in capital assets for its governmental activities as of June 30, 2016, amounts to \$669.5 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 \$6.9 million. This decrease is the net result of capital additions completed during the current fiscal year from the District voter's approval of a \$125.0 million bond election in 2012, less current year depreciation expense. The District has been using those funds to make capital improvements as reflected in an increase in buildings.

Major capital asset events during the current fiscal year included the following:

- Construction continued on various school and administration sites with projects in progress as of the close of the fiscal year at \$17.3 million.
- Major projects included work on multiple school and facility renovations as outlined in the \$125 million bond issue approved by voters in 2012.

Cherry Creek School District No. 5 Capital Assets (net of accumulated depreciation) June 30, 2016 and 2015 (in millions)		
	Primary Government Governmental Activities	
	<u>2016</u>	<u>2015</u>
Land	\$ 19.9	\$ 19.9
Improvements	4.1	4.2
Buildings	614.9	615.2
Projects in progress	17.3	26.1
Equipment and vehicles	<u>13.3</u>	<u>11.0</u>
Total capital assets	<u>\$ 669.5</u>	<u>\$ 676.4</u>

Additional information on the District's capital assets can be found in Note 6 on pages 81-82.

Long-term Debt

At June 30, 2016, the District had total bonded debt outstanding of \$485.2 million backed by the full faith and credit of the District.

The District's general obligation bonds decreased by \$34.6 million, which is the net result of a debt refinancing and the scheduled current year payments on existing debt.

In November 2015, the District refinanced \$51.4 million of the Series 2005B bonds. The new bonds were sold competitively with bids received electronically via the internet. This transaction reduces the principal amount of outstanding debt by almost \$5 million, while also lowering the average interest rate from 3.99% to 0.79%. The resultant savings are passed directly to the taxpayers of the District through an average reduction in tax collections of over \$1.1 million per year from 2016 through 2019.

The Board approved the purchase of 178 school buses based on a five year replacement plan and entered into a Master Lease Purchase Agreement, in an amount not to exceed \$18,500,000. The first portion of 41 buses, totaling \$4,178,500, were received during summer 2015. During the current fiscal year the District ordered an additional 34 buses for \$3,368,178 which arrived in January 2016.

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

State statutes limit the amount of general obligation debt that the District may issue. At the end of the current fiscal year, the legal debt limit was \$1,084.4 million and the legal debt margin was \$642.7 million.

Cherry Creek School District No. 5 General Obligation Bonds and Capital Leases June 30, 2016 and 2015 (in millions)		
	<u>Primary Government</u> Governmental Activities	
	<u>2016</u>	<u>2015</u>
General obligation bonds	\$ 485.2	\$ 519.8
Capital leases	<u>12.0</u>	<u>11.9</u>
Total	<u>\$ 497.2</u>	<u>\$ 531.7</u>

Additional information on the District's long-term obligations can be found in Notes 9 and 10 on pages 84-88 of this report.

Economic Factors and Next Year's Budget and Rates

The State Constitutional Amendment 23, passed by the voters in November 2000, is meant to provide an increase in per pupil funding by at least inflation plus 1% through the 2010 -2011 fiscal year and then at inflation thereafter. However, the State has not been able to fulfill that commitment.

Due to the Great Recession and the lack of available resources at the State level, the State has not been able to fund at that level and introduced a negative factor into the State funding formula starting during the 2010-2011 fiscal year which reduces State per pupil funding. While the State still faces budget constraints, the economy has improved during the last four fiscal years.

While recent State economic forecasts indicate an increase in State revenues, the most current projections indicate the revenues will be lower than originally budgeted. Information from the September 2016 Economic Forecast prepared by the Governor's Office of State Planning and Budgeting (OSPB) is included in the Letter of Transmittal on pages 6-10. While the economy in Colorado continues to improve, the State is limited to the amount of revenue that can be retained due to Provisions in Taxpayers' Bill of Rights (TABOR), Article X, Section 20 of the Colorado Constitution, which limits the growth in a large portion of State revenue to the sum of inflation plus population growth in the previous calendar year. Revenue collected above the TABOR limit must be returned to taxpayers, unless voters decide the State can retain the revenue.

TABOR revenue was below the cap in the 2015-2016 fiscal year and is projected to be below the cap for the 2016-2017 fiscal year. However, the State forecast expects the 2017-2018 fiscal year and the foreseeable future years to be above the TABOR limits, requiring refunds to taxpayers, which will impact the amount of State funds available to fund education.

While the State forecast assumes that no TABOR refund obligation will occur for the 2016-2017 fiscal year, the revenue is projected to be \$158.8 million, or 1.2 percent, below the revenue cap. This amount is also within typical forecast error. Because TABOR refunds are paid out of the State General Fund, fluctuations in State cash fund revenue (outside of the State General Fund) subject to TABOR, can have a large impact on State General Fund obligations.

In addition to the September 2016 Economic Forecast prepared by the OSPB, the nonpartisan Legislative Council also prepared a September 2016 Economic Forecast. Both reports indicate budget deficits for both the current 2016-2017 fiscal year, as well as likely shortfalls for the 2017-2018 fiscal year. Among the factors attributable to the deficit are slow economic growth and lower than expected tax revenues, as well as an increasing sense of uncertainty about the stability of the economy moving forward. While the reports differ on the size of the current fiscal year's budget shortfall, both reports agree that the economic outlook is going to pose significant challenges in terms of meeting State funding obligations, reserve levels, and also avoiding spending cuts.

The State has already spent down the reserve more quickly than originally anticipated since the June 2016 forecast, and State law requires the reserve dip no lower than 6.5%. State law dictates that if Colorado falls below half of its reserve, immediate budget cuts must be implemented, but because OSPB's forecast suggests a \$227 million deficit in this fiscal year, which is less than the Legislative Council's \$330 million deficit prediction, no budget cuts are required at this point for 2016-2017 fiscal year. It is possible that the Governor will propose budget cuts or a reduction of the statutorily required 6.5% reserve. In the prior year, the legislature reduced the reserve requirement in order to address a deficit issue.

There is agreement between both the Legislative Council and the OSPB that school funding will be especially challenging for the 2017-2018 fiscal year. An extra \$325 million would be necessary to keep the negative factor flat, pay for enrollment growth, and account for inflation. The Legislative Council indicated that under their forecast there will be \$65 million less funding available for the 2017-2018 fiscal year than what is currently budgeted for the 2016-2017 fiscal year.

The Governor will release his proposed budget on November 1, 2016. The Joint Budget Committee will consider his recommendations and the December revenue forecast will provide updated information that will help frame budget conversations during the 2017 legislative session. A final budget for the 2017-2018 fiscal year will be decided on by the legislature next spring.

The economic outlook during the 2016 legislative session reflected a stable outlook for revenue for the 2016-2017 fiscal year. The effect of the school finance act for the District is anticipated to increase net total program funding from an estimated \$374.7 million in the 2015-2016 fiscal year to \$380.8 million in the 2016-2017 fiscal year, an increase of \$6.1 million. Per pupil funding for the District for the 2016-2017 fiscal year is projected to be \$7,384, which is an increase of \$119 per pupil over the prior fiscal year.

For the 2016-2017 fiscal year, the school finance act reduced the District's negative factor by \$0.7 million in the school finance formula from \$50.3 million in 2015-2016 to \$49.6 million in fiscal year 2016-2017. At the State level, the negative factor was reduced by \$25 million from \$855 million in fiscal year 2015-2016 to \$830 million in fiscal year 2016-2017. The negative factor is an approximate 11.51% reduction from total program funding prescribed in the school finance formula for the District.

The school finance legislation for the 2016-2017 fiscal year reflects a 1.2% increase in base per pupil funding in accordance with the 2015 Consumer Price Index and funding for enrollment growth. As enrollment growth has stabilized for the District in recent years, the budget for the 2016-2017 fiscal year projects enrollment equal to the 2015-2016 fiscal year. Current projections indicate the enrollment may increase slightly over the prior year.

The budget balancing plan for fiscal year 2016-2017 included using \$14.9 million of General Fund reserves to fund the gap between State funding and expenditures. The District will maintain adequate reserves consistent with Board policy and a fiscally sound approach to District financial management. The District has planned for an adequate level of Unassigned General Fund reserves to provide protection from possible reductions in District funding such as State legislative action, lower than anticipated property tax collections, lower than projected enrollment, or other factors.

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

In order to address reductions in funding while minimizing the use of District reserves and to provide for long term capital needs, the Board of Education has called for an election to be held on November 8, 2016 asking the voters to increase the mill levy budget override by \$23.9 million or twenty-five percent of total program funding to provide additional funding to the District. The Board is also asking voters to approve a bond election of \$250.0 million to help prepare the District infrastructure to ensure all students are prepared for success. The bond issue includes a new career and innovation academy, renovation of learning spaces at all elementary and middle schools, additional facilities for student growth and other technology, repairs and maintenance to modernize and improve the safety of the District. The budget and bond election is discussed in more detail on pages 27-29 of the Letter of Transmittal.

The State continues to provide partial funding of full day kindergarten. The State is funding all kindergarten students at a .58 full time equivalent. This additional funding of .08 FTE per kindergarten student has allowed the District to provide full day kindergarten at 6 elementary schools. Originally, the legislature intended to increase this funding level each year to enable school districts to expand full day kindergarten. However, due to the economic downturn and State funding issues, the funding level of .58 will remain for the 2016-2017 fiscal year.

The District preserved instructional programs for the 2016-2017 fiscal year by maintaining the staffing ratio at 18.5:1. Funding is provided for K-3 class size with a soft cap of 23:1. Supplemental staffing resources were preserved for targeted achievement.

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

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

Recurring monthly health insurance contributions were maintained at existing levels. Cost increases for PERA continue to impact the District. Current employer contribution rates are 19.15% of salary. This rate increases to 19.65% on January 1, 2017, and then caps out at 20.15% starting January 1, 2018.

Funding for the 2017-2018 fiscal year generally takes into consideration recent quarterly economic forecasts, primarily the March 2017 economic forecast. The School Finance Act is considered during the 2017 Legislative Session, which convenes in January 2017 and adjourns in May 2017.

Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Office of Fiscal Services
Cherry Creek School District No. 5
4700 South Yosemite Street
Greenwood Village, Colorado 80111





CherryCreek
Schools
Dedicated to Excellence

Basic Financial Statements





CherryCreek
Schools
Dedicated to Excellence

CHERRY CREEK SCHOOL DISTRICT NO. 5

ARAPAHOE COUNTY, COLORADO

STATEMENT OF NET POSITION

June 30, 2016

	Primary Government	Component Unit
	Governmental	Charter
	Activities	School
ASSETS		
Cash	\$ 7,750,577	\$ 2,176,265
Cash held by county treasurer	3,121,236	-
Equity in pooled cash	108,182,099	-
Investments	17,561,030	421,490
Investments with escrow agent	51,362,627	-
Receivables, net		
Property taxes	9,443,023	-
Other governments	4,502,339	-
Other	920,393	7
Prepayments and deposits	1,169,766	6,198
Inventories	2,190,774	-
Capital Assets		
Land	19,850,598	1,028,597
Improvements	25,130,903	599,221
Buildings	959,227,121	6,597,353
Equipment and vehicles	74,931,295	318,414
Projects in progress	17,384,206	-
Less accumulated depreciation	(427,058,207)	(1,737,953)
Total Capital assets	669,465,916	6,805,632
Total Assets	875,669,780	9,409,592
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources related to pensions	200,279,131	1,631,786
Deferred outflows on refunding	362,261	89,118
Total Deferred outflows of resources	200,641,392	1,720,904
LIABILITIES		
Current liabilities		
Accounts and other current payables	9,216,206	217,203
Accrued interest payable	863,267	33,022
Accrued salaries and benefits	29,783,042	227,174
Unearned revenues	7,285,909	77,666
General obligation bonds	35,085,000	140,000
Capital lease obligations	3,625,794	-
Compensated absences payable	5,502,956	-
Total Current liabilities	91,362,174	695,065
Noncurrent liabilities		
General obligation bonds	450,105,919	2,773,376
Capital lease payable	8,381,328	-
Compensated absences payable	31,233,181	-
Net pension liability	1,267,410,340	7,646,861
Total Noncurrent liabilities	1,757,130,768	10,420,237
Total Liabilities	1,848,492,942	11,115,302
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources related to pensions	17,960,809	108,368
NET POSITION		
Net investment in capital assets	180,082,824	3,892,256
Restricted for:		
Debt service	51,688,646	334,881
Emergency reserve	16,774,000	139,046
Food service	4,805,772	-
Working capital	-	233,094
Repair and replacement	-	50,025
Unrestricted	(1,043,493,821)	(4,742,476)
Total Net position	\$ (790,142,579)	\$ (93,174)

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, 2016

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES:				
Instruction	\$ 467,537,058	\$ 20,493,121	\$ 33,704,271	\$ 648,635
Indirect instruction	87,433,251	380,127	4,600,418	-
Support services				
General administration	4,861,700	-	-	-
Business services	4,897,793	221,712	-	-
Operations and maintenance	40,831,590	279,536	-	-
Pupil transportation	20,122,305	161,494	4,684,076	-
Central services	15,026,745	-	-	-
Community services	842,782	667,875	1,288	-
Pupil activities	12,240,209	12,541,753	-	-
Food service operations	18,536,204	9,446,817	8,040,575	-
Interest on long-term debt, unallocated	18,494,821	-	-	-
Total Governmental activities	<u>690,824,458</u>	<u>44,192,435</u>	<u>51,030,628</u>	<u>648,635</u>
 Total Primary government	 <u>\$ 690,824,458</u>	 <u>\$ 44,192,435</u>	 <u>\$ 51,030,628</u>	 <u>\$ 648,635</u>
 Component unit - Charter school	 <u>\$ 5,349,908</u>	 <u>\$ 242,688</u>	 <u>\$ 65,607</u>	 <u>\$ 141,447</u>

GENERAL UNRESTRICTED REVENUES:

Taxes:

Property taxes

Specific ownership taxes

Investment earnings

Other revenues

State equalization aid

Sale of assets

Total General unrestricted revenues

Changes in net position

Net position, Beginning

Net position, Ending

See accompanying notes to basic financial statements.

Net (Expenses) Revenue and Changes in Net Position	
Primary Government	Component Unit
Governmental	
Activities	Charter School
\$ (412,691,031)	\$ (3,388,513)
(82,452,706)	-
(4,861,700)	(1,367,443)
(4,676,081)	-
(40,552,054)	-
(15,276,735)	-
(15,026,745)	-
(173,619)	-
301,544	-
(1,048,812)	-
(18,494,821)	(144,210)
<u>(594,952,760)</u>	<u>(4,900,166)</u>
\$ <u>(594,952,760)</u>	<u>-</u>
<u>-</u>	<u>(4,900,166)</u>
251,422,063	-
19,635,073	-
346,212	5,525
2,838,653	71,420
245,160,665	4,327,552
53,144	-
<u>519,455,810</u>	<u>4,404,497</u>
(75,496,950)	(495,669)
<u>(714,645,629)</u>	<u>402,495</u>
\$ <u>(790,142,579)</u>	\$ <u>(93,174)</u>

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

**BALANCE SHEET
GOVERNMENTAL FUNDS**

June 30, 2016

	General Fund	Debt Service - Bond Redemption Fund	Capital Projects - Building Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash	\$ 20,150	\$ 10,062	\$ -	\$ 7,720,365	\$ 7,750,577
Cash held by county treasurer	2,843,769	277,467	-	-	3,121,236
Equity in pooled cash	83,450,061	-	4,711,284	20,020,754	108,182,099
Investments	5,564,989	-	4,994,313	7,001,728	17,561,030
Investments - escrow agent	-	51,362,627	-	-	51,362,627
Receivables, net					
Property taxes	6,706,787	2,736,236	-	-	9,443,023
Other governments	811,129	-	-	3,691,210	4,502,339
Other	814,421	20,500	60,163	25,309	920,393
Interfund receivables	194,852	-	-	-	194,852
Prepayments and deposits	271,910	-	-	897,856	1,169,766
Inventories	1,605,860	-	-	584,914	2,190,774
Total Assets	<u>\$ 102,283,928</u>	<u>\$ 54,406,892</u>	<u>\$ 9,765,760</u>	<u>\$ 39,942,136</u>	<u>\$ 206,398,716</u>
LIABILITIES					
Accounts payable	\$ 5,195,095	\$ -	\$ 2,313,072	\$ 1,698,984	\$ 9,207,151
Other payables	9,055	-	-	-	9,055
Interfund payables	-	-	-	194,852	194,852
Accrued salaries and benefits	27,609,220	-	-	2,173,822	29,783,042
Unearned revenues	-	-	-	7,285,909	7,285,909
Compensated absences	2,679,525	-	-	273,431	2,952,956
Total Liabilities	<u>35,492,895</u>	<u>-</u>	<u>2,313,072</u>	<u>11,626,998</u>	<u>49,432,965</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable property tax revenues	<u>3,378,349</u>	<u>1,854,979</u>	<u>-</u>	<u>-</u>	<u>5,233,328</u>
FUND BALANCES					
Nonspendable for:					
Prepayments and deposits	271,910	-	-	897,856	1,169,766
Inventories	1,605,860	-	-	584,914	2,190,774
Restricted for:					
Construction	-	-	7,452,688	-	7,452,688
Debt service	-	52,551,913	-	-	52,551,913
Emergency reserve	15,092,000	-	-	1,682,000	16,774,000
Food service operations	-	-	-	4,805,772	4,805,772
Committed for:					
Multiple year commitments	645,626	-	-	-	645,626
Future year expenditures	14,880,000	-	-	-	14,880,000
Extended Child Services Fund activities	-	-	-	3,935,274	3,935,274
Pupil Activities Fund activities	-	-	-	5,269,441	5,269,441
Assigned for:					
Future year purchases and curriculum	542,797	-	-	-	542,797
Future year transfers	-	-	-	1,860,097	1,860,097
Capital Reserve Fund activities	-	-	-	9,279,784	9,279,784
Unassigned	<u>30,374,491</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,374,491</u>
Total Fund balances	<u>63,412,684</u>	<u>52,551,913</u>	<u>7,452,688</u>	<u>28,315,138</u>	<u>151,732,423</u>
Total Liabilities, Deferred inflows of resources and Fund balances	<u>\$ 102,283,928</u>	<u>\$ 54,406,892</u>	<u>\$ 9,765,760</u>	<u>\$ 39,942,136</u>	<u>\$ 206,398,716</u>

See accompanying notes to basic financial statements.

CHERRY CREEK SCHOOL DISTRICT NO. 5

ARAPAHOE COUNTY, COLORADO

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION

June 30, 2016

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

Total fund balance - governmental funds		\$ 151,732,423
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.		
The cost of capital assets is	\$ 1,096,524,123	
Accumulated depreciation is	<u>(427,058,207)</u>	669,465,916
Unearned property taxes will be collected this year, but are not available to pay for the current period's expenditure, and therefore are not recorded as revenue in the funds.		5,233,328
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	485,190,919	
Capital leases payable	12,007,122	
Compensated absences payable	33,783,181	
Net pension liability	<u>1,267,410,340</u>	(1,798,391,562)
Deferred outflows from refunding debt are not considered current financial resources and not reported in the governmental funds		362,261
Deferred outflows related to pensions are applicable to future periods and, therefore, are not reported in the funds.		200,279,131
Deferred inflows related to pensions are applicable to future periods and, therefore, are not reported in the funds.		(17,960,809)
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>(863,267)</u>
Total Net Position - governmental activities		<u><u>\$ (790,142,579)</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, 2016**

	General Fund	Debt Service - Bond Redemption Fund	Capital Projects - Building Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Taxes					
Property taxes	\$ 202,620,364	\$ 53,984,645	\$ -	\$ -	\$ 256,605,009
Specific ownership taxes	19,635,073	-	-	-	19,635,073
Intergovernmental					
Federal - grants	1,465,562	-	-	26,336,203	27,801,765
State equalization aid	245,160,665	-	-	-	245,160,665
State transportation	4,684,076	-	-	-	4,684,076
State education of handicapped	11,071,983	-	-	-	11,071,983
State vocational education	2,043,704	-	-	-	2,043,704
Other state	2,856,282	-	-	2,142,841	4,999,123
Earnings on investments	130,124	97,497	83,087	35,504	346,212
Other					
Tuition	642,949	-	-	17,878,207	18,521,156
Fees and fines	1,382,683	-	-	-	1,382,683
Pupil activities	-	-	-	12,541,753	12,541,753
Donations	-	-	-	2,544,174	2,544,174
Food services sales	-	-	-	9,446,817	9,446,817
Miscellaneous	3,672,917	-	-	-	3,672,917
Total revenues	<u>495,366,382</u>	<u>54,082,142</u>	<u>83,087</u>	<u>70,925,499</u>	<u>620,457,110</u>
EXPENDITURES					
Current					
Instruction	332,543,594	-	-	33,656,100	366,199,694
Indirect instructional					
Pupil services	29,546,691	-	-	2,220,951	31,767,642
Instructional staff services	17,006,119	-	-	2,636,489	19,642,608
School administration	25,649,523	-	-	250,546	25,900,069
Support services					
General administration	4,340,758	-	-	-	4,340,758
Business services	3,874,456	-	-	269,075	4,143,531
Operations and maintenance	37,484,456	-	-	-	37,484,456
Pupil transportation	20,356,802	-	-	-	20,356,802
Central services	13,321,003	-	-	-	13,321,003
Community services	388,119	-	-	311,434	699,553
Pupil activities	-	-	-	12,240,209	12,240,209
Food service operations	-	-	-	17,107,553	17,107,553
Non-departmental	507,951	-	-	-	507,951
Capital outlay	262,082	-	18,462,722	13,143,866	31,868,670
Debt service					
Principal	-	32,660,000	-	3,278,282	35,938,282
Interest and fiscal charges	-	18,942,429	-	163,783	19,106,212
Total expenditures	<u>485,281,554</u>	<u>51,602,429</u>	<u>18,462,722</u>	<u>85,278,288</u>	<u>640,624,993</u>
Excess of revenues over (under) expenditures	<u>10,084,828</u>	<u>2,479,713</u>	<u>(18,379,635)</u>	<u>(14,352,789)</u>	<u>(20,167,883)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	1,408,467	-	-	17,770,236	19,178,703
Transfers out	(17,770,236)	-	-	(1,408,467)	(19,178,703)
Capital lease issuance	-	-	-	3,368,378	3,368,378
Premium on bonds	-	4,809,202	-	-	4,809,202
Refunding bond issuance	-	46,855,000	-	-	46,855,000
Bond refunding escrow agent	-	(52,452,915)	-	-	(52,452,915)
Sale of assets	-	-	-	53,144	53,144
Total other financing sources (uses)	<u>(16,361,769)</u>	<u>(788,713)</u>	<u>-</u>	<u>19,783,291</u>	<u>2,632,809</u>
Net change in fund balances	(6,276,941)	1,691,000	(18,379,635)	5,430,502	(17,535,074)
Fund balances, Beginning	<u>69,689,625</u>	<u>50,860,913</u>	<u>25,832,323</u>	<u>22,884,636</u>	<u>169,267,497</u>
Fund balances, Ending	<u>\$ 63,412,684</u>	<u>\$ 52,551,913</u>	<u>\$ 7,452,688</u>	<u>\$ 28,315,138</u>	<u>\$ 151,732,423</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, 2016

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

Total net change in fund balances - governmental funds	\$ (17,535,074)
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Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities. This is the amount by which depreciation exceeds capital outlay in the period.

Capital outlay	\$ 25,533,317	
Depreciation expense	<u>(32,504,520)</u>	(6,971,203)

Because some property taxes will not be collected for several months after the District's fiscal year ends, they are not considered as "available" revenues in the governmental funds. They are, however, recorded as revenues in the statement of activities.

5,233,328

Unearned property taxes of the prior year received in the current year are recognized in the prior year statement of activities and in the current year fund statements.

(10,416,274)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds - changes in long-term compensated absences payable.

(2,325,958)

Repayment of bond and capital lease principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net position and does not affect the statement of activities.

35,938,282

Governmental funds report the issuance of debt, including premiums, as an other financing source. In the governmental activities, however, the issuance of debt is reflected as a liability instead. This amount is shown net of payments made to the bond refunding escrow agent.

(3,587,380)

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

1,597,618

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.

21,688

Other pension related items are reported as expenditures in the governmental funds. However, in the statement of activities the contributions made during the fiscal year either reduced the net pension liability or are shown as contributions after the measurement date of December 31, 2015 and not reflected as expenses on the statement of activities. These consist of:

Employer contribution expense	62,585,153	
Change in contributions subsequent to the measurement date	2,634,304	

Net pension liability related items reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. These activities consist of:

Pension expense	(142,671,434)	
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Total change in net position - governmental activities	<u>\$ (75,496,950)</u>	
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See accompanying notes to basic financial statements.

CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For The Year Ended June 30, 2016

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Taxes				
Property taxes	\$ 201,450,124	\$ 202,177,300	\$ 202,620,364	\$ 443,064
Specific ownership taxes	17,959,100	19,288,000	19,635,073	347,073
Intergovernmental - State				
State equalization aid	244,611,302	244,357,466	245,160,665	803,199
Transportation	4,354,400	4,568,514	4,684,076	115,562
Education of handicapped	10,797,700	11,033,491	11,071,983	38,492
Vocational education	1,945,000	1,985,000	2,043,704	58,704
Other state	2,797,647	2,688,789	2,856,282	167,493
Intergovernmental - Federal	1,457,699	1,463,596	1,465,562	1,966
Earnings on investments	195,728	43,300	130,124	86,824
Other				
Tuition	456,400	517,100	642,949	125,849
Fees and fines	1,190,300	1,266,300	1,382,683	116,383
Miscellaneous	1,559,400	2,330,216	3,672,917	1,342,701
Total revenues	<u>488,774,800</u>	<u>491,719,072</u>	<u>495,366,382</u>	<u>3,647,310</u>
EXPENDITURES				
Current				
Instruction	342,139,183	338,684,565	332,543,594	6,140,971
Indirect instructional				
Pupil services	30,556,593	30,716,598	29,546,691	1,169,907
Instructional staff services	16,861,175	17,611,240	17,006,119	605,121
School administration	25,544,327	26,111,200	25,649,523	461,677
Support services				
General administration	3,798,739	4,351,547	4,340,758	10,789
Business services	3,563,608	3,895,770	3,874,456	21,314
Operations and maintenance	37,486,409	37,700,130	37,484,456	215,674
Pupil transportation	19,763,069	20,148,401	20,356,802	(208,401)
Central services	13,497,073	13,932,521	13,321,003	611,518
Community services	378,575	391,405	388,119	3,286
County treasury fees	517,500	517,500	507,951	9,549
Facilities construction services	220,549	264,287	262,082	2,205
Total expenditures	<u>494,326,800</u>	<u>494,325,164</u>	<u>485,281,554</u>	<u>9,043,610</u>
Excess of revenues over expenditures	(5,552,000)	(2,606,092)	10,084,828	12,690,920
OTHER FINANCING SOURCES (USES)				
Transfers in	1,425,000	1,216,073	1,408,467	192,394
Transfers out	(6,739,300)	(8,770,236)	(17,770,236)	(9,000,000)
Total other financing sources (uses)	<u>(5,314,300)</u>	<u>(7,554,163)</u>	<u>(16,361,769)</u>	<u>(8,807,606)</u>
Net change in fund balance	(10,866,300)	(10,160,255)	(6,276,941)	3,883,314
Fund balance, Beginning	<u>52,587,512</u>	<u>69,689,625</u>	<u>69,689,625</u>	-
Fund balance, Ending	<u>\$ 41,721,212</u>	<u>\$ 59,529,370</u>	<u>\$ 63,412,684</u>	<u>\$ 3,883,314</u>

See accompanying notes to basic financial statements.

Notes to
Basic
Financial
Statements



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Notes to Basic Financial Statements

Cherry Creek School District No. 5

Arapahoe County, Colorado

June 30, 2016

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Cherry Creek School District No. 5 (the District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applicable to governmental units. In addition, the District conforms to the (Colorado) Financial Policies and Procedures Handbook in all material aspects as required by Colorado statutes. The following is a summary of the more significant accounting policies:

A) Financial Reporting Entity

Cherry Creek School District No. 5 is a political subdivision and body corporate of the State of Colorado duly organized and existing in accordance with the provisions of the School District Reorganization Act of 1949. The District began as a corporate body on August 26, 1950. The District operates under a five-member publicly elected board of education. The District includes 108 square miles and operates forty-two elementary schools, ten middle schools, seven high schools, two K-8 schools (the Challenge School and Cherry Creek Academy Charter School, a discretely presented component unit), four alternative school programs (Options Program, Foote Youth Services Center, Intensive Treatment Program, and The I-Team Program), Institute of Science and Technology, two stadiums, three central administrative facilities, and seven support facilities providing educational services to approximately 54,000 students.

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



1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B) Discretely Presented Component Unit- Charter School

The Legislature of the State of Colorado enacted the "Charter School Act - Colorado Revised Statutes (CRS) Section 22-30.5-10" in 1993. This Act permits the District to contract with individuals and organizations for the operation of schools within the District. The statutes define these contracted schools as "Charter Schools." Charter Schools are financed from a portion of the District's School Finance Act revenues and from revenues generated by the charter schools, within the limits established by the Charter School Act. Charter Schools have separate governing boards; however, the Cherry Creek School District's Board of Education must approve all Charter School applications and budgets. The District currently has one Charter School in operation, Cherry Creek Academy. The Charter School is a discretely presented component unit because of the significance of their financial relationship with the District. The Cherry Creek Academy Charter School has an affiliated finance corporation that was formed to support and assist the Charter School in the leasing of its facilities separately from the District.

The Charter School has issued separate financial statements for the fiscal year ended June 30, 2016. Complete financial statements may be obtained at the school's administrative offices:
Cherry Creek Academy, 6260 S. Dayton St.,
Greenwood Village, CO 80111.

C) Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the District and its component unit. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on charges for support. The District does not currently have any business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds (General Fund, Debt Service - Bond Redemption Fund, and Capital Projects - Building Fund) are reported as separate columns in the fund financial statements.

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

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, operating statements present increases and decreases in net current assets and fund balance as a measure of available spendable resources. This means that only current liabilities are generally included on their balance sheets.

Governmental fund revenues are recognized as soon as they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period, or soon enough thereafter, to pay liabilities of the current period. Property tax revenues are considered to be available if collected within 60 days after year end. Other revenues are recognized in the period earned if receipt of the money is expected within a year.

Property and specific ownership taxes are reported as receivables and deferred inflows of resources when levied and as revenues when due for collection in the following year and determined to be available.

Grants and entitlement revenues are recognized when compliance with matching requirements is met. A receivable is established when the related expenditures exceed revenue receipts. Grant revenues are considered to be available at the point the expenditure is incurred.

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



1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E) Fund Accounting

The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures, or expenses, as appropriate. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The District reports the following major governmental funds:

The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the District, except those required legally or by sound financial management to be accounted for in another fund.

The *Debt Service - Bond Redemption Fund* accounts for the resources accumulated and payments made for principal, interest, and related costs on long-term general obligation debt of governmental funds.

The *Capital Projects - Building Fund* accounts for resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

F) Cash and Investments

In order to facilitate the recording of cash transactions and to maximize earnings, the District has combined the cash resources of certain of its funds and maintains accountability for such funds' equity in pooled cash. The District is allowed to invest in the following types of investments: short-term certificates of deposit, repurchase agreements, money market deposit accounts, government pools, U.S. Agencies, and U.S. Treasury Obligations. The District records nonparticipating interest-earning investment contracts at cost. 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. The District considers all highly liquid investments with a maturity date of three months or less when purchased to be cash equivalents.

G) Receivables

Property taxes levied in 2015 but not yet collected in 2016 are identified as property taxes receivable and deferred inflows of resources in the governmental funds balance sheet at June 30, 2016, and are presented in the amount of \$5,233,328. Intergovernmental receivable of \$3,691,210 in the Designated Purpose Grants Fund includes amounts due from grantors for specific program grants. Intergovernmental receivable of \$811,129 in the General Fund includes amounts due from a Federal subsidy related to the 2010B Build America Bonds as well as amounts due from the State of Colorado related to pupil count and transportation audits. Program grants are recorded as receivable and revenues at the time reimbursable project costs are incurred.

H) Inventories

Inventories are stated at average cost, except for commodities by the United States Department of Agriculture (USDA), which are stated at the specific items' donated value (the USDA's cost). Reported inventories of supplies and materials consist of supplies recorded as an asset when the individual inventory items are purchased, and as an expenditure or expense when consumed. Fund equity is classified as nonspendable for the inventory balances in the governmental funds in the amount of \$2,190,774.

I) Prepayments and Deposits

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The District records prepaid items using the consumption method. Fund equity is classified as nonspendable for the prepayments and deposits in the amount of \$271,910 in the General Fund, \$821,849 in the Capital Reserve Fund, \$41,037 in the Food Services Fund and \$34,970 in the Extended Child Services Fund.



J) Capital Assets

Capital assets, which include property, vehicles, and equipment, are utilized for general District operations and are capitalized at actual or estimated cost. Donations of such assets are recorded at estimated fair value at the time of donation. Capital assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

Maintenance, repairs, and minor renovations are recorded as expenditures when incurred. Major additions and improvements are capitalized. When assets used in the operation of the governmental fund types are sold, the proceeds of the sale are recorded as revenues in the appropriate fund. The District does not capitalize interest on construction of capital assets.

The monetary threshold for capitalization of assets is \$1,000 for technology equipment and \$5,000 for all other capital assets. The District's capital assets are depreciated using the straight-line method over the estimated useful lives of the capital assets. Depreciation of all capital assets used in governmental activities and by proprietary funds is charged as an expense against their operations.

Depreciation is recorded starting in the month the asset is placed in service.

Estimated useful lives are:

Motor vehicles.....	8 to 10 years
Equipment, built-in.....	7 to 30 years
Equipment, movable.....	3 to 20 years
Site improvements.....	5 to 20 years
School buildings.....	50 years
Portable classrooms.....	25 years

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K) Deferred Outflows of Resources

For current refundings and advance refundings, resulting in defeasance of debt reported by governmental activities and component units, the difference between the reacquisition and the net carrying amount of the old debt is reported as a deferred outflow of resources or a deferred inflow of resources. The District refundings have resulted in deferred outflows of resources of \$362,261 for governmental activities and \$89,118 for component units.

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

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

See Note 13 for additional information.

L) Property Taxes

Under Colorado law, all property taxes become due and payable in the calendar year following that in which they are levied. The District's property tax calendar for 2016 is as follows:

Tax Year

Property taxes are recorded initially at the budgeted collection rate as deferred inflows in the year they are levied and measurable. The deferred inflow property tax revenues are recorded as revenue in the year they are

available or collected. The District has deferred inflows from property tax collection at June 30, 2016, in the amount of \$5,233,328. Property taxes are remitted to the District by the Arapahoe County Treasurer by the tenth of the month following collections by the county, except for the months of March, May, and June in which the District receives an additional remittance from the Arapahoe County Treasurer for collections through the twentieth of such months.

Beginning of fiscal year for taxes

- January 1

Assessed valuation initially certified by County Assessor

- August 25

Property tax levy by Board of Education for ensuing calendar year

- December 10

Tax levy certified to County Commissioners

- December 15

County Commissioners certify levy to County Treasurer

- January 10

Collection Year

Mailing of tax bills (lien date)

- January 1

First installment due

- February 28

Taxes due in full (unless installments elected by taxpayer)

- April 30

Second installment due

- June 15

A fee of .25% on General Fund collections is retained by the County as compensation for collecting the taxes and is reflected as an expenditure in the General Fund.

M) State Equalization Aid

State equalization aid is revenue received from the State of Colorado computed in accordance with a funding formula as defined by State statute. The funding formula considers such factors as pupil enrollment and other revenue sources.

Under previous State statutes, the District was required to allocate a portion of State equalization aid to the Capital Reserve Fund. The State requirement to fund a capital reserve fund was discontinued starting with the fiscal year ending June 30, 2010. The District has continued to use this fund to account for the purposes allowed by State statute, including the acquisition of land or land improvements, construction of new facilities or additions, alterations and improvements to existing structures, acquisition of vehicles, equipment, software licensing agreements, computer equipment, and installment purchase or lease agreements. The Capital Reserve Fund is shown as a Capital Projects Fund.



N) Long-term Liabilities

In the government-wide financial statements long-term debt, and other long-term obligations are reported as liabilities in the applicable government activities. Bond premium and discounts are reported as deferred charges and amortized over the term of the related debt using the straight-line method of amortization, which approximates the effective interest method. Currently the District has no zero coupon bonds.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. The District does not have any arbitrage liability as of June 30, 2016.

The District's general obligation bonds are serviced from property taxes and other revenues of the Debt Service - Bond Redemption Fund. The long-term compensated absences payable are serviced from property taxes and other revenues of the General Fund from future appropriations.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O) Compensated Absences

Sick Leave

District policy allows unlimited accumulation of sick leave for all employee groups, as allowed according to their employment policies. Payment for unused sick leave is made upon the employee's retirement after ten to twelve years (depending on the employee group) of continuous employment with the District. Such payment is normally compensated for all accumulated sick leave at one-half of the current per diem rate for such employee. Additional options are granted to teachers and administrator groups that provide for a reduced rate for certain days or a different rate for days in excess of 30 days.

Early Retirement

Teachers have the option of receiving an early retirement payment based on years of service with the District. After having been employed by the District for no less than 19 years, remuneration will be based on a set payment schedule amount less amounts received based on a longevity schedule, subject to a maximum annual payout amount by the District. The liability at June 30, 2016, was \$10,247,044 with a current portion due within one year of \$783,009. These amounts are included in the compensated absences liability amount disclosed in Note 9.

Experience and Longevity

Administrators with no less than 20 years with the District have the option of participating in the experience and longevity plan for a period of up to four years. An administrator will be compensated up to a specific dollar amount per year.

The longevity plan provides for a set current year payment to teachers with no less than 19 years of service with the District. This annual amount per teacher ranges from \$1,000 to \$3,000 based on such years of service.

Vacation Leave

Bus drivers are granted vacation leave. Accrued vacation time must be used or it will be compensated for within the next fiscal year, including an additional liability for salary-related payments associated with such compensation.

P) Deferred Inflows of Resources

The District's governmental activities report a separate section for deferred inflows of resources. This separate financial statement element reflects a decrease in net position that applies to a future period. The District has two items which are classified as deferred inflows of resources related to GASB No. 68 and No. 71:

1. Change in experience; and
2. Change in assumptions.

See Note 13 for additional information.

Q) Fund Equity

As of June 30, 2016, fund balances of the governmental funds are classified as follows:

Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulation of other governments.

Committed – amounts that can be used only for specific purposes determined by a formal action of the Board of Education. The Board of Education is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through resolutions approved by the Board of Education.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Board of Education's adopted policy, only the Board of Education, Superintendent, and Chief Financial Officer may assign amounts for specific purposes.

Unassigned – all other spendable amounts.

The details of the fund balances are included in the Governmental Funds Balance Sheet.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Education has provided otherwise in its commitment or assignment actions.

R) Pensions

The District participates in the School Division Trust Fund (SCHDTF), a cost-sharing multiple-employer defined benefit pension fund administered by the Public Employees' Retirement Association of Colorado (PERA). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SCHDTF have been

determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

S) Current Year GASB Pronouncements

For the year ended June 30, 2016, the District adopted the provisions of GASB Statement No. 72 titled *Fair Value Measurements and Application*, which is effective for financial statement periods beginning June 30, 2015. Statement No. 72 requires disclosures to be made about fair value measurements, the level of hierarchy, and valuation techniques. The District carried investments affected by the implementation described in Note 5.

2) RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The governmental funds sheet includes reconciliation between fund balances - total governmental funds and net position - governmental activities as reported in the government-wide statement of net position. Additionally, the governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net change in fund balances - total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities.

These reconciliations detail items that require adjustment to convert from the current resources measurement and modified accrual basis for government fund statements to the economic resources measurement and full accrual basis used for government-wide statements. However, certain items having no effect on measurement and basis of accounting were eliminated from the governmental fund statements during the consolidation of governmental activities.

3) BUDGETARY INFORMATION

The District follows these procedures in establishing the budgetary data reflected in these financial statements:

1. On or before June 1, the Superintendent will submit to the Board of Education a proposed budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted by the Board of Education to obtain the comments of the District residents.
3. Prior to June 30, the budget will be adopted by the Board of Education.

Budgetary amounts, in total, reported in the accompanying financial statements for the other funds are as originally adopted. The Superintendent and/or the Board of Education throughout the fiscal year may amend budgetary amounts within each fund. Individual amendments in the General and other Funds were not material in relation to the original appropriations.

The legal level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the individual fund level for all funds.



The encumbrance system of accounting is used wherein encumbrances outstanding at year-end are not reported as expenditures in the financial statements for generally accepted accounting principles purposes, but are reported as an assignment of fund balance for subsequent years' expenditures based on the encumbered appropriation authority carried over. District policy requires recording of an encumbrance as a charge against appropriation in the accounting period in which a purchase order is issued, rather than in the accounting period when goods or services are received as required by generally accepted accounting principles.

Formal budgetary integration is employed as a management control device during the fiscal year for the General Fund, Special Revenue Funds, Debt Service Fund, and the Capital Projects Fund.

4) BUDGETARY BASIS OF ACCOUNTING - LEGAL COMPLIANCE

Colorado Budget Law requires that all funds have legally adopted budgets and appropriations. Total expenditures for each fund may not exceed the amount appropriated. Appropriations for a fund may be increased provided they are offset by unanticipated revenues. All appropriations lapse at the end of each fiscal year to the extent that they have not been expended or encumbered. Authorization to transfer budgeted amounts between programs and/or departments within any fund and the reallocation of budget line items within any program and/or department rests with the District's Superintendent. Revised and/or supplemental appropriations that alter the total budget of any fund must be approved by the Board of Education.

5) CASH AND INVESTMENTS

DEPOSITS

The District's cash and deposit policies are approved by the Board of Education and governed by Colorado Statute. The Colorado Public Deposit Protection Act and the Savings and Loan Public Deposit Protection Act of Colorado (PDPA) require that all units of local government deposit cash in eligible public depositories; eligibility is determined by State regulators. At June 30, 2016, 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.

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

Cash	\$ 7,750,577
Equity in pooled cash	<u>108,182,099</u>
Total	<u>\$ 115,932,676</u>

Component Unit:

As of June 30, 2016, the charter school had bank deposits of \$2,393,164 and a carrying balance of \$2,175,965 and cash on hand of \$300. At June 30, 2016, State regulatory commissioners have indicated that all financial institutions holding deposits for the charter school are eligible public depositories.

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, 2016, the District had bank deposits of \$117,867,220 and a carrying balance of \$115,932,676, the difference is checks issued but not yet cashed. The District had cash of \$3,121,236 held by the county treasurer.



5) CASH AND INVESTMENTS (Continued)

INVESTMENTS

The District's investment policy, which complies with Colorado statutes, permits investment in obligations of the United States and certain agency securities, general obligation and revenue bonds of any state or political subdivision of a state, banker's

acceptances, commercial paper, certain local government investment pools, repurchase agreements collateralized by authorized securities, certain money market funds, and time deposit accounts and certificates with federally insured banks.

Investments as of June 30, 2016, are classified in the accompanying financial statements as follows:

Investments held by the District	\$ 17,561,030
Investments held by an escrow agent	<u>51,362,627</u>
Total	<u>\$ 68,923,657</u>

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating

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

<u>Investment Type</u>	<u>Total</u>	<u>% of Total</u>	<u>Minimum Legal Rating</u>	<u>Rating as of Year end Not Rated</u>
Federal Home Loan Bank	\$ 6,391,135	9%	N/A	\$ 6,391,135
Freddie Mac	2,118,871	3%	N/A	2,118,871
Money Market Funds	51,362,627	75%	N/A	51,362,627
Federal National Mortg Assoc	<u>9,051,024</u>	<u>13%</u>	N/A	<u>9,051,024</u>
Total	<u>\$ 68,923,657</u>	<u>100%</u>		<u>\$ 68,923,657</u>

Federal Home Loan Bank, Farmer Mac, Federal Farm Credit Bank, and Federal National Mortgage Association typically are government backed issues with an AA+ rating. Due to the short term nature of the specific investments held by the District at June 30, 2016, the issuer chose not to have these securities rated. If the issuer had

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

The money market funds are not rated. They are invested in U.S. Government and government backed securities. Money market funds are measured at amortized cost.

Concentration of Credit Risk

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

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

Interest Rate Risk

Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District generally invests in short term investments which limits this type of risk and no investment may exceed two years without the written authorization from the District's Chief Financial Officer. Information about the sensitivity of the fair values of the District's investments (including investments held by escrow agent) to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity:

		Remaining Maturity (in Months)
		12 Months Or Less
Investment Type		
Federal Home Loan Bank	\$ 6,391,135	\$ 6,391,135
Freddie Mac	2,118,871	2,118,871
Money Market Funds	51,362,627	51,362,627
Federal National Mortg Assoc	9,051,024	9,051,024
Total	<u>\$ 68,923,657</u>	<u>\$ 68,923,657</u>

Fair Value of Investments

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices (unadjusted) in active markets for an identical asset or

liability that a government can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1, that are observable for an asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3: Unobservable inputs for an asset or liability.

5) CASH AND INVESTMENTS (Continued)

The following table presents the fair value of measurements of assets recognized in the accompanying statement of net position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30, 2016:

<u>Investments by fair value levels</u>	<u>Balance June 30, 2016</u>	<u>Fair Value Measurement Using Level 2</u>
Federal Home Loan Bank	\$ 6,391,135	\$ 6,391,135
Freddie Mac	2,118,871	2,118,871
Federal National Mortg Assoc	9,051,024	9,051,024
Total	<u>\$ 17,561,030</u>	<u>\$ 17,561,030</u>

Component Unit:

At June 30, 2016, the charter school had invested \$421,490 in Colorado Government Liquid Asset Trust Plus (COLOTRUST Plus). Investments consist of U.S. Treasury and U.S. Agency securities and repurchase agreements collateralized by U.S. Treasury and U.S. Agency securities. A designated custodial bank provides safekeeping and depository services in

connection with the direct investment and withdrawal functions. Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the entities. Colotrust is rated AAAM by Standard and Poor's. The charter school's investment in Colotrust as of June 30, 2016 is measured using net asset value and is therefore not categorized in a level.



6) CAPITAL ASSETS

A summary of changes in capital assets is as follows:

<u>Governmental activities</u>	<u>Balance July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2016</u>
Non-depreciable assets:				
Land	\$ 19,850,598	\$ -	\$ -	\$ 19,850,598
Projects in progress	<u>26,096,182</u>	<u>8,045,210</u>	<u>16,757,186</u>	<u>17,384,206</u>
Total non-depreciable assets	<u>45,946,780</u>	<u>8,045,210</u>	<u>16,757,186</u>	<u>37,234,804</u>
Depreciable assets:				
Land improvements	24,499,250	631,653	-	25,130,903
Buildings	934,093,667	25,133,454	-	959,227,121
Equipment & vehicles	<u>68,091,036</u>	<u>8,480,186</u>	<u>1,639,927</u>	<u>74,931,295</u>
Total depreciable assets	<u>1,026,683,953</u>	<u>34,245,293</u>	<u>1,639,927</u>	<u>1,059,289,319</u>
Less accumulated depreciation for:				
Land improvements	20,244,004	766,652	-	21,010,656
Buildings	318,850,080	25,585,027	-	344,435,107
Equipment & vehicles	<u>57,099,530</u>	<u>6,152,841</u>	<u>1,639,927</u>	<u>61,612,444</u>
Total accumulated depreciation	<u>396,193,614</u>	<u>32,504,520</u>	<u>1,639,927</u>	<u>427,058,207</u>
Total capital assets being depreciated, net	<u>630,490,339</u>	<u>1,740,773</u>	<u>-</u>	<u>632,231,112</u>
Net capital assets	<u>\$ 676,437,119</u>	<u>\$ 9,785,983</u>	<u>\$ 16,757,186</u>	<u>\$ 669,465,916</u>

6) CAPITAL ASSETS (Continued)

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

Governmental activities:	
Instruction	\$ 30,124,915
Indirect instruction	254,054
General administration	4,525
School administration	14,672
Business services	97,052
Operations and maintenance	759,766
Pupil transportation	646,032
Central services	305,071
Food service operations	282,504
Other support services	15,929
Total depreciation expense - governmental activities	<u>\$ 32,504,520</u>

Component unit activities

	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016
Governmental activities:				
Land	\$ 1,028,597	\$ -	\$ -	\$ 1,028,597
Buildings	6,597,353	-	-	6,597,353
Building improvements	599,221	-	-	599,221
Furniture and equipment	237,758	80,656	-	318,414
Accumulated depreciation	<u>(1,569,488)</u>	<u>(168,465)</u>	<u>-</u>	<u>(1,737,953)</u>
Total Capital Assets, net	<u>\$ 6,893,441</u>	<u>\$ (87,809)</u>	<u>\$ -</u>	<u>\$ 6,805,632</u>

Construction commitments: The District has active construction projects as of June 30, 2016. The projects include renovation, new construction, and site improvements.

A list of significant commitments as of June 30, 2016, is as follows:

	Commitment Total	Completed to Date	Remaining Commitment
Holly Ridge Elementary Renovation	\$ 613,843	\$ 340,970	\$ 272,873
Arrowhead Elementary Renovation	865,496	398,596	466,900
Dry Creek Elementary Renovation	993,230	734,228	259,002
Middle School Renovations	87,870	22,427	65,443
Elementary School Renovations	1,551,552	775,950	775,602
Facility Upgrades	817,745	478,556	339,189
			<u>\$ 2,179,009</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 2015 - 2016 fiscal year were as follows:

	Transfers In		
	<u>Nonmajor Funds</u>		
<u>Transfers Out</u>	<u>General Fund</u>	<u>Food Services Fund</u>	<u>Capital Reserve Fund</u>
General Fund	\$ -	\$ 1,106,640	\$ 16,663,596
Nonmajor Funds:			
Extended Child Services Fund	<u>1,408,467</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 1,408,467</u>	<u>\$ 1,106,640</u>	<u>\$ 16,663,596</u>

Due To/Due From – Amounts owed to one fund or business-type activity by another which are due within one year are reported as due to other funds or business-type activities.

These balances arise during the normal course of business and the District's use of pooled cash.

Due to/due from funds at year-end were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	
General Fund	Nonmajor Fund: Pupil Activities Fund	\$ 194,852
Total		<u>\$ 194,852</u>

8) ACCRUED SALARIES AND BENEFITS

The major component of accrued salaries and benefits relates to salaries and benefits of certain contractually employed personnel paid over a twelve-month period from September to August but are earned during a school year of approximately nine to ten

months. The salaries and benefits earned but unpaid at June 30, 2016, are estimated to be \$27,609,220 for the General Fund. Additional accrued salaries and benefits earned by non-contracted employees, including other hourly employees, are \$2,173,822 at June 30, 2016.

9) COMPENSATED ABSENCES PAYABLE

As of June 30, 2016, compensated absences payable are as follows:

	<u>Current</u>	<u>Long-term</u>	<u>Total</u>
Governmental activities	\$ 5,502,956	\$ 31,233,181	\$ 36,736,137
Total	<u>\$ 5,502,956</u>	<u>\$ 31,233,181</u>	<u>\$ 36,736,137</u>

The current portion for Governmental Funds of accrued compensated absences have been recorded in the respective funds and as current liabilities in the governmental financial statements in the amount of \$2,952,956. District policy imposes an annual spending cap of \$2,550,000 for teachers and mental health employees related to compensated absences payable. This amount is also included as a current liability in the government-wide financial statements while the remaining balance is reflected as a long

term liability in the government-wide financial statements. The current portion of compensated absences payable are expected to be liquidated by the respective Governmental Funds within the next year. The majority of the Governmental Fund payments are made by the General Fund. Only compensated absences that have matured, i.e.: unused reimbursable leave still outstanding following an employee's resignation or retirement, are reported in governmental funds.

A summary of changes in compensated absences payable is as follows:

	<u>Balance July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2016</u>
Governmental funds	<u>\$ 34,459,764</u>	<u>\$ 7,828,914</u>	<u>\$ 5,552,541</u>	<u>\$ 36,736,137</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, 2016, are as follows:

<u>Description, Interest Rates, and Maturity Dates</u>	<u>Principal Balance</u>
School building bonds in the original amount of \$100,000,000 (Series 2004) due in varying installments through December 15, 2023, interest at 2.0% - 5.0%	\$ 13,525,000
School building bonds in the original amount of \$101,775,000 (Series 2009) due in varying installments through December 15, 2028, interest at 3.0% - 5.0%	88,850,000
School building bonds in the original amount of \$15,045,000 (Series 2010A) due in varying installments through December 15, 2019, interest at 2.0% - 5.0%	12,345,000
School building bonds in the original amount of \$86,730,000 (Series 2010B) due in varying installments through December 15, 2029, interest at 4.6% - 5.6%	86,730,000
Refunding bonds in the original amount of \$48,855,000 (Series 2012) due in varying installments through December 15, 2023, interest at 2.0% - 3.5%	31,995,000
School building bonds in the original amount of \$125,000,000 (Series 2012B) due in varying installments through December 15, 2032, interest at 2.0% - 3.0%	122,925,000
Refunding building bonds in the original amount of \$31,215,000 (Series 2013) due in varying installments through December 15, 2022, interest at 2.0% - 5.0%	20,450,000
Refunding building bonds in the original amount of \$37,585,000 (Series 2014) due in varying installments through December 15, 2024, interest at 3.0% - 5.0%	34,595,000
Refunding building bonds in the original amount of \$46,855,000 (Series 2015) due in varying installments through December 15, 2019, interest at 5.0%	<u>46,855,000</u>
Total general obligation bonds payable	<u>\$ 458,270,000</u>

Long-term debt maturities for all general obligation bonds outstanding at June 30, 2016, including interest, are as follows:

<u>Fiscal year ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 35,085,000	\$ 18,402,788	\$ 53,487,788
2018	28,065,000	17,170,663	45,235,663
2019	28,970,000	16,012,888	44,982,888
2020	30,220,000	14,643,588	44,863,588
2021	31,060,000	13,237,086	44,297,086
2022-2026	154,370,000	47,491,516	201,861,516
2027-2031	120,760,000	16,313,205	137,073,205
2032-2033	<u>29,740,000</u>	<u>898,800</u>	<u>30,638,800</u>
Total	<u>\$ 458,270,000</u>	<u>\$ 144,170,534</u>	<u>\$ 602,440,534</u>

10) LONG-TERM DEBT (Continued)

Capital Lease Obligations

Capital lease obligations at June 30, 2016, are as follows:

<u>Description, Interest Rates, and Maturity Dates</u>	<u>Balance</u>
Technology lease in the original amount of \$9,923,440 (2013) due in varying installments through August 16, 2017, interest at 1.046%	\$ 3,769,902
Technology lease in the original amount of \$1,694,812 (2014) due in varying installments through September 30, 2018, interest at 1.410%	1,070,393
Bus lease in the original amount of \$4,178,500 (2015) due in varying installments through March 24, 2025, interest at 2.090%	3,798,649
Bus lease in the original amount of \$3,368,178 (2016) due in varying installments through January 25, 2026, interest at 1.990%	<u>3,368,178</u>
Total capital lease obligations payable	<u>\$ 12,007,122</u>

The total amount of assets acquired with the technology and bus leases noted above amount to \$19,164,930 and is included in the category of equipment and vehicles.

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

<u>Fiscal year ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 3,625,794	\$ 189,380	\$ 3,815,174
2018	2,402,576	142,796	2,545,372
2019	941,427	115,517	1,056,944
2020	739,225	99,092	838,317
2021	754,425	83,891	838,316
2022-2025	<u>3,543,675</u>	<u>182,699</u>	<u>3,726,374</u>
Total	<u>\$ 12,007,122</u>	<u>\$ 813,375</u>	<u>\$ 12,820,497</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, 2016, are \$1,048,410,003 and \$642,691,916, respectively. As of June 30, 2016, the management of the District is of the opinion that it is in compliance with all significant limitations and restrictions in the bond indentures.

Bond Refunding

On November 18, 2015 the District refunded \$51.4 million of the 2005B Series general obligation bonds with the proceeds from the issuance of 2015 Series refunding general obligation bonds. Total debt service on the 2015 refunding bonds will be \$52,582,706 through December 15, 2019. This refunding decreases total debt service and will result in a savings to taxpayers of \$4.6 million over the life of the new debt and an economic gain on a net present value basis of \$3.6 million.

Build America Bonds

The 2010B Bonds were issued as Direct Pay Build America Bonds. Build America Bonds were created as part of the American Recovery and Reinvestment Act of 2009. Build America Bonds are taxable bonds to the bond holder. The District receives a direct federal subsidy in an amount equal to approximately 33 percent of the interest payment on the Build America Bonds. The District received \$1,465,562 from the United States Treasury for the fiscal year ended June 30, 2016, related to the interest payable on these bonds. This subsidy is recorded in the General Fund.

Changes in Long-term Debt

During the fiscal year ended June 30, 2016, the following changes occurred in long-term debt:

	Balance July 1, 2015	Additions	Deletions	Outstanding June 30, 2016
Governmental Activities:				
General obligation bonds payable	\$ 495,520,000	\$ 46,855,000	\$ 84,105,000	\$ 458,270,000
Unamortized premiums	<u>24,313,620</u>	<u>4,809,202</u>	<u>2,201,903</u>	<u>26,920,919</u>
Total bonds payable	519,833,620	51,664,202	86,306,903	485,190,919
Capital lease	11,917,226	3,368,178	3,278,282	12,007,122
Compensated absences	<u>34,459,764</u>	<u>7,828,914</u>	<u>5,552,541</u>	<u>36,736,137</u>
Total	<u>\$ 566,210,610</u>	<u>\$ 62,861,294</u>	<u>\$ 95,137,726</u>	<u>\$ 533,934,178</u>

Due within one year:	
Governmental activities:	
General obligation bonds payable	\$ 35,085,000
Capital lease	3,625,794
Compensated absences	<u>5,502,956</u>
Total	<u>\$ 44,213,750</u>

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

10) LONG-TERM DEBT (Continued)

Component Unit Debt

Building lease

In March 2012, the Colorado Educational and Cultural Facilities Authority (CECFA) issued the \$3,460,000 Charter School Revenue Refunding Bonds, Series 2012 to refund the Charter School Revenue Bonds, Series 2001, fund the debt service reserve and pay certain issuance costs. CECFA amended the loan to the Facility Corporation to include the refunded bonds. In addition, the Facility Corporation amended the lease with the charter school to reflect the

refunded amount. The charter school is obligated to make monthly lease payments to the Facility Corporation for use of the building. The Facility Corporation is required to make equal loan payments to the Trustee, for payment of the bonds. Interest accrues at rates of 2.0% to 4.75%. The lease matures in April 2030.

Future debt service requirements on the building lease are as follows:

<u>Fiscal year ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 140,000	\$ 132,088	\$ 272,088
2018	150,000	126,487	276,487
2019	155,000	120,487	275,487
2020	160,000	114,287	274,287
2021	165,000	104,588	269,588
2022-2026	950,000	403,332	1,353,332
2027-2030	1,210,000	137,749	1,347,749
Totals	<u>\$ 2,930,000</u>	<u>\$ 1,139,018</u>	<u>\$ 4,069,018</u>

During the year ended June 30, 2016, the following changes occurred in the charter school's long-term debt:

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2016</u>
Building Lease, Series 2012	\$ 3,065,000	\$ -	\$ 135,000	\$ 2,930,000
Lease Discount	(17,833)	-	(1,209)	(16,624)
Total	<u>\$ 3,047,167</u>	<u>\$ -</u>	<u>\$ 133,791</u>	<u>\$ 2,913,376</u>
Due within one year: Building Lease				<u>\$ 140,000</u>

11) SHORT-TERM DEBT

During the year ended June 30, 2016, the District borrowed \$65,626,212 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, 2016. The amount borrowed was paid in full by the maturity date June 25, 2016.

12) OPERATING LEASE

The District has entered into an operating lease for GPS equipment installed in District transportation vehicles. Payments made during fiscal year 2016 totaled \$122,400.

Future payments on the operating lease are as follows:

<u>Fiscal year ended June 30,</u>	<u>Annual lease payments</u>
2017	\$ 122,400
2018	122,400
2019	122,400
2020	81,600
Totals	<u>\$ 448,800</u>

13) DEFINED BENEFIT PENSION PLAN

Plan Description

The District contributes to the School Division Trust Fund (SDTF), a cost sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). The SDTF provides retirement and disability, post-retirement annual increases, and death benefits for members or their beneficiaries. All employees of the District are members of the SDTF. Title 24, Article 51 of the Colorado Revised Statutes (CRS), as amended, assigns the authority to establish benefit provisions to the State Legislature. PERA issues a publicly available annual financial report that includes financial statements and required supplementary information for the SDTF. That report may be obtained online at www.copera.org or by writing to Colorado PERA, 1301 Pennsylvania Street, Denver, Colorado 80203 or by calling PERA at (303) 832-9550 or 1-800-759-PERA (7372).

Benefits Provided

PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option

selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

The lifetime retirement benefit for all eligible retiring employees under the PERA Benefit Structure is the greater of the:

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit
- The value of the retiring employee's member contribution account plus a 100 percent match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

In all cases the service retirement benefit is limited to 100 percent of highest average salary and also cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

13) DEFINED BENEFIT PENSION PLAN

(Continued)

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50 percent or 100 percent on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

Benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 and all benefit recipients of the DPS benefit structure receive an annual increase of 2 percent, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser

of 2 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 receive an annual increase of the lesser of 2 percent or the average CPI-W for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the SCHDTF.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the retirement benefit formula shown above considering a minimum 20 years of service credit, if deemed disabled.

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure(s) under which service credit was obtained, and the qualified survivor(s) who will receive the benefits.

Contributions

Eligible employees and the District are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, *et seq.* Eligible employees are

required to contribute 8 percent of their PERA-includable salary.

The employer contribution requirements are summarized in the table below:

	For the year ended	
	December 31, 2016	December 31, 2015
Employer contribution rate	10.15%	10.15%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208 (1)(f)	-1.02%	-1.02%
Amount apportioned to the SCHDTF	9.13%	9.13%
Amortization equalization disbursement (AED) as specified in C.R.S. § 24-51-411	4.50%	4.20%
Supplemental amortization equalization disbursement (SAED) as specified in C.R.S. § 24-51-411	<u>4.50%</u>	<u>4.00%</u>
Total employer contribution rate to the SCHDTF	18.13%	17.33%
Note: Rates are expressed as a percentage of salary as defined in C.R.S. § 24-51-101 (42)		

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the

SCHDTF. Employer contributions recognized by the SCHDTF from the District were \$65,062,685 for the year ended June 30, 2016.

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

At June 30, 2016, the District reported a liability of \$1,267,410,340 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014. Standard update procedures were used to roll forward the total pension liability to December 31, 2015. The District's proportion of the net

pension liability was based on District's contributions to the SCHDTF for the calendar year 2015 relative to the total contributions of participating employers to the SCHDTF.

At December 31, 2015, The District's proportion was 8.2868182081 percent, which was an increase of 0.4308664060 percent from its proportion measured as of December 31, 2014.

For the year ended June 30, 2016, the District recognized pension expense of \$142,671,434. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 16,736,298	\$ 50,053
Changes of assumptions or other inputs	135,152	17,910,756
Net difference between projected and actual earnings on pension plan investments	106,758,214	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	43,925,380	-
Contributions subsequent to the measurement date	<u>32,724,087</u>	<u>-</u>
Total	<u>\$ 200,279,131</u>	<u>\$ 17,960,809</u>

\$32,724,087 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement

date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2017.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal year ended June 30,</u>	<u>Total</u>
2017	\$ 44,778,758
2018	44,497,662
2019	34,162,039
2020	<u>26,155,776</u>
Totals	<u>\$ 149,594,235</u>

13) DEFINED BENEFIT PENSION PLAN (Continued)

Actuarial assumptions

The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial Cost Method	Entry Age
Price inflation	2.80 percent
Real wage growth	1.10 percent
Wage inflation	3.90 percent
Salary increases, including wage inflation	3.90 – 10.10 percent
Long-term investment Rate of Return, net of pension plan investment expenses, including price inflation	7.50 percent
Future post-retirement benefit increases:	
PERA Benefit Structure hired prior to 1/1/07; and DPS Benefit Structure (automatic)	2.00 percent
PERA Benefit Structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on a projection of Scale AA to 2020 with Males set back 1 year, and Females set back 2 years.

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

Changes to assumptions or other inputs since December 31, 2013 actuarial valuation are as follows:

- The following programming changes were made:
 - o Valuation of the full survivor benefit without any reduction for possible remarriage.
 - o Reflection of the employer match on separation benefits for all eligible years.

- o Reflection of one year or service eligibility for survivor annuity benefit.
- o Refinement of the 18 month annual increase timing
- o Refinements to directly value certain and live, modified cash refund and pop-up benefit forms.
- The following methodology changes were made:
 - o Recognition of merit salary increases in the first projection year.
 - o Elimination of the assumption that 35% of future disabled members elect to receive a refund
 - o Removal of the negative value adjustment for liabilities associated with refunds of future terminating members.
 - o Adjustments to the timing of the normal cost and unfunded actuarial accrued liability payment calculations to reflect contributions throughout the year.

13) DEFINED BENEFIT PENSION PLAN (Continued)

The SCHDTF's long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset

class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

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

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

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.50%.

Discount rate

The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection cash flows:

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increased annual at a rate of 3.90%.
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law, including current and estimated future AED and SAED, until the Actuarial Value Funding Ratio reaches 103%, at which point, the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions included reductions for

the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.

- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. As the ad hoc post-retirement benefit increases financed by the AIR are defined to have a present value at the long-term expected rate of return on plan investments equal to the amount transferred for their future payment, AIR transfers to the fiduciary net position and the subsequent AIR benefit payments have no impact on

the Single Equivalent Interest Rate (SEIR) determination process when the timing of AIR cash flows is not a factor (i.e., the plan's fiduciary net position is not projected to be depleted). When AIR cash flow timing is a factor in the SEIR determination process (i.e., the plan's fiduciary net position is projected to be depleted), AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.

- Benefit payments and contributions were assumed to be made at the end of the month.

Based on the above actuarial costs method and assumptions, the SCHDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the Municipal Bond Index Rate. There was no change in the discount rate from the prior measurement date.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the proportionate share of the net pension liability would be if it were calculated

using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Proportionate share of the net pension liability	\$ 1,642,934,219	\$ 1,267,410,340	\$ 955,044,528

Pension Plan Fiduciary Net Position

Detailed information about the SCHDTF's fiduciary net position is available in PERA's comprehensive annual financial report which

can be obtained at www.copera.org/investments/pera-financial-reports.

Component Unit:

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the charter school is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the charter school were \$405,675 for the year ended June 30, 2016.

At June 30, 2016, the charter school reported a liability of \$7,646,861 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial

valuation as of December 31, 2014. Standard update procedures were used to roll forward the total pension liability to December 31, 2015. The charter school's proportion of the net pension liability was based on charter school's contributions to the SCHDTF for the calendar year 2015 relative to the total contributions of participating employers to the SCHDTF.

At December 31, 2015, the charter school's proportion was 0.5000%, which was an increase of 0.00222% from its proportion measured as of December 31, 2014.

For the year ended June 30, 2016, the charter school recognized pension expense of \$1,113,094. At June 30, 2015, the charter school reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflow of Resources</u>
Difference between expected and actual experience	\$ 100,978	\$ 304
Changes of assumptions or other inputs	-	108,064
Net difference between projected and actual earnings on pension plan investments	644,997	-
Changes in proportionate and differences between contributions recognized and proportionate share of contributions	670,001	-
Contributions subsequent to the measurement date	<u>215,810</u>	<u>-</u>
Total	<u>\$ 1,631,786</u>	<u>\$ 108,368</u>

\$215,810 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal year ended June 30,</u>	<u>Total</u>
2017	\$ 516,004
2018	436,417
2019	221,856
2020	<u>133,331</u>
Totals	<u>\$ 1,307,608</u>

13) DEFINED BENEFIT PENSION PLAN (Continued)

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

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Proportionate share of the net pension liability	\$ 9,912,566	\$ 7,646,861	\$ 5,762,216

14) POST-EMPLOYMENT HEALTH CARE BENEFITS

Plan Description

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

Funding Policy

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

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

The District's net contributions to the HCTF for the years ending June 30, 2016, 2015, and 2014, was \$3,745,688, \$3,446,253, and \$3,276,818, respectively, equal to its required contributions for each year.

15) RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The agreement for formation of the Joint Pool and the Colorado Pool provides that the Pools will be self-sustaining through member premiums and will reinsure through commercial reinsurance companies for catastrophic losses. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.



Joint School Districts Workers Compensation Self-Insurance Pool

In 1986, the District joined with other school districts in the State to form the Joint School Districts Workers' Compensation Self-Insurance Pool (Joint Pool), a public entity risk pool currently operating as a common risk management and insurance program with four participating members. The District pays an annual contribution to the Joint Pool for its workers' compensation insurance coverage.

Each member of the Joint Pool is responsible for the first \$100,000 of each loss. Losses between \$100,000 and \$400,000 are pooled between the member districts, and losses in excess of \$400,000 are reinsured to statutory limits.

Colorado School Districts Self-Insurance Pool

In 1981, the District joined with other school districts in the State to form the Colorado School Districts Self-Insurance Pool (Colorado Pool), which was established by

the Colorado Association of School Boards (CASB). The Colorado Pool is a public entity risk pool currently operating as a common risk management and insurance program with 178 member school districts, Boards of Cooperative Educational Services, and charter schools. The District pays an annual premium to the Colorado Pool for its property, casualty, and liability insurance coverage. The Colorado Pool retains liability losses up to \$500,000 per occurrence and purchases reinsurance coverage of \$10,000,000 per occurrence in excess of the Pool retention. The Colorado Pool property insurance policy provides limits up to \$1,000,000,000 per occurrence subject to the Pool retention of \$1,000,000 per occurrence. Flood and earthquake coverage provided by the Colorado Pool has limits of \$100,000,000 per occurrence/aggregate for the entire pool. Each Pool member can select individual deductible levels. The District has determined it will retain the first \$50,000 per occurrence for school entity liability losses, \$10,000 for automobile liability, and \$100,000 per occurrence for property losses.

At June 30, 2016, the amount of workers compensation liability was \$0. Changes in the reported liability for the years ended June 30, 2016, and 2015, were as follows:

	<u>2016</u>	<u>2015</u>
Beginning of fiscal year liability	\$ -	\$ 550,494
Current-year claims and changes in estimate	3,400,548	2,883,782
Claim payments	<u>(3,400,548)</u>	<u>(3,434,276)</u>
Balance at fiscal year-end liability	<u>\$ -</u>	<u>\$ -</u>

Other

The District continues to carry commercial insurance coverage for employee medical, disability, and term life insurance. The District also provides a cafeteria plan which includes those benefits along with dental and vision

insurance which is self-funded. Accordingly, no liability is reported for those claims. The amount of insurance coverage was consistent with the previous year. In addition, settlements have not exceeded insurance coverage for each of the past three fiscal years.

16) COMMITMENTS

CONSTRUCTION COMMITMENTS

The District had commitments of \$2,179,009 for capital projects at June 30, 2016, of which \$2,179,009 have been encumbered through the purchase order process. Future expenditures related to these commitments are expected to be financed through available resources.

17) CONTINGENCIES

FEDERAL GRANT PROGRAMS

The District participates in a number of federal grant programs, the most significant of which are the Elementary and Secondary Education Act, Title I, Title II-A, Title II-D, Title III, special education funding under IDEA, and National School Lunch and Breakfast Programs. These programs are subject to program compliance audits by the grantors or their representatives. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined, although the District expects such amount, if any, to be immaterial.



LITIGATION

The District is a defendant in a number of threatened and actual legal claims. The ultimate liability that might result from final resolution of these matters is not presently determinable. However, the District believes that the final settlement of these matters will not have a materially adverse effect on the financial position of the District.

EMERGENCY RESERVE

At the general election held November 3, 1992, the voters of the State approved an amendment to the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR). TABOR limits the ability of the State and local governments such as the District to increase revenues, debt, and spending and restricting property, income, and other taxes. In addition, the amendment requires that the State and local governments obtain voter approval to create any multiple fiscal year direct or indirect debt or other financial obligations without adequate present cash reserves pledged irrevocably and held for payments in all future fiscal years.

TABOR also requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, and salary or fringe benefit increases. These reserves are required to be 3 percent or more after 1994. The District has restricted a portion of its fund balance for emergencies as required under TABOR.

EMERGENCY RESERVE (Continued)

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

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

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

As of June 30, 2016, the District has restricted 3 percent of its fiscal year 2015-2016 spending as follows:

Governmental Activities:	
General Fund	\$ 15,092,000
Capital Projects Fund: Capital Reserve Fund	468,000
Special Revenue Funds:	
Extended Child Services Fund	537,000
Food Services Fund	310,000
Pupil Activities Fund	<u>367,000</u>
Total	<u>\$ 16,774,000</u>

18) RELATED PARTY TRANSACTIONS

The District provides administrative and other services to its charter school, shown as a component unit. The amount of charges for services, in accordance with governing State statutes, for the fiscal year ended June 30, 2016, was \$297,353.

19) SUBSEQUENT EVENTS

On May 9, 2016, the District entered into an agreement with Heritage Heights Academy, as allowed under Colorado Charter Schools Act, or the educational instruction of children in grades K-8. The charter school is expected to be in operation for the 2016-2017 school year.



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Required
Supplementary
Information

Defined Benefit
Pension Plan Schedules



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CHERRY CREEK SCHOOL DISTRICT NO. 5

ARAPAHOE COUNTY, COLORADO

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

PERA PENSION PLAN

Last Ten Years*

(In Thousands of Dollars)

	<u>2014</u>	<u>2015</u>	<u>2016</u>
Proportion of the Net Pension Liability (Asset)	7.829%	7.856%	8.287%
Proportionate share of the Net Pension Liability (Asset)	\$ 998,604	\$ 1,064,745	\$ 1,267,410
Covered employee payroll	\$ 315,627	\$ 328,886	\$ 347,291
Proportionate share of Net Pension Liability as a percentage of its covered employee payroll	316.387%	323.743%	364.942%
Plan Fiduciary Net Position as a percentage of Total Pension Liability	64.07%	62.84%	59.16%
Total Pension Liability	\$ 35,494,976	\$ 36,473,966	\$ 37,447,062
Plan Fiduciary Net Position	<u>22,740,003</u>	<u>22,920,607</u>	<u>22,152,768</u>
Net Pension Liability	<u>\$ 12,754,973</u>	<u>\$ 13,553,359</u>	<u>\$ 15,294,294</u>

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

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

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

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

	Fiscal Year			
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Contractually required contribution	\$ 26,241,577	\$ 30,592,398	\$ 34,503,283	\$ 38,489,687
Contributions in relation to the contractually required contribution	<u>26,241,577</u>	<u>30,592,398</u>	<u>34,503,283</u>	<u>38,489,687</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 265,036,567	\$ 280,640,509	\$ 299,482,725	\$ 310,122,745
Contributions as a percentage of covered employee payroll	9.90%	10.90%	11.52%	12.41%



Fiscal Year					
<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
\$ 41,241,902	\$ 43,955,795	\$ 46,977,093	\$ 51,349,225	\$ 57,048,749	\$ 65,062,685
<u>41,241,902</u>	<u>43,955,795</u>	<u>46,977,093</u>	<u>51,349,225</u>	<u>57,048,749</u>	<u>65,062,685</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 310,340,201	\$ 309,832,213	\$ 311,487,289	\$ 321,256,642	\$ 337,867,964	\$ 367,224,349
13.29%	14.19%	15.08%	15.98%	16.88%	17.72%



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Supplementary Information

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



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Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

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

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

Capital Project Fund

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

Major Governmental Funds

Debt Service - Bond Redemption Fund

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

Capital Projects - Building Fund

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

CHERRY CREEK SCHOOL DISTRICT NO. 5

ARAPAHOE COUNTY, COLORADO

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

June 30, 2016

	Capital Reserve Fund	Designated Purpose Grants Fund	Extended Child Services Fund	Food Services Fund	Pupil Activities Fund	Total Nonmajor Governmental Funds
ASSETS						
Cash	\$ -	\$ 250	\$ 557,642	\$ 1,329,581	\$ 5,832,892	\$ 7,720,365
Equity in pooled cash	10,513,120	3,384,418	5,242,036	881,180	-	20,020,754
Investments	-	-	2,979,726	4,022,002	-	7,001,728
Receivables, net						
Other governments	-	3,646,883	-	44,327	-	3,691,210
Other	141	-	13,386	11,782	-	25,309
Prepayments and deposits	821,849	-	34,970	41,037	-	897,856
Inventories	-	-	-	584,914	-	584,914
Total Assets	<u>\$ 11,335,110</u>	<u>\$ 7,031,551</u>	<u>\$ 8,827,760</u>	<u>\$ 6,914,823</u>	<u>\$ 5,832,892</u>	<u>\$ 39,942,136</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 765,477	\$ 187,214	\$ 134,357	\$ 610,735	\$ 1,201	\$ 1,698,984
Accrued salaries and benefits	-	896,149	1,144,056	133,219	398	2,173,822
Interfund payables	-	-	-	-	194,852	194,852
Unearned revenues	-	5,948,188	1,010,554	327,167	-	7,285,909
Compensated absences	-	-	171,452	101,979	-	273,431
Total Liabilities	<u>765,477</u>	<u>7,031,551</u>	<u>2,460,419</u>	<u>1,173,100</u>	<u>196,451</u>	<u>11,626,998</u>
Fund balances						
Nonspendable for:						
Prepayments and deposits	821,849	-	34,970	41,037	-	897,856
Inventories	-	-	-	584,914	-	584,914
Restricted for:						
Emergency reserve	468,000	-	537,000	310,000	367,000	1,682,000
Food service operations	-	-	-	4,805,772	-	4,805,772
Committed for:						
Extended Child Services Fund activities	-	-	3,935,274	-	-	3,935,274
Pupil Activities Fund activities	-	-	-	-	5,269,441	5,269,441
Assigned for:						
Future year transfers	-	-	1,860,097	-	-	1,860,097
Capital Reserve Fund activities	9,279,784	-	-	-	-	9,279,784
Total Fund balances	<u>10,569,633</u>	<u>-</u>	<u>6,367,341</u>	<u>5,741,723</u>	<u>5,636,441</u>	<u>28,315,138</u>
Total Liabilities and Fund balances	<u>\$ 11,335,110</u>	<u>\$ 7,031,551</u>	<u>\$ 8,827,760</u>	<u>\$ 6,914,823</u>	<u>\$ 5,832,892</u>	<u>\$ 39,942,136</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, 2016

	Capital Reserve Fund	Designated Purpose Grants Fund	Extended Child Services Fund	Food Services Fund	Pupil Activities Fund	Total Nonmajor Governmental Funds
REVENUES						
Intergovernmental						
Federal - grants	\$ -	\$ 18,546,750	\$ -	\$ 7,789,453	\$ -	\$ 26,336,203
State - grants	-	1,891,719	-	251,122	-	2,142,841
Tuition	-	-	17,878,207	-	-	17,878,207
Earnings on investments	-	-	9,602	15,018	10,884	35,504
Pupil activities	-	-	-	-	12,541,753	12,541,753
Food services sales	-	-	-	9,446,817	-	9,446,817
Cash in lieu of land	110,996	-	-	-	-	110,996
Donations	-	2,433,178	-	-	-	2,433,178
Total revenues	110,996	22,871,647	17,887,809	17,502,410	12,552,637	70,925,499
EXPENDITURES						
Current						
Instruction	-	18,269,941	15,386,159	-	-	33,656,100
Pupil services	-	2,220,951	-	-	-	2,220,951
Instructional staff services	-	2,128,921	507,568	-	-	2,636,489
School administration	-	250,546	-	-	-	250,546
Business services	-	-	269,075	-	-	269,075
Community services	-	1,288	310,146	-	-	311,434
Pupil activities	-	-	-	-	12,240,209	12,240,209
Food service operations	-	-	-	17,107,553	-	17,107,553
Capital outlay	12,148,243	-	-	995,623	-	13,143,866
Debt service						
Principal	3,278,282	-	-	-	-	3,278,282
Interest and fiscal charges	163,783	-	-	-	-	163,783
Total expenditures	15,590,308	22,871,647	16,472,948	18,103,176	12,240,209	85,278,288
Excess of revenues over (under) expenditures	(15,479,312)	-	1,414,861	(600,766)	312,428	(14,352,789)
OTHER FINANCING SOURCES (USES)						
Transfers in	16,663,596	-	-	1,106,640	-	17,770,236
Transfers out	-	-	(1,408,467)	-	-	(1,408,467)
Capital lease proceeds	3,368,378	-	-	-	-	3,368,378
Sale of assets	53,144	-	-	-	-	53,144
Total other financing sources (uses)	20,085,118	-	(1,408,467)	1,106,640	-	19,783,291
Excess of revenues and other sources over (under) expenditures and other uses	4,605,806	-	6,394	505,874	312,428	5,430,502
Fund balances, Beginning	5,963,827	-	6,360,947	5,235,849	5,324,013	22,884,636
Fund balances, Ending	<u>\$10,569,633</u>	<u>\$ -</u>	<u>\$6,367,341</u>	<u>\$5,741,723</u>	<u>\$5,636,441</u>	<u>\$ 28,315,138</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, 2016

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Taxes				
Property	\$ 52,282,528	\$ 54,389,196	\$ 53,984,645	\$ (404,551)
Earnings on investments	80,000	80,000	97,497	17,497
Premium on bonds	-	4,809,202	4,809,202	-
Refunding bond proceeds	-	46,855,000	46,855,000	-
	<u>52,362,528</u>	<u>106,133,398</u>	<u>105,746,344</u>	<u>(387,054)</u>
Total revenues				
EXPENDITURES				
Debt service				
Principal	32,660,000	32,660,000	32,660,000	-
Interest	19,400,018	18,731,269	18,731,269	-
Fiscal charges	10,000	211,160	211,160	-
Transfer to escrow agent	-	52,452,915	52,452,915	-
	<u>52,070,018</u>	<u>104,055,344</u>	<u>104,055,344</u>	<u>-</u>
Total expenditures				
Net change in fund balance	292,510	2,078,054	1,691,000	(387,054)
Fund balance, Beginning	<u>50,788,120</u>	<u>50,860,913</u>	<u>50,860,913</u>	<u>-</u>
Fund balance, Ending	<u>\$ 51,080,630</u>	<u>\$ 52,938,967</u>	<u>\$ 52,551,913</u>	<u>\$ (387,054)</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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Earnings on investments	\$ 45,000	\$ 45,000	\$ 83,087	\$ 38,087
Total revenues	45,000	45,000	83,087	38,087
EXPENDITURES				
Capital outlay				
Building and improvements	26,754,303	21,397,022	16,853,599	4,543,423
Furniture and equipment	3,612,249	3,612,249	1,254,788	2,357,461
Other	525,048	401,404	354,335	47,069
Total expenditures	30,891,600	25,410,675	18,462,722	6,947,953
Net change in fund balance	(30,846,600)	(25,365,675)	(18,379,635)	6,986,040
Fund balance, Beginning	30,891,600	25,832,323	25,832,323	-
Fund balance, Ending	\$ 45,000	\$ 466,648	\$ 7,452,688	\$ 6,986,040

CHERRY CREEK SCHOOL DISTRICT NO. 5

ARAPAHOE COUNTY, COLORADO

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

CAPITAL PROJECTS - CAPITAL RESERVE FUND

For The Year Ended June 30, 2016

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Earnings on investments	\$ 500	\$ -	\$ -	\$ -
Cash in lieu of land	38,000	38,000	110,996	72,996
Total revenues	38,500	38,000	110,996	72,996
EXPENDITURES				
Capital outlay				
Building and improvements	3,217,200	4,749,457	4,692,986	56,471
Furniture and equipment	3,467,535	7,709,578	7,455,257	254,321
Debt service				
Principal	3,278,282	3,278,282	3,278,282	-
Interest	163,783	163,783	163,783	-
Total expenditures	10,126,800	15,901,100	15,590,308	310,792
Excess of revenues over (under) expenditures	(10,088,300)	(15,863,100)	(15,479,312)	383,788
OTHER FINANCING SOURCES				
Transfers in	10,126,828	16,663,596	16,663,596	-
Capital lease proceeds	-	3,368,378	3,368,378	-
Sale of assets	-	-	53,144	53,144
Total other financing sources	10,126,828	20,031,974	20,085,118	53,144
Net change in fund balance	38,528	4,168,874	4,605,806	436,932
Fund balance, Beginning	844,684	5,963,827	5,963,827	-
Fund balance, Ending	\$ 883,212	\$ 10,132,701	\$ 10,569,633	\$ 436,932

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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental				
Federal - Grants	\$ 21,117,200	\$ 21,117,200	\$ 18,546,750	\$ (2,570,450)
State - Grants	1,588,400	1,588,400	1,891,719	303,319
Donations	3,495,000	3,495,000	2,433,178	(1,061,822)
Total revenues	26,200,600	26,200,600	22,871,647	(3,328,953)
EXPENDITURES				
Current				
Instruction	17,786,956	20,215,167	18,269,941	1,945,226
Pupil services	973,957	2,458,053	2,220,951	237,102
Instructional staff services	7,304,560	3,248,062	2,128,921	1,119,141
School administration	135,127	277,318	250,546	26,772
Community services	-	2,000	1,288	712
Total expenditures	26,200,600	26,200,600	22,871,647	3,328,953
Net change in fund balance	-	-	-	-
Fund balance, Beginning	-	-	-	-
Fund balance, Ending	\$ -	\$ -	\$ -	\$ -

CHERRY CREEK SCHOOL DISTRICT NO. 5

ARAPAHOE COUNTY, COLORADO

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

For The Year Ended June 30, 2016

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Tuition	\$ 16,919,800	\$ 16,919,800	\$ 17,878,207	\$ 958,407
Earnings on investments	-	-	9,602	9,602
Total revenues	16,919,800	16,919,800	17,887,809	968,009
EXPENDITURES				
Current				
Instruction	14,555,134	15,386,244	15,386,159	85
Instructional staff services	149,314	507,568	507,568	-
Business services	300,000	269,075	269,075	-
Community services	305,585	310,146	310,146	-
Total expenditures	15,310,033	16,473,033	16,472,948	85
Excess of revenues over expenditures	1,609,767	446,767	1,414,861	968,094
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,408,467)	(1,408,467)	(1,408,467)	-
Total other financing sources (uses)	(1,408,467)	(1,408,467)	(1,408,467)	-
Net change in fund balance	201,300	(961,700)	6,394	968,094
Fund balance, Beginning	5,807,411	6,360,947	6,360,947	-
Fund balance, Ending	\$ 6,008,711	\$ 5,399,247	\$ 6,367,341	\$ 968,094

CHERRY CREEK SCHOOL DISTRICT NO. 5

ARAPAHOE COUNTY, COLORADO

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL REVENUE - FOOD SERVICES FUND**

For The Year Ended June 30, 2016

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Intergovernmental				
Federal - Grants	\$ 7,719,418	\$ 7,969,418	\$ 7,789,453	\$ (179,965)
State - Grants	244,953	244,953	251,122	6,169
Food sales	8,165,713	8,165,713	9,249,377	1,083,664
Earnings on Investments	3,000	3,000	15,018	12,018
Other	1,516,716	516,716	197,440	(319,276)
Total revenues	17,649,800	16,899,800	17,502,410	602,610
EXPENDITURES				
Current				
Food service operations	17,428,200	17,107,577	17,107,553	24
Capital outlay	220,000	995,623	995,623	-
Total expenditures	17,648,200	18,103,200	18,103,176	24
Excess of revenues over (under) expenditures	1,600	(1,203,400)	(600,766)	602,634
OTHER FINANCING SOURCES				
Transfers in	-	1,105,000	1,106,640	1,640
Total other financing sources	-	1,105,000	1,106,640	1,640
Net change in fund balance	1,600	(98,400)	505,874	604,274
Fund balance, Beginning	6,027,922	5,235,849	5,235,849	-
Fund balance, Ending	\$ 6,029,522	\$ 5,137,449	\$ 5,741,723	\$ 604,274

CHERRY CREEK SCHOOL DISTRICT NO. 5

ARAPAHOE COUNTY, COLORADO

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL REVENUE - PUPIL ACTIVITIES FUND**

For The Year Ended June 30, 2016

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Earnings on investments	\$ -	\$ -	\$ 10,884	\$ 10,884
Pupil activities	14,187,000	14,187,000	12,541,753	(1,645,247)
Total revenues	14,187,000	14,187,000	12,552,637	(1,634,363)
EXPENDITURES				
Current				
Pupil activities	14,187,000	14,187,000	12,240,209	1,946,791
Total expenditures	14,187,000	14,187,000	12,240,209	1,946,791
Net change in fund balance	-	-	312,428	312,428
Fund balance, Beginning	5,144,662	5,324,013	5,324,013	-
Fund balance, Ending	<u>\$ 5,144,662</u>	<u>\$ 5,324,013</u>	<u>\$ 5,636,441</u>	<u>\$ 312,428</u>

State Required Schedule

Other Information:

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

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



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CHERRY CREEK SCHOOL DISTRICT NO. 5

ARAPAHOE COUNTY, COLORADO

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

For The Year Ended June 30, 2016

Fiscal year spending

General Fund	\$ 494,555,667	
Designated-Purpose Grants Fund	23,239,936	
Capital Reserve Fund	163,999	
Extended Child Services Fund	17,738,357	
Pupil Activities Fund	12,558,314	
Other Special Revenue Funds	N/A	
Building Fund	N/A	
Bond Redemption Fund	53,916,016	
Food Service Fund	<u>18,146,535</u>	
Total fiscal year spending		\$ 620,318,824

Deduct the following expenditures included in totals above:

Expenditures from Gifts/Foundations	2,433,178	
Expenditures from Federal Grants	28,170,054	
Amendment No. 23, November 2000	121,326,993	
Repayment of Voter-Approved Debt	53,916,016	
Post 1991 Voter-Approved Referendum	<u>67,500,000</u>	

Total Deductions		<u>273,399,385</u>
------------------	--	--------------------

Total Spending Subject to TABOR for Current Year		<u>346,919,439</u>
--	--	--------------------

Total Spending Subject to TABOR Prior Year		340,606,844
--	--	-------------

% Change in Denver/Boulder Consumer Price Index for Prior Year	2.80	
--	------	--

% Change in Student Enrollment	<u>0.27</u>	
--------------------------------	-------------	--

Total % Change	<u><u>3.07</u></u>	
----------------	--------------------	--

Change in Spending Permitted		<u>10,456,630</u>
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Maximum Spending Subject to TABOR Allowed for Current Year		<u>351,063,474</u>
--	--	--------------------

Spending Over (Under) Allowable Amount		<u><u>\$ (4,144,035)</u></u>
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CherryCreek
Schools
Dedicated to Excellence

STATISTICAL SECTION



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

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

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

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Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO

Net Position by Component,
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year			
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Governmental activities:				
Net investment in capital assets	\$ 165,944,054	\$ 180,282,382	\$ 184,821,149	\$ 187,845,000
Restricted	50,528,449	56,904,127	58,044,822	54,983,140
Unrestricted	6,758,344	(6,849,551)	2,478,303	16,035,640
Total governmental activities net position	<u><u>\$ 223,230,847</u></u>	<u><u>\$ 230,336,958</u></u>	<u><u>\$ 245,344,274</u></u>	<u><u>\$ 258,863,780</u></u>
Business-type activities:				
Net investment in capital assets	\$ 959,849	\$ 944,783	\$ 1,131,800	\$ 964,686
Restricted	255,000	257,000	259,000	236,000
Unrestricted	4,289,231	4,834,411	4,704,388	5,623,665
Total business-type activities net position	<u><u>\$ 5,504,080</u></u>	<u><u>\$ 6,036,194</u></u>	<u><u>\$ 6,095,188</u></u>	<u><u>\$ 6,824,351</u></u>
Primary government:				
Net investment in capital assets	\$ 166,903,903	\$ 181,227,165	\$ 185,952,949	\$ 188,809,686
Restricted	50,783,449	57,161,127	58,303,822	55,219,140
Unrestricted	11,047,575	(2,015,140)	7,182,691	21,659,305
Total primary government net position	<u><u>\$ 228,734,927</u></u>	<u><u>\$ 236,373,152</u></u>	<u><u>\$ 251,439,462</u></u>	<u><u>\$ 265,688,131</u></u>

Notes:

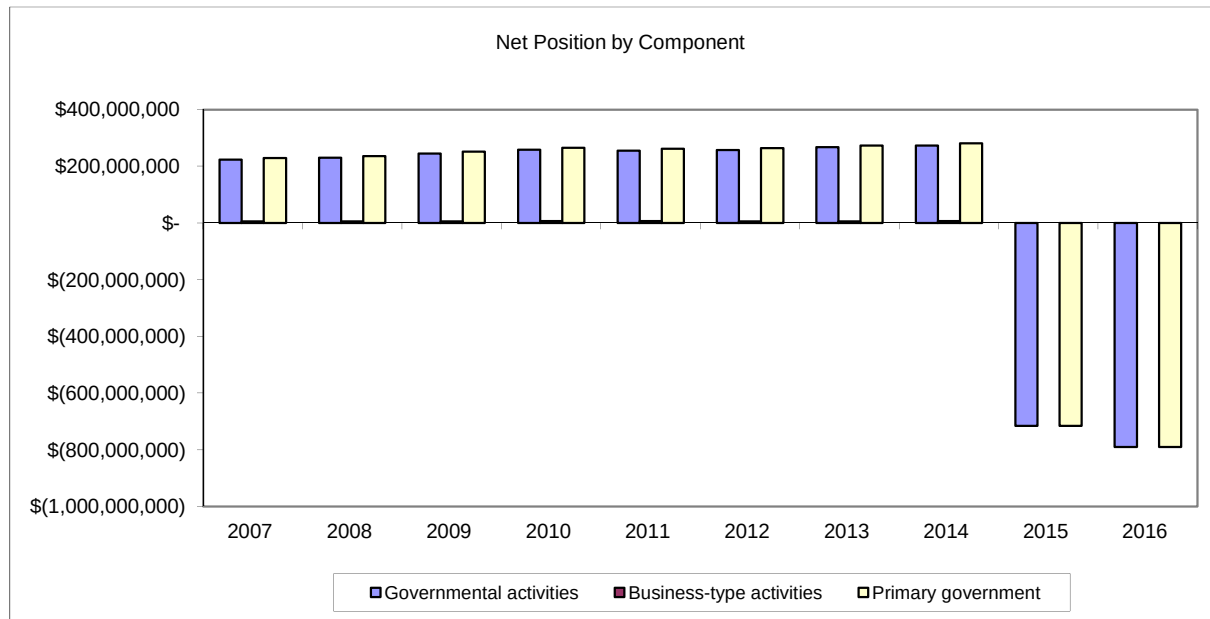
(1) Includes all funds. (GAAP Basis)

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

(3) Beginning with fiscal year 2015 the District implemented GASB 68.

Schedule 1

Fiscal Year					
2011	2012	2013	2014	2015	2016
\$ 175,535,480	\$ 172,640,583	\$ 178,096,324	\$ 173,658,780	\$ 170,518,596	\$ 180,082,824
56,639,073	60,204,062	59,368,003	60,360,003	73,886,697	73,268,418
22,929,078	24,837,243	29,717,319	39,769,558	(959,050,922)	(1,043,493,821)
<u>\$ 255,103,631</u>	<u>\$ 257,681,888</u>	<u>\$ 267,181,646</u>	<u>\$ 273,788,341</u>	<u>\$ (714,645,629)</u>	<u>\$ (790,142,579)</u>
\$ 1,113,297	\$ 1,293,612	\$ 1,905,120	\$ 2,170,445	\$ -	\$ -
243,000	274,000	282,000	229,000	-	-
5,977,288	4,849,788	3,455,122	4,827,177	-	-
<u>\$ 7,333,585</u>	<u>\$ 6,417,400</u>	<u>\$ 5,642,242</u>	<u>\$ 7,226,622</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 176,648,777	\$ 173,934,195	\$ 180,001,444	\$ 175,829,225	\$ 170,518,596	\$ 180,082,824
56,882,073	60,478,062	59,650,003	60,589,003	73,886,697	73,268,418
28,906,366	29,687,031	33,172,441	44,596,735	(959,050,922)	(1,043,493,821)
<u>\$ 262,437,216</u>	<u>\$ 264,099,288</u>	<u>\$ 272,823,888</u>	<u>\$ 281,014,963</u>	<u>\$ (714,645,629)</u>	<u>\$ (790,142,579)</u>



CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO

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

	Fiscal Year			
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Expenses:				
Governmental activities:				
Instruction	\$ 288,668,360	\$ 306,386,804	\$ 320,917,408	\$ 335,698,599
Indirect instruction				
Pupil services	23,019,380	25,204,203	25,445,100	29,282,610
Instructional staff services	14,409,001	14,552,126	14,713,440	14,917,608
School administration	20,817,498	21,640,585	22,569,955	22,568,207
Support services				
General administration	3,169,042	3,281,998	3,242,318	3,247,376
Business services	3,504,958	3,636,338	3,741,106	3,933,573
Operations and maintenance	33,002,853	34,244,558	36,145,126	35,331,594
Pupil transportation	15,598,597	17,433,438	19,158,870	19,858,334
Central services	9,535,413	11,725,014	12,123,792	10,086,142
Community services	1,044,669	1,241,794	877,783	968,945
Pupil activities	11,501,773	11,852,886	11,520,567	10,983,274
Food services operations	-	-	-	-
Non-departmental	603,777	600,163	628,921	-
Assets conveyed to other governments	-	-	-	-
Interest on long-term debt	19,023,785	17,775,387	17,770,954	19,969,292
Total governmental activities expenses	<u>443,899,106</u>	<u>469,575,294</u>	<u>488,855,340</u>	<u>506,845,554</u>
Business-type activities:				
Food services operations	13,207,896	13,841,369	14,387,086	14,563,755
Total business-type activities expenses	<u>13,207,896</u>	<u>13,841,369</u>	<u>14,387,086</u>	<u>14,563,755</u>
Total primary government expenses	<u>\$ 457,107,002</u>	<u>\$ 483,416,663</u>	<u>\$ 503,242,426</u>	<u>\$ 521,409,309</u>

Notes:

(1) Includes all funds. (GAAP Basis)

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

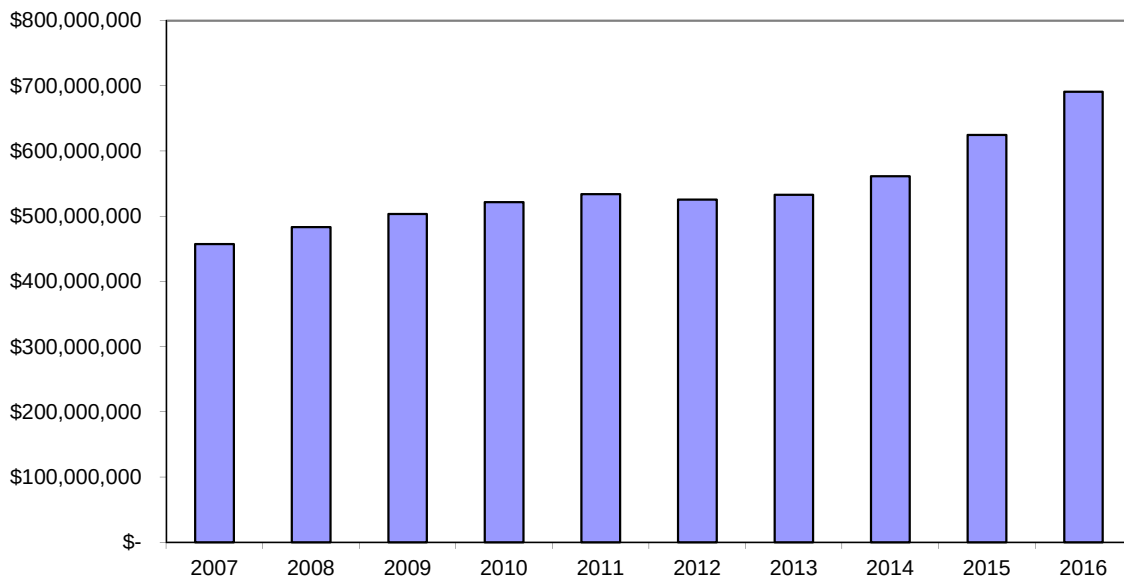
(3) Beginning with fiscal year 2010, Non-departmental expenses are allocated to other functional expenses.

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

Schedule 2

Fiscal Year					
<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
\$ 344,545,552	\$ 336,630,175	\$ 346,453,219	\$ 365,185,697	\$ 414,304,861	\$ 467,537,058
28,659,690	28,729,476	29,536,406	31,021,527	32,854,486	37,073,844
13,703,092	13,149,405	12,675,181	13,857,314	20,795,098	20,337,348
22,348,882	21,859,294	21,952,033	23,204,153	26,139,197	30,022,059
2,745,940	3,226,398	3,620,491	4,054,572	4,493,078	4,861,700
4,177,634	3,773,499	3,947,340	3,901,097	4,398,011	4,897,793
35,131,333	34,177,502	35,008,799	36,209,203	37,381,807	40,831,590
19,458,476	19,693,624	20,458,952	20,472,241	22,109,735	20,122,305
10,191,118	11,533,499	12,766,547	13,600,777	12,764,162	15,026,745
1,195,266	1,202,570	872,855	786,233	714,396	842,782
10,665,631	10,807,898	11,751,012	12,391,480	12,352,432	12,240,209
-	-	-	-	16,856,380	18,536,204
-	-	-	-	-	-
2,781,306	-	-	-	-	-
23,104,156	24,622,384	17,009,979	21,314,671	19,611,220	18,494,821
518,708,076	509,405,724	516,052,814	545,998,965	624,774,863	690,824,458
15,252,619	16,270,439	16,944,341	15,355,789	-	-
15,252,619	16,270,439	16,944,341	15,355,789	-	-
\$ 533,960,695	\$ 525,676,163	\$ 532,997,155	\$ 561,354,754	\$ 624,774,863	\$ 690,824,458

Total Primary Government Expenses



CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO

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

	Fiscal Year			
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Program Revenues				
Governmental activities:				
Charges for services:				
Instruction	\$ 17,022,126	\$ 18,118,834	\$ 17,672,587	\$ 18,117,416
Pupil activities	11,571,481	11,571,446	11,464,290	11,217,970
Food services operations	-	-	-	-
Other activities	1,151,383	1,476,045	1,385,941	1,576,975
Operating grants and contributions	27,846,901	28,940,825	29,333,487	35,984,390
Capital grants and contributions	538,520	541,869	280,737	575,230
Total governmental activities program revenues	<u>58,130,411</u>	<u>60,649,019</u>	<u>60,137,042</u>	<u>67,471,981</u>
Business-type activities:				
Charges for services:				
Food services operations	8,353,484	8,631,867	8,269,413	8,344,224
Operating grants and contributions	4,907,235	5,518,150	6,027,800	6,948,094
Total business-type activities program revenues	<u>13,260,719</u>	<u>14,150,017</u>	<u>14,297,213</u>	<u>15,292,318</u>
Total primary government program revenues	<u>\$ 71,391,130</u>	<u>\$ 74,799,036</u>	<u>\$ 74,434,255</u>	<u>\$ 82,764,299</u>
 Net (Expense)/Revenue				
Governmental activities	\$ (385,768,695)	\$ (408,926,275)	\$ (428,718,298)	\$ (439,373,573)
Business-type activities	<u>52,823</u>	<u>308,648</u>	<u>(89,873)</u>	<u>728,563</u>
Total primary government net expense	<u>\$ (385,715,872)</u>	<u>\$ (408,617,627)</u>	<u>\$ (428,808,171)</u>	<u>\$ (438,645,010)</u>

Notes:

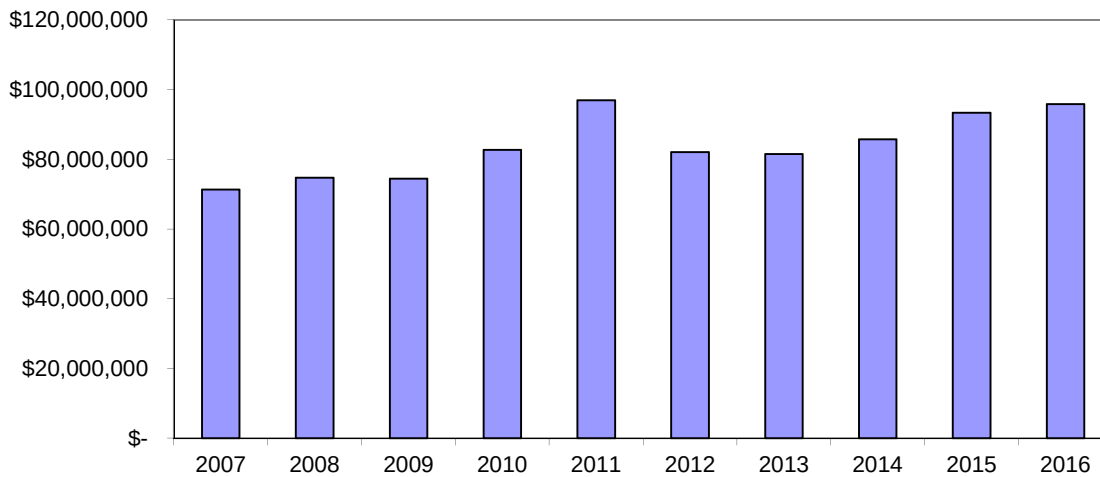
(1) Includes all funds. (GAAP Basis)

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

Schedule 2 (continued)

Fiscal Year					
2011	2012	2013	2014	2015	2016
\$ 17,306,277	\$ 17,887,323	\$ 17,907,531	\$ 18,256,500	\$ 19,071,710	\$ 20,493,121
10,744,849	11,002,470	11,554,515	12,528,299	12,529,479	12,541,753
-	-	-	-	8,833,988	9,446,817
1,466,473	1,334,298	1,058,037	550,790	1,598,637	1,710,744
50,919,702	35,338,499	34,657,536	37,404,200	50,530,484	51,030,628
866,172	1,212,331	460,861	1,055,175	789,202	648,635
<u>81,303,473</u>	<u>66,774,921</u>	<u>65,638,480</u>	<u>69,794,964</u>	<u>93,353,500</u>	<u>95,871,698</u>
8,266,385	7,975,985	8,105,311	8,033,410	-	-
7,390,992	7,376,254	7,781,614	7,967,900	-	-
<u>15,657,377</u>	<u>15,352,239</u>	<u>15,886,925</u>	<u>16,001,310</u>	<u>-</u>	<u>-</u>
<u>\$ 96,960,850</u>	<u>\$ 82,127,160</u>	<u>\$ 81,525,405</u>	<u>\$ 85,796,274</u>	<u>\$ 93,353,500</u>	<u>\$ 95,871,698</u>
\$ (437,404,603)	\$ (442,630,803)	\$ (450,414,334)	\$ (476,204,001)	\$ (531,421,363)	\$ (594,952,760)
404,758	(918,200)	(1,057,416)	645,521	-	-
<u>\$ (436,999,845)</u>	<u>\$ (443,549,003)</u>	<u>\$ (451,471,750)</u>	<u>\$ (475,558,480)</u>	<u>\$ (531,421,363)</u>	<u>\$ (594,952,760)</u>

Total Primary Government Program Revenues



CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO

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

	Fiscal Year			
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes:				
Property taxes	\$ 200,318,318	\$ 206,915,772	\$ 222,411,349	\$ 223,752,825
Specific ownership taxes	17,450,360	16,768,029	15,903,660	15,360,501
Investment earnings	4,740,873	2,895,107	1,745,780	1,687,500
Other revenues	2,151,510	1,776,439	3,596,646	2,908,257
State equalization aid	175,076,405	187,758,523	200,186,015	209,183,996
Sale of assets	-	-	-	-
Transfers	(82,851)	(81,484)	(117,836)	-
Total governmental activities	<u>399,654,615</u>	<u>416,032,386</u>	<u>443,725,614</u>	<u>452,893,079</u>
Business-type activities:				
Investment earnings	158,893	141,982	31,031	600
Transfers	82,851	81,484	117,836	-
Total business-type activities	<u>241,744</u>	<u>223,466</u>	<u>148,867</u>	<u>600</u>
Total primary government	<u>\$ 399,896,359</u>	<u>\$ 416,255,852</u>	<u>\$ 443,874,481</u>	<u>\$ 452,893,679</u>
 Change in Net Position				
Governmental activities	\$ 13,885,920	\$ 7,106,111	\$ 15,007,316	\$ 13,519,506
Business-type activities	294,567	532,114	58,994	729,163
Total primary government	<u>\$ 14,180,487</u>	<u>\$ 7,638,225</u>	<u>\$ 15,066,310</u>	<u>\$ 14,248,669</u>

Notes:

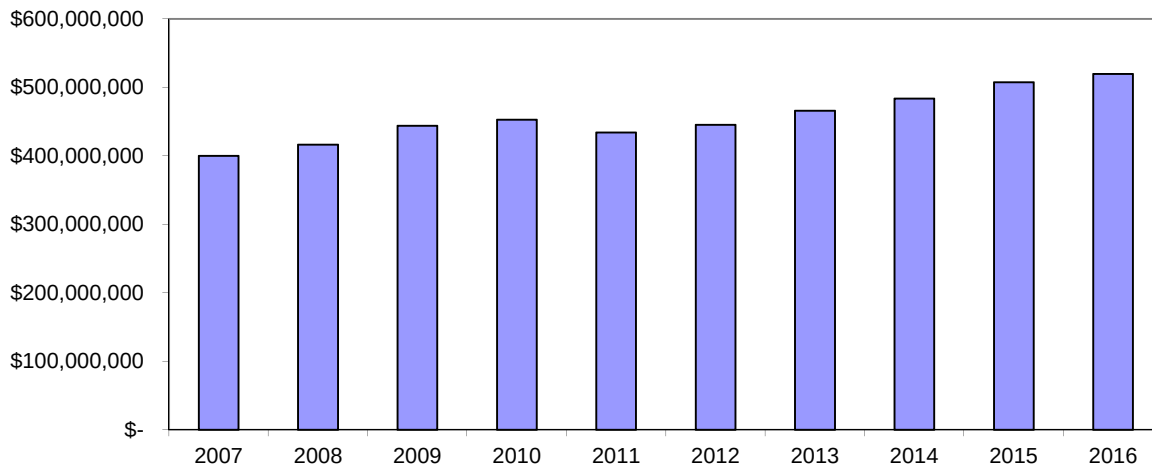
(1) Includes all funds. (GAAP Basis)

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

Schedule 2 (continued)

Fiscal Year					
<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
\$ 229,323,293	\$ 229,771,527	\$ 244,443,241	\$ 250,991,310	\$ 252,956,067	\$ 251,422,063
14,449,208	14,509,101	16,057,777	17,605,225	19,097,032	19,635,073
751,113	440,924	633,081	825,024	330,635	346,212
2,960,316	3,179,402	2,695,837	2,690,670	2,167,466	2,838,653
186,263,975	197,308,106	201,778,792	211,633,340	232,119,104	245,160,665
-	-	-	-	642,594	53,144
(103,451)	-	(275,560)	(934,873)	-	-
<u>433,644,454</u>	<u>445,209,060</u>	<u>465,333,168</u>	<u>482,810,696</u>	<u>507,312,898</u>	<u>519,455,810</u>
1,025	2,015	6,698	3,986	-	-
103,451	-	275,560	934,873	-	-
<u>104,476</u>	<u>2,015</u>	<u>282,258</u>	<u>938,859</u>	<u>-</u>	<u>-</u>
<u>\$ 433,748,930</u>	<u>\$ 445,211,075</u>	<u>\$ 465,615,426</u>	<u>\$ 483,749,555</u>	<u>\$ 507,312,898</u>	<u>\$ 519,455,810</u>
\$ (3,760,149)	\$ 2,578,257	\$ 14,918,834	\$ 6,606,695	\$ (24,108,465)	\$ (75,496,950)
509,234	(916,185)	(775,158)	1,584,380	-	-
<u>\$ (3,250,915)</u>	<u>\$ 1,662,072</u>	<u>\$ 14,143,676</u>	<u>\$ 8,191,075</u>	<u>\$ (24,108,465)</u>	<u>\$ (75,496,950)</u>

Total Primary Government General Revenues



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

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

Schedule 3

General Fund

<u>Fiscal Year</u>	<u>Nonspendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>	<u>Unassigned</u>	<u>Total</u>
2007	\$ 951,031	\$ 10,583,000	\$ 884,229	\$ 1,626,099	\$ 8,262,903	\$ 22,307,262
2008	1,464,082	11,378,000	644,367	1,421,197	28,504	14,936,150
2009	1,273,443	11,878,000	1,271,676	1,566,593	7,489,957	23,479,669
2010	1,463,538	12,135,000	522,624	948,153	23,449,751	38,519,066
2011	1,642,672	12,017,000	11,190,705	984,656	19,793,634	45,628,667
2012	1,963,154	12,398,000	21,660,000	370,243	6,619,727	43,011,124
2013	2,007,472	12,823,000	936,548	1,888,666	36,792,731	54,448,417
2014	2,234,432	13,383,000	3,533,440	3,978,069	41,520,546	64,649,487
2015	1,796,577	14,148,000	11,919,211	594,664	41,231,173	69,689,625
2016	1,877,770	15,092,000	15,525,626	542,797	30,374,491	63,412,684

All Other Governmental Funds

<u>Fiscal Year</u>	<u>Nonspendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>	<u>Unassigned</u>	<u>Total</u>
2007	\$ -	\$ 70,451,576	\$ 8,697,324	\$ 2,828,239	\$ -	\$ 81,977,139
2008	28,074	63,348,897	6,168,618	2,372,744	-	71,918,333
2009	3,972	161,876,850	5,870,358	3,017,460	-	170,768,640
2010	10,899	171,651,742	6,506,221	2,760,146	-	180,929,008
2011	14,735	93,793,997	6,158,259	2,566,414	-	102,533,405
2012	33,525	71,766,314	7,262,750	2,071,649	-	81,134,238
2013	40,864	178,024,953	6,554,958	1,588,645	-	186,209,420
2014	279,553	121,063,049	8,068,867	1,961,243	-	131,372,712
2015	1,430,008	86,451,768	8,967,068	2,729,028	-	99,577,872
2016	1,482,770	66,492,373	9,204,715	11,139,881	-	88,319,739

Notes:

(1) Other governmental funds from fiscal year 2007 through fiscal year 2014 include: Debt Service - Bond Redemption Fund, Capital Projects - Building Fund, Capital Reserve Fund, Designated Purpose Grants Fund, Pupil Activities Fund, and Capital Finance Corporation Fund, Extended Child Services Fund. Beginning with fiscal year 2015, the Food Services Fund is also reported within governmental funds.

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



CherryCreek
Schools
Dedicated to Excellence

CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO

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

	Fiscal Year			
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Revenues				
Local sources				
Property taxes	\$ 199,571,172	\$ 207,013,865	\$ 220,133,193	\$ 223,900,561
Specific ownership taxes	17,450,360	16,768,029	15,903,660	15,360,501
Tuition	15,247,271	16,373,319	15,912,029	16,288,980
Earnings on investments	4,740,873	2,895,107	1,745,780	1,687,500
Pupil activities	11,571,481	11,571,446	11,464,290	11,217,970
Food service operations	-	-	-	-
Other	6,920,467	8,687,906	9,402,234	8,083,985
State sources				
Equalization aid	175,076,405	187,758,523	200,186,015	209,183,996
Vocational education	723,110	1,491,395	1,078,451	1,892,460
Education of handicapped	7,587,737	7,507,649	7,778,024	8,196,245
Transportation	2,612,078	3,086,331	3,576,970	3,921,767
Other	2,017,101	665,442	753,524	1,398,444
Federal sources	13,657,343	13,956,561	13,795,224	19,380,387
Total revenues	<u>457,175,398</u>	<u>477,775,573</u>	<u>501,729,394</u>	<u>520,512,796</u>
Expenditures				
Instruction	260,993,962	277,624,127	291,739,767	304,555,053
Pupil services	22,955,861	24,991,634	25,393,727	28,875,655
Instructional staff services	14,186,080	14,376,166	14,452,430	14,327,494
School administration	20,883,529	21,766,883	22,483,945	22,514,168
General administration	3,231,813	3,192,004	3,160,948	3,043,541
Business services	3,159,154	3,428,093	3,555,377	3,622,878
Operations & maintenance	32,998,360	34,454,985	34,861,871	33,606,542
Pupil transportation	13,345,503	17,043,796	17,415,623	17,352,382
Central supporting services	9,465,979	11,538,222	11,973,210	10,043,521
Non-departmental	1,318,533	1,539,238	1,236,573	1,348,519
Pupil activities	11,501,773	11,852,886	11,520,567	10,983,274
Food service operations	-	-	-	-
Capital outlay	41,017,521	24,093,682	18,955,829	98,698,111
Debt service				
Interest	19,626,055	18,372,291	18,681,896	21,797,565
Principal	26,560,000	30,850,000	25,830,000	27,600,000
Total expenditures	<u>481,244,123</u>	<u>495,124,007</u>	<u>501,261,763</u>	<u>598,368,703</u>
Excess of revenues over (under) expenditures	(24,068,725)	(17,348,434)	467,631	(77,855,907)
Other Financing Sources (Uses):				
Transfers in	1,297,107	2,324,723	1,928,953	8,648,452
Transfers out	(1,379,958)	(2,406,207)	(2,046,789)	(8,648,452)
General obligation bonds issued	-	-	101,775,000	101,775,000
Bond premium	-	-	5,269,031	1,280,672
Refunding bonds issued	-	-	-	-
Bond refunding escrow agent	-	-	-	-
Capital lease proceeds	-	-	-	-
Sale of assets	-	-	-	-
Total other financing sources (uses)	<u>(82,851)</u>	<u>(81,484)</u>	<u>106,926,195</u>	<u>103,055,672</u>
Net change in fund balances	<u>\$ (24,151,576)</u>	<u>\$ (17,429,918)</u>	<u>\$ 107,393,826</u>	<u>\$ 25,199,765</u>
Debt service as a percentage of noncapital expenditures	10.3%	10.3%	9.0%	9.7%

Schedule 4

Fiscal Year					
<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
\$ 230,897,870	\$ 228,223,103	\$ 244,241,017	\$ 253,798,699	\$ 248,177,323	\$ 256,605,009
14,449,208	14,509,101	16,057,777	17,605,225	19,097,032	19,635,073
15,591,988	16,142,958	16,401,196	16,929,390	17,816,277	18,521,156
751,113	440,924	633,081	825,024	330,635	346,212
10,744,849	11,002,470	11,554,515	12,528,299	12,529,479	12,541,753
-	-	-	-	8,833,988	9,446,817
6,540,245	6,683,263	6,101,978	5,500,336	8,064,853	7,599,774
186,263,975	197,308,106	201,778,792	211,633,340	232,119,104	245,160,665
1,927,762	1,999,301	1,770,487	1,242,237	1,944,188	2,043,704
8,260,881	8,756,893	8,876,181	10,733,620	10,674,340	11,071,983
3,986,143	3,893,457	3,976,050	4,402,117	4,444,837	4,684,076
1,414,238	1,254,837	1,179,010	1,870,763	4,735,947	4,999,123
35,797,683	20,221,144	18,474,903	19,278,707	26,476,985	27,801,765
516,625,955	510,435,557	531,044,987	556,347,757	595,244,988	620,457,110
311,451,823	310,493,043	317,066,517	330,808,321	349,682,286	366,199,694
28,261,343	28,749,259	29,402,945	30,796,440	30,254,589	31,767,642
13,056,852	13,171,119	12,535,219	14,114,213	19,204,994	19,642,608
22,241,396	21,789,567	22,010,548	23,052,768	24,455,161	25,900,069
2,704,992	3,175,239	3,586,078	3,813,769	4,184,892	4,340,758
3,843,164	3,633,546	3,697,875	3,748,118	3,920,947	4,143,531
33,299,583	32,933,622	33,742,097	34,781,310	35,301,454	37,484,456
16,586,304	18,380,112	19,179,400	19,611,022	20,228,156	20,356,802
10,178,782	11,355,195	12,180,195	13,123,683	12,381,765	13,321,003
1,582,783	1,566,324	1,275,301	1,238,377	1,116,255	1,207,504
10,665,631	10,807,898	11,751,012	12,391,480	12,352,432	12,240,209
-	-	-	-	16,051,226	17,107,553
80,911,468	25,393,161	26,531,263	70,697,204	51,721,532	31,868,670
23,974,385	31,340,000	21,770,399	22,357,261	20,394,811	19,106,212
29,050,000	21,821,250	28,940,000	29,627,902	32,551,624	35,938,282
587,808,506	534,609,335	543,668,849	610,161,868	633,802,124	640,624,993
(71,182,551)	(24,173,778)	(12,623,862)	(53,814,111)	(38,557,136)	(20,167,883)
14,540,447	5,163,573	9,270,877	7,717,284	12,660,230	19,178,703
(14,643,898)	(5,163,573)	(9,546,437)	(8,652,157)	(12,660,230)	(19,178,703)
-	48,855,000	125,000,000	31,215,000	-	-
-	4,870,000	4,411,897	4,319,741	7,077,043	4,809,202
-	-	-	-	37,585,000	46,855,000
-	(53,567,932)	-	(35,345,000)	(44,431,763)	(52,452,915)
-	-	-	9,923,605	5,873,383	3,368,378
-	-	-	-	642,594	53,144
(103,451)	157,068	129,136,337	9,178,473	6,746,257	2,632,809
\$ (71,286,002)	\$ (24,016,710)	\$ 116,512,475	\$ (44,635,638)	\$ (31,810,879)	\$ (17,535,074)
10.1%	10.3%	9.7%	9.5%	9.0%	8.9%

CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO

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

Schedule 4 (continued)

Notes:

(1) Includes all funds. (GAAP Basis)

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

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

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

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

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

Schedule 5

Fiscal Year Ended June 30,	Residential Property	Commercial Property	Other Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2007	\$2,049,580	\$1,561,760	\$ 777,387	\$ 456,753	\$ 3,931,974	51.1290	\$32,237,477	12.20%
2008	2,297,685	1,798,515	853,743	495,052	4,454,891	47.3970	36,303,602	12.27%
2009	2,364,816	1,819,533	853,281	506,148	4,531,482	49.5690	37,177,878	12.19%
2010	2,270,778	2,118,670	910,743	564,415	4,735,776	48.8250	37,037,726	12.79%
2011	2,292,978	2,094,183	896,936	563,344	4,720,753	50.4970	37,214,632	12.69%
2012	2,148,809	1,798,283	933,758	589,426	4,291,424	54.3670	34,422,583	12.47%
2013	2,163,219	1,792,924	934,811	602,564	4,288,390	58.0370	34,542,748	12.41%
2014	2,166,149	1,922,138	896,606	563,359	4,421,534	57.4920	35,057,805	12.61%
2015	2,191,344	1,931,911	919,042	596,160	4,446,137	56.7020	35,304,075	12.59%
2016	2,729,595	2,187,423	1,051,734	726,702	5,242,050	49.7030	42,954,365	12.20%

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>
2007	7.96	29.0	2005
2008	7.96	29.0	2006
2009	7.96	29.0	2007
2010	7.96	29.0	2008
2011	7.96	29.0	2009
2012	7.96	29.0	2010
2013	7.96	29.0	2011
2014	7.96	29.0	2012
2015	7.96	29.0	2013
2016	7.96	29.0	2014

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

Collection Year	Cherry Creek School District Number 5			Total Cities and Towns	Total County	Total Special Districts (1)	Total (2)
	General Fund	Debt Service Fund	Total District				
2007	38.896	12.233	51.129	77.784	16.083	1,389.060	1,534.056
2008	35.550	11.847	47.397	74.106	15.217	1,294.426	1,431.146
2009	39.637	9.932	49.569	72.193	15.609	1,236.142	1,373.513
2010	38.924	9.901	48.825	72.410	15.672	1,262.792	1,399.699
2011	39.778	10.719	50.497	72.541	15.949	1,303.970	1,442.957
2012	41.667	12.700	54.367	73.908	17.316	1,371.749	1,517.340
2013	46.777	11.260	58.037	70.725	17.150	1,403.120	1,549.032
2014	46.041	11.451	57.492	70.739	17.130	1,397.365	1,542.726
2015	45.254	11.448	56.702	69.263	16.950	1,392.653	1,535.568
2016	39.264	10.439	49.703	69.158	14.856	1,292.463	1,426.180

Source: Arapahoe County Assessor's Office

Notes:

(1) This represents the gross millage of all special taxing entities within the District boundaries which range from 1.00 to 73.0 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	2016			2007		
	Taxable Assessed Value	Rank	Percent of District's Total Taxable Value	Taxable Assessed Value	Rank	Percent of District's Total Taxable Value
Public Service Company of CO	\$ 68,888,426	1	1.31%	\$ 33,673,030	2	0.86%
Verizon Wireless	47,856,920	2	0.91%	31,094,710	3	0.79%
Qwest	42,842,216	3	0.82%	43,799,400	1	1.11%
Greenwood Property Corporation	30,879,200	4	0.59%	27,550,000	4	0.70%
GPI Plaza Tower LP	23,807,550	5	0.45%	-	-	-
AX Inverness LP	14,090,520	6	0.27%	-	-	-
Palazzo Verdi LLC	13,780,510	7	0.26%	-	-	-
Village Center Station I LLC	13,535,170	8	0.26%	-	-	-
IKEA Property Inc	13,391,620	9	0.26%	-	-	-
GK Peakview Tower LLC	12,843,230	10	0.25%	-	-	-
Property Colorado OBJLW One	-	-	-	17,400,000	5	0.44%
EOP - Millennium LLC	-	-	-	10,730,000	6	0.27%
FSP Greenwood Plaza Corporation	-	-	-	10,150,000	7	0.26%
GS Centennial LLC	-	-	-	10,150,000	8	0.26%
Galleria Acquisition Inc.	-	-	-	10,149,990	9	0.26%
Trinet Realty Investors V Inc	-	-	-	9,831,000	10	0.25%
	<u>\$ 213,026,936</u>		<u>4.06%</u>	<u>\$ 204,528,130</u>		<u>4.95%</u>

Source: Arapahoe County Assessor's Office

Notes:

(1) The total net assessed valuation upon which the 2014 tax levy is based for collection in 2015 is \$5,242,050,014. The total assessed valuation upon which the 2006 tax levy is based for collection in 2007 is \$3,931,973,590.

**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
2007	\$ 201,036,940	\$ 197,160,029	98.07%	\$ 1,348,315	\$ 198,508,344	98.74%
2008	211,148,521	206,670,244	97.88%	(12,786)	206,657,458	97.87%
2009	224,621,021	218,325,366	97.20%	1,961,037	220,286,403	98.07%
2010	231,224,256	223,701,797	96.75%	130,019	223,831,816	96.80%
2011	238,383,887	229,597,846	96.31%	2,822,373	232,420,219	97.50%
2012	233,311,851	227,541,817	97.53%	1,930,233	229,472,050	98.35%
2013	248,885,279	240,722,903	96.72%	6,786,194	247,509,097	99.45%
2014	254,202,850	252,258,135	99.23%	594,246	252,852,381	99.47%
2015	250,707,346	247,276,192	98.63%	3,208,655	250,484,847	99.91%
2016	258,565,499	254,777,590	98.54%	-	254,777,590	98.54%

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 2016 collection year include actual collections through June 30, 2016, only.

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

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

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

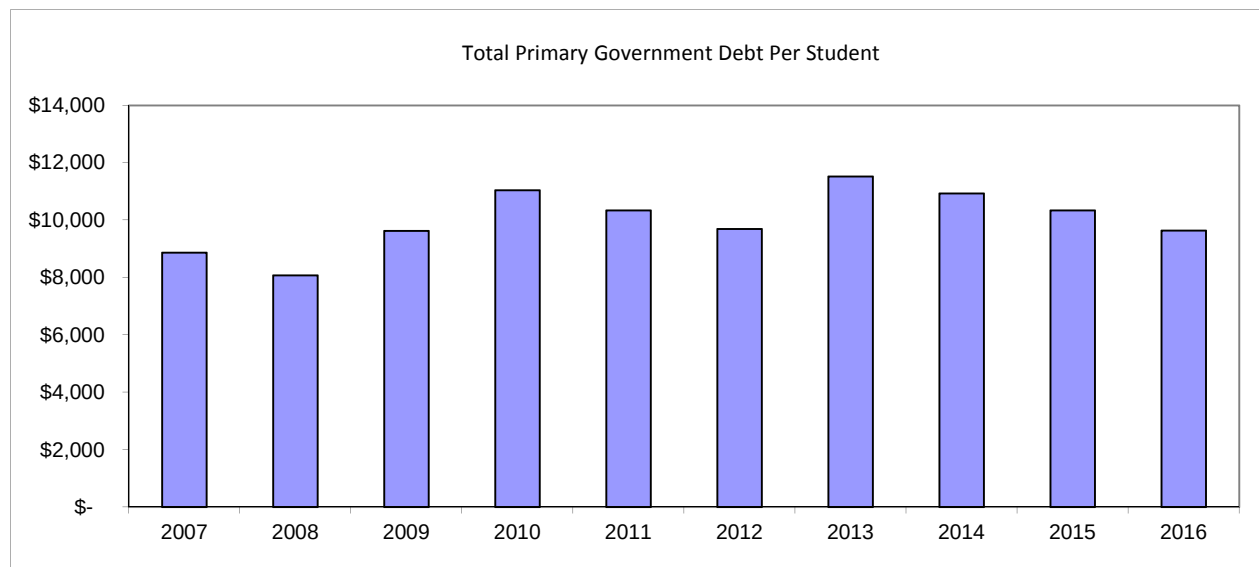
**Ratios of Outstanding Debt by Type,
Last Ten Fiscal Years**
(dollars in thousands, except per student)

Schedule 9

Fiscal Year	Governmental Activities			Total Primary Government	Percentage of Estimated Actual Value of Taxable Property	Percentage of Arapahoe County Personal Income	Per Capita	Per Student
	General Obligation Bonds	Certificates of Participation	Capital Leases					
2007	\$ 409,452	\$ 7,270	\$ -	\$ 416,722	1.29%	1.51%	\$ 1,621	\$ 8,860
2008	380,168	5,165	-	385,333	1.06%	1.37%	1,456	8,069
2009	461,541	4,370	-	465,911	1.25%	1.70%	1,726	9,626
2010	537,017	3,550	-	540,567	1.46%	1.97%	1,973	11,037
2011	508,008	2,700	-	510,708	1.37%	1.78%	1,830	10,339
2012	480,762	1,815	-	482,577	1.40%	1.58%	1,699	9,693
2013	581,065	-	-	581,065	1.68%	1.83%	2,009	11,521
2014	550,913	-	8,705	559,618	1.60%	1.61%	1,900	10,931
2015	519,834	-	11,917	531,751	1.51%		1,803	10,339
2016	485,191	-	12,007	497,198	1.16%		1,654	9,639

Notes:

- (1) Details regarding the District's outstanding debt can be found in the notes to the financial statements.
- (2) See Schedule 5 for property value data.
- (3) Population, personal income, and student data can be found in Schedule 14.
- (4) Personal income information not available for 2015 and 2016.



**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)

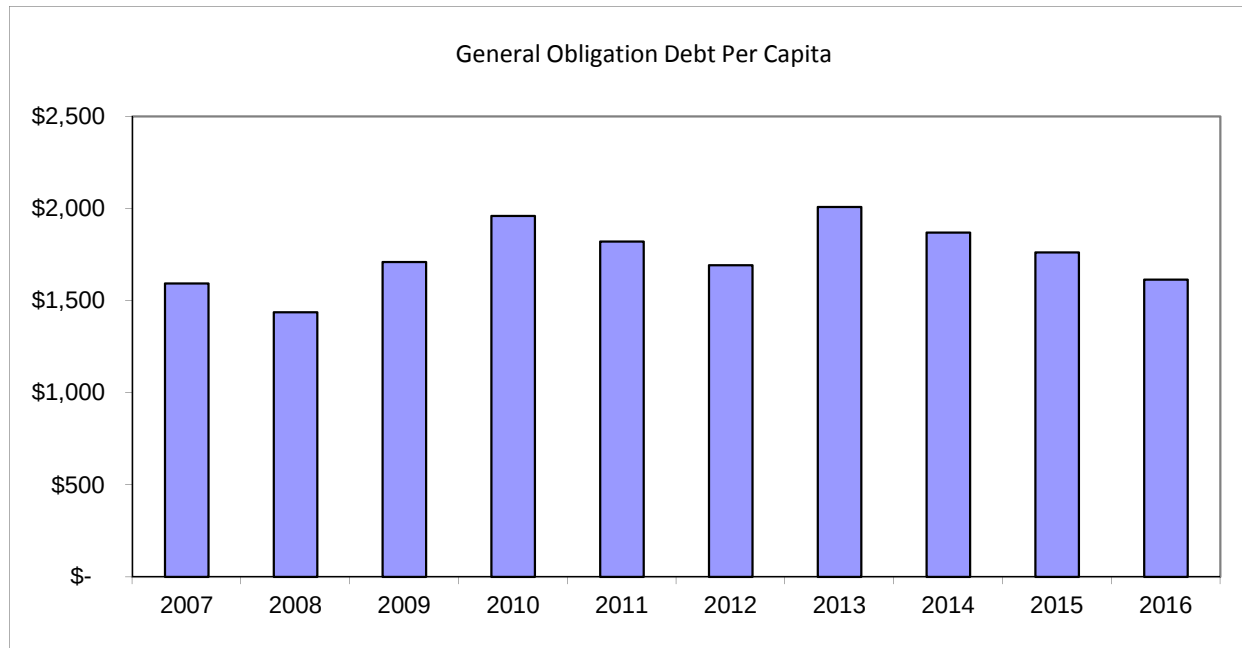
<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Percentage of Estimated Actual Value of Taxable Property</u>	<u>Per Capita</u>	<u>Per Student</u>
2007	\$ 409,452	1.27%	\$ 1,593	\$ 8,706
2008	380,168	1.05%	1,437	7,961
2009	461,541	1.24%	1,709	9,536
2010	537,017	1.45%	1,960	10,964
2011	508,008	1.37%	1,821	10,284
2012	480,762	1.40%	1,693	9,656
2013	581,065	1.68%	2,009	11,521
2014	550,913	1.57%	1,871	10,761
2015	519,834	1.47%	1,762	10,107
2016	485,191	1.13%	1,614	9,406

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, 2016
(dollars in thousands)

Schedule 11

	Outstanding Debt	Percentage Applicable To District	Amount Applicable To District
Overlapping debt:			
Antelope Water System General Improvement District	\$ 2,515	100.00 %	\$ 2,515
Arapahoe Park & Recreation District	147,147	100.00	147,147
Arapahoe Water & Wastewater Public Improvement District	8,510	100.00	8,510
Beacon Point Metropolitan District	21,170	100.00	21,170
Centennial 25 Metropolitan District	325	100.00	325
Cherry Creek Vista Metro Park & Rec District	2,630	100.00	2,630
City of Englewood	18,020	3.63	654
Conservatory Metropolitan District	22,900	100.00	22,900
Country Homes Metropolitan District #A	204	100.00	204
Country Homes Metropolitan District #B	204	100.00	204
Dove Valley Metropolitan District	11,023	100.00	11,023
Eagle Bend Metropolitan District #A	31,585	100.00	31,585
East Quincy Highlands Metro District #1	3,025	100.00	3,025
East Smoky Hill Metro District #1	3,470	100.00	3,470
East Smoky Hill Metro District #2	7,202	100.00	7,202
Fiddler's Green Business Improve. District	49,548	100.00	49,548
Galleria Metropolitan District	4,681	100.00	4,681
Goodman Metropolitan District	2,670	100.00	2,670
Greenwood Metropolitan District	565	98.50	557
Heather Gardens Metropolitan District	8,985	40.16	3,608
High Plains Metropolitan District	23,675	100.00	23,675
Highline Glen Metropolitan District	70	100.00	70
Interstate South Metropolitan District	4,425	100.00	4,425
Inverness Metropolitan Improvement District	4,125	71.10	2,933
Inverness Water & Sanitation District	8,685	69.32	6,020
Liverpool Metropolitan District	2,850	100.00	2,850
Panorama Metropolitan District	5,695	100.00	5,695
Parker Jordan Metropolitan District	18,755	100.00	18,755
Piney Creek Metropolitan District	5,910	100.00	5,910
Saddle Rock Metro District	9,155	100.00	9,155
Saddle Rock South Metropolitan District #4	14,720	100.00	14,720
Serenity Ridge Metropolitan District No. 2	8,365	100.00	8,365
Sorrel Ranch Metropolitan District	11,023	100.00	11,023
South Suburban Metropolitan Park & Recreation District	12,835	36.17	4,642
Southeast Public Improvement Metro District	3,130	57.70	1,806
Southlands Metropolitan District No. 1	52,440	100.00	52,440
Southlands Metropolitan District No. 2	5,024	100.00	5,024
Town of Foxfield	495	100.00	495
Tallgrass Metropolitan District	17,290	100.00	17,290
Tallyn's Ranch Metropolitan District No. 2	5,015	100.00	5,015
Tallyn's Ranch Metropolitan District No. 3	32,420	100.00	32,420
Tollgate Crossing Metropolitan District No. 2	14,145	100.00	14,145
Willow Trace Metropolitan District	8,455	100.00	8,455
Total overlapping debt	<u>615,081</u>		<u>578,956</u>
Direct debt:			
Cherry Creek School District No. 5	497,198	100.00	497,198
Total	<u>\$ 1,112,279</u>		<u>\$ 1,076,154</u>

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

Notes:

(1) Overlapping governments without general obligation debt are not shown.

(2) The percentage of each entity's outstanding debt chargeable to the District is calculated by comparing the assessed valuation of the portion overlapping the District to the total assessed valuation of the overlapping entity. To the extent the District's assessed valuation changes disproportionately with the assessed valuation of the overlapping entities, the percentage of debt for which property owners within the District are responsible will also change.

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

**Legal Debt Margin Information,
Last Ten Fiscal Years**

Schedule 12

Legal Debt Margin Calculation For Fiscal Year 2016

	Assessed Value
Assessed Value	\$ 5,242,050,014
Legal debt limit percentage	20%
Legal debt limit	<u>\$ 1,048,410,003</u>
Amount of debt applicable to debt limit:	
Total bonded debt	\$ 458,270,000
Less Debt Service Fund available	<u>52,551,913</u>
Total amount of debt applicable to debt limit	<u>405,718,087</u>
Legal debt margin	<u>\$ 642,691,916</u>

Ten Year Summary

Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Debt Margin	Total Net Debt Applicable to the Limit as a % of Debt Limit
2007	\$ 786,394,718	\$ 362,660,698	\$ 423,734,020	46.1%
2008	890,978,198	328,557,070	562,421,128	36.9%
2009	906,296,358	404,397,229	501,899,129	44.6%
2010	947,880,186	482,459,664	465,420,522	50.9%
2011	946,365,978	452,526,595	493,839,383	47.8%
2012	860,654,724	418,201,636	442,453,088	48.6%
2013	860,045,754	517,458,657	342,587,097	60.2%
2014	888,514,410	484,837,268	403,677,142	54.6%
2015	889,227,535	444,659,087	444,568,448	50.0%
2016	1,048,410,003	405,718,087	642,691,916	38.7%

Source: Arapahoe County Assessor's Office and School District records

Note:

(1) Under the Colorado Public School Finance Act of 1994, the limitation on bonded indebtedness is the greater of 20 percent of assessed value or 6 percent of actual value. Due to limitations of TABOR, the District is limited to the lower calculation of 20 percent of assessed value, which is presented on this schedule.

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

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

Schedule 14

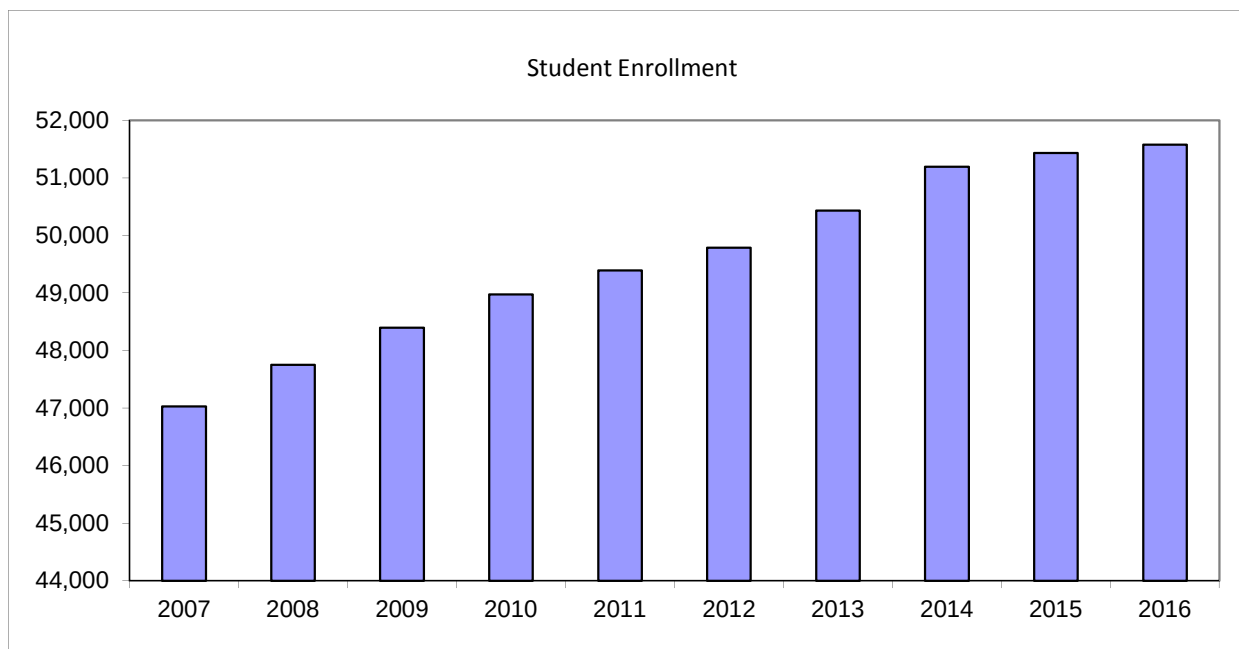
Fiscal Year	Arapahoe County				Cherry Creek School District	
	Population	Personal Income (millions of dollars)	Per Capita Personal Income	Unemployment Rate	Population	FTE Student Enrollment
2007	551,724	\$ 27,680	\$ 50,947	4.3%	257,000	47,033
2008	561,388	28,122	50,727	5.4%	264,600	47,752
2009	573,762	27,408	48,480	7.7%	270,000	48,402
2010	572,153	27,426	47,704	8.1%	274,000	48,979
2011	584,948	28,656	48,989	8.8%	279,000	49,396
2012	585,000	30,470	51,163	8.2%	284,000	49,788
2013	595,546	31,833	52,437	7.3%	289,200	50,435
2014	607,070	34,836	56,294	5.4%	294,500	51,198
2015	619,211	-	-	4.4%	295,000	51,433
2016	631,595	-	-	3.8%	300,600	51,582

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 2015 and 2016.

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

(3) Student enrollment is based on the full time equivalent (FTE), which is adjusted for preschool programs at one half time and kindergarten calculated at .5 FTE for fiscal years 2007 and 2008 and at .58 FTE for fiscal years 2009 to 2016. Student enrollment is as of the October count date of each year, as audited by the Colorado Department of Education.



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

**Denver Metropolitan Statistical Area (MSA) - Principal Employers,
Current Year and Nine Years Ago**

Schedule 15

<u>Employer</u>	<u>2016</u>			<u>2007</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Metro Denver Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Metro Denver Employment</u>
Cherry Creek School District	7,800	1	2.44%	8,100	1	2.89%
Adams Arapahoe Aurora Schools	6,100	2	1.91%	3,800	2	1.36%
Comcast	4,500	3	1.41%	-		-
City of Aurora	3,900	4	1.22%	2,700	3	0.96%
CenturyLink (Qwest Corp)	3,600	5	1.13%	-		-
Great West Life & Annuity Insurance	2,600	6	0.81%	2,600	4	0.93%
Raytheon Company	2,400	7	0.75%	2,000	5	0.71%
Littleton School District	2,400	8	0.75%	1,800	7	0.64%
Columbia HCA Swedish	2,100	9	0.66%	1,900	6	0.68%
Arapahoe County	2,000	10	0.63%	1,800	8	0.64%
Columbia HCA Med Ctr Aurora	-		-	1,500	9	0.54%
EchoSphere	-		-	1,500	10	0.54%
Total	<u>37,400</u>		<u>11.71%</u>	<u>27,700</u>		<u>9.89%</u>

Source:

Employer data was obtained from Arapahoe County's 2015 Comprehensive Annual Financial Report.

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

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

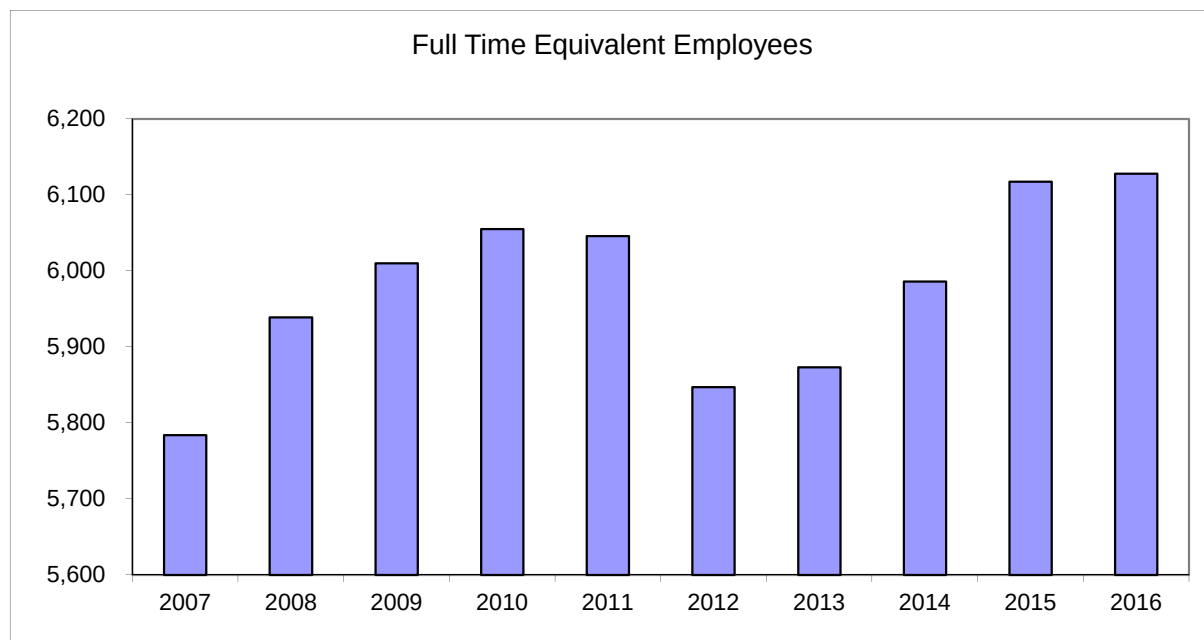
Schedule 16

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Administrators	136	138	140	139	141	143	146	148	159	162
Teachers	3,157	3,241	3,262	3,262	3,285	3,188	3,219	3,285	3,335	3,332
Teacher Assistants & Aides	180	179	179	189	192	187	185	184	207	207
Staff Support	376	388	391	389	333	336	365	368	390	398
Secretarial	370	382	385	379	380	349	327	333	343	344
Maintenance	68	70	71	70	70	66	66	69	71	71
Custodians	90	91	92	94	90	89	93	94	86	86
Bus Drivers	223	241	252	259	222	222	222	243	245	233
Mechanics	20	21	21	22	22	22	22	22	22	22
Mental Health	93	94	95	96	96	95	98	106	109	112
Nurses	57	59	60	60	59	58	61	62	61	62
Bus Aides	80	80	81	101	88	87	88	89	118	118
Designated purpose grants	203	192	202	212	175	181	156	162	152	154
Extended child services	511	514	532	532	532	565	566	560	560	565
Other governmental funds	12	21	11	18	15	16	7	7	7	7
Food services operations	208	228	236	233	346	243	253	254	252	255
Total	5,784	5,939	6,010	6,055	6,046	5,847	5,873	5,986	6,118	6,128

Source: School District records

Notes:

- (1) Teacher assistants and aides are measured in equivalent teacher FTEs.
- (2) Extended child services represents total number of employees in that fund rather than full time equivalent.
- (3) Food service operations represents total number of employees in that fund rather than full time equivalent.



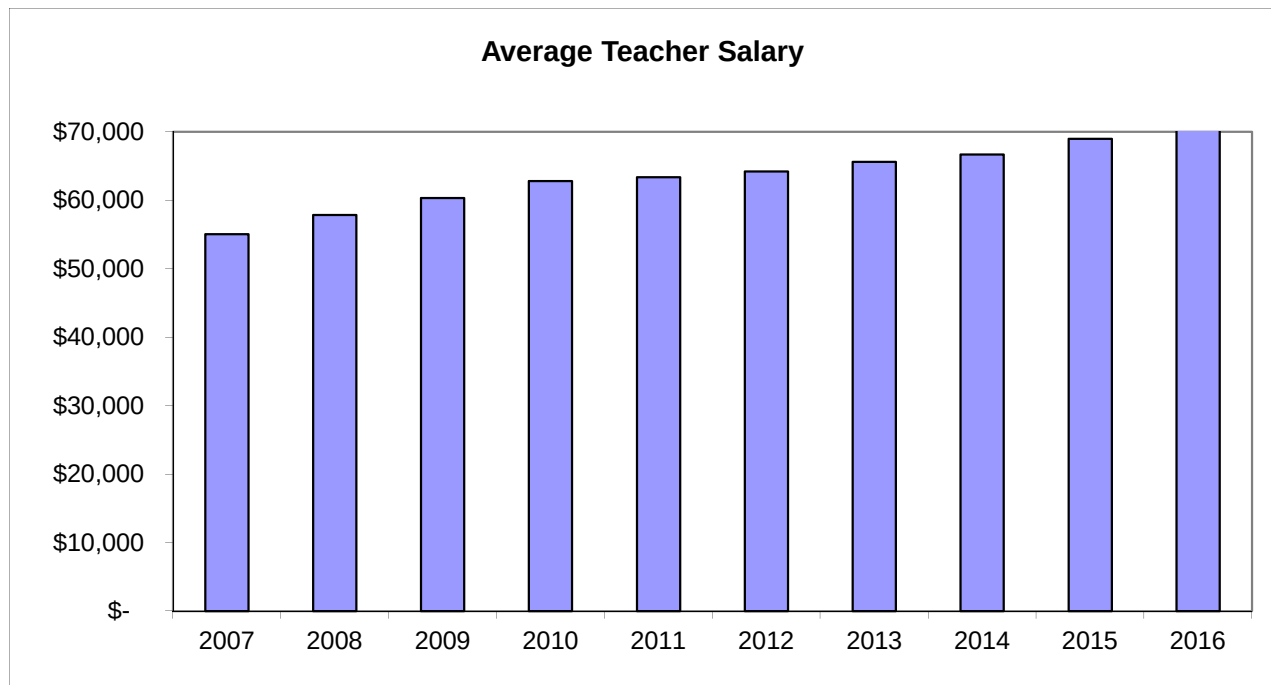
**CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO**

**Teacher Salary,
Last Ten Fiscal Years**

Schedule 17

Fiscal Year	Contract Length	Salary		
		Beginning Teacher	Maximum Teacher	Average Teacher
2007	185	\$ 32,625	\$ 74,078	\$ 55,048
2008	185	34,044	77,299	57,884
2009	185	35,110	79,719	60,360
2010	185	35,634	80,909	62,811
2011	185	35,634	80,909	63,365
2012	185	35,812	81,314	64,233
2013	185	35,812	81,314	65,607
2014	185	36,815	83,590	66,684
2015	185	37,882	86,014	68,986
2016	185	38,337	88,787	70,373

Source: School District





CherryCreek
Schools
Dedicated to Excellence

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

**Operating Statistics,
Last Ten Fiscal Years**

Fiscal Year	Governmental Activities Expenses (in thousands)	FTE Enrollment	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil FTE / Teacher Ratio	Students Receiving Free or Reduced Meals	Percent of Students Receiving Free or Reduced Meals	Graduation Rate	Dropout Rate
2007	\$ 443,899	47,033	\$ 9,438	4.78%	3,157	14.9	9,707	20.6%	89.0%	2.4%
2008	469,575	47,752	9,834	4.19%	3,241	14.7	10,608	22.2%	86.8%	2.9%
2009	488,855	48,402	10,100	2.71%	3,262	14.8	11,219	23.2%	85.5%	2.7%
2010	506,846	48,979	10,348	2.46%	3,262	15.0	12,416	25.3%	84.7%	1.7%
2011	523,427	49,396	10,597	2.40%	3,285	15.0	13,241	26.8%	84.4%	1.7%
2012	509,406	49,788	10,232	-3.45%	3,188	15.6	13,429	27.0%	87.1%	2.0%
2013	516,053	50,435	10,232	0.00%	3,219	15.7	13,248	26.3%	87.4%	1.5%
2014	545,999	51,198	10,665	4.23%	3,285	15.6	13,783	26.9%	86.60	1.50
2015	624,775	51,433	12,147	13.90%	3,335	15.4	14,570	28.3%	87.20	1.40
2016	690,825	51,582	13,393	10.25%	3,332	15.5	15,646	30.3%	-	-

Notes:

(1) Includes all funds. (GAAP Basis)

(2) Beginning with fiscal year 2015 the District implemented GASB 68 which impacts Governmental Activities Expenses.

(3) Student enrollment is based on the full time equivalent (FTE), which is adjusted for preschool programs at one half time and kindergarten calculated at .5 FTE for fiscal years 2007 and 2008 and at .58 FTE for fiscal years 2009 to 2016. Student enrollment is as of the October count date of each year, as audited by the Colorado Department of Education. Data is compiled by the District's Department of Planning.

(4) Starting with fiscal year 2010, the Colorado Department of Education instituted the Colorado School Performance Framework (SPF). Results are released by the Colorado Department of Education annually for the prior fiscal year. The ratings are: Performance, Improvement, Priority Improvement, and Turnaround. The new rating model was enacted by Legislature in 2009, replacing the old system of School Accountability Reports (SARs), therefore information prior to 2010 is not available with the current rating system. Data is obtained from the Colorado Department of Education. The Colorado Department of Education did not assign new school or district ratings during the fall of 2015, meaning schools and districts retained the ratings they were assigned at the end of 2014. Ratings shown for 2016 are preliminary.

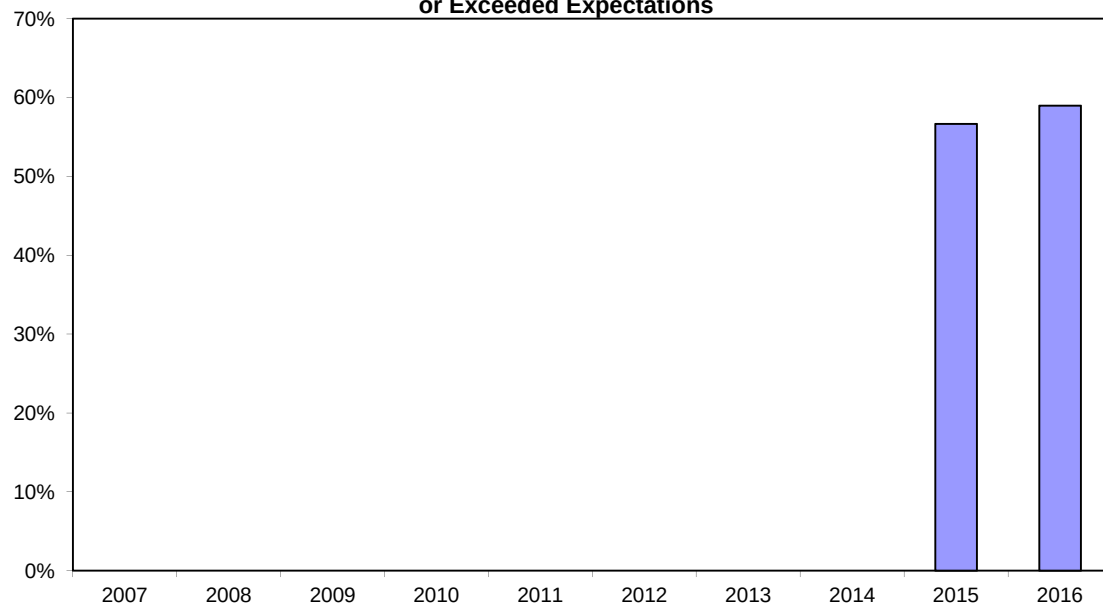
(5) The State of Colorado tests student performance annually in the spring. Prior to the 2011-2012 school year, these tests were known as Colorado Student Assessment Tests (CSAP). From the 2011-2012 school year through the 2014-2015 school year, the test was known as the Transitional Colorado Assessment Program (TCAP). Students in grades 3 through 10 were tested in reading, writing, and math. Students in grades 5, 8 and 10 were tested in science. Students were rated as Advanced, Proficient, Partially Proficient, and Unsatisfactory. For the 2014-2015 school year, Colorado adopted new assessments called Colorado Measures of Academic Success (CMAS). CMAS encompasses the Colorado developed science and social studies assessments as well as the Partnership for Assessment of Readiness for College and Careers (PARCC) developed, English language arts (ELA) and mathematics assessments. The science and social studies assessments were first administered in spring 2014 in grades 4, 5, 7, and 8. The ELA and math assessments were administered for the first time in spring 2015. Endeavor Academy is an Alternative Education Campus and not included in the rankings. Due to the change in assessments and measurement, this table only reflects CMAS data starting with the 2014-2015 school year. Data is obtained from the Colorado Department of Education.

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

(7) Data is obtained from the Colorado Department of Education. Graduation and dropout rates for fiscal year 2016 are not yet available.

Colorado School Performance Framework Number of Schools Rated				Student Assessment Program (PARCC and CMAS) Percent of Students Who Met or Exceeded Expectations						American College Testing (ACT) Composite Score
Performance	Improvement	Priority Improvement	Turnaround	ELA	Math	Algebra I	Geometry	Algebra II	Science	Score
-	-	-	-	-	-	-	-	-	-	21.0
-	-	-	-	-	-	-	-	-	-	21.5
-	-	-	-	-	-	-	-	-	-	21.5
54.00	4.00	-	-	-	-	-	-	-	-	21.3
56.00	3.00	-	-	-	-	-	-	-	-	21.3
55.00	4.00	-	-	-	-	-	-	-	-	21.4
58.00	1.00	-	-	-	-	-	-	-	-	21.6
51.00	7.00	-	1.00	-	-	-	-	-	-	21.9
51.00	7.00	-	1.00	50%	40%	47%	71%	86%	46%	21.8
56.00	3.00	1.00	-	51%	43%	50%	83%	87%	40%	22.2

Average PARCC and CMAS Percent of Students Who Met or Exceeded Expectations



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

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

Schedule 19

	Fiscal Year									
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
High Schools										
Cherokee Trail (2004)										
Square feet	362,000	362,000	362,000	362,000	362,000	362,000	362,000	362,000	362,000	391,000
Capacity (students)	2,347	2,347	2,347	2,347	2,347	2,347	2,347	2,647	2,647	2,880
Enrollment	1,599	1,901	2,131	2,293	2,354	2,414	2,499	2,588	2,676	2,797
Cherry Creek (1956)										
Square feet	471,632	471,632	471,632	471,632	471,632	471,632	471,632	471,632	471,632	471,632
Capacity (students)	3,735	3,735	3,735	3,735	3,735	3,735	3,735	3,735	3,735	3,735
Enrollment	3,732	3,659	3,490	3,437	3,379	3,387	3,417	3,461	3,452	3,486
Eaglecrest (1989)										
Square feet	353,334	353,334	353,334	353,334	353,334	353,334	353,334	353,334	353,334	353,334
Capacity (students)	2,533	2,533	2,533	2,533	2,533	2,533	2,533	2,533	2,533	2,833
Enrollment	2,402	2,389	2,363	2,290	2,311	2,256	2,341	2,450	2,479	2,590
Grandview (1999)										
Square feet	353,024	353,024	353,024	353,024	353,024	353,024	353,024	353,024	353,024	368,500
Capacity (students)	2,316	2,316	2,316	2,316	2,316	2,316	2,316	2,616	2,616	2,730
Enrollment	2,697	2,693	2,580	2,539	2,528	2,541	2,537	2,534	2,512	2,610
Overland (1979)										
Square feet	331,530	331,530	331,530	331,530	331,530	331,530	331,530	331,530	331,530	331,530
Capacity (students)	2,173	2,173	2,173	2,173	2,173	2,173	2,173	2,423	2,423	2,423
Enrollment	2,036	2,084	1,995	2,088	2,139	2,193	2,139	2,235	2,279	2,222
Smoky Hill (1976)										
Square feet	373,536	373,536	373,536	373,536	373,536	373,536	373,536	373,536	373,536	373,536
Capacity (students)	2,399	2,399	2,399	2,399	2,399	2,399	2,399	2,399	2,399	2,399
Enrollment	2,417	2,422	2,329	2,307	2,261	2,124	2,027	2,093	2,036	2,031
Endeavor Academy (2001)										
Square feet	52,323	52,323	52,323	52,323	52,323	52,323	52,323	52,323	52,323	52,323
Capacity (students)	500	500	500	500	500	500	500	500	500	500
Enrollment	398	396	461	460	461	461	370	280	283	269
Middle Schools										
Campus (1972)										
Square feet	175,743	175,743	175,743	175,743	175,743	175,743	175,743	175,743	175,743	175,743
Capacity (students)	1,590	1,590	1,590	1,590	1,590	1,590	1,590	1,590	1,590	1,590
Enrollment	1,270	1,348	1,443	1,408	1,421	1,400	1,434	1,409	1,420	1,441
Falcon Creek (2000)										
Square feet	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000
Capacity (students)	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Enrollment	1,143	1,118	1,127	1,075	1,060	1,014	1,051	1,026	1,018	927
Fox Ridge (2009)										
Square feet			172,000	172,000	172,000	172,000	172,000	172,000	172,000	172,000
Capacity (students)			1,260	1,260	1,260	1,260	1,260	1,260	1,260	1,360
Enrollment			531	734	812	913	989	1,123	1,197	1,338
Horizon Community (1983)										
Square feet	168,500	168,500	168,500	168,500	168,500	168,500	168,500	168,500	168,500	168,500
Capacity (students)	1,740	1,740	1,740	1,740	1,740	1,740	1,740	1,740	1,740	1,740
Enrollment	1,183	1,130	1,038	1,000	947	950	984	997	970	993
Laredo (1975)										
Square feet	171,954	171,954	171,954	171,954	171,954	171,954	171,954	171,954	171,954	171,954
Capacity (students)	1,530	1,530	1,530	1,530	1,530	1,530	1,530	1,530	1,530	1,530
Enrollment	1,286	1,227	1,207	1,168	1,163	1,155	1,128	1,118	1,124	1,136
Liberty (2002)										
Square feet	145,500	145,500	145,500	145,500	145,500	145,500	145,500	145,500	145,500	145,500
Capacity (students)	1,140	1,140	1,140	1,140	1,140	1,140	1,140	1,140	1,140	1,140
Enrollment	1,233	1,211	964	951	1,046	1,055	1,082	1,073	1,088	1,119
Prairie (1978)										
Square feet	176,656	176,656	176,656	176,656	176,656	176,656	176,656	176,656	176,656	176,656
Capacity (students)	1,440	1,440	1,440	1,440	1,440	1,440	1,440	1,740	1,740	1,740
Enrollment	1,523	1,568	1,507	1,530	1,552	1,692	1,687	1,697	1,693	1,718
Sky Vista (2006)										
Square feet	156,245	156,245	156,245	156,245	156,245	156,245	156,245	156,245	156,245	156,245
Capacity (students)	1,225	1,225	1,225	1,225	1,225	1,225	1,225	1,225	1,225	1,225
Enrollment	742	838	785	784	820	830	867	886	876	851
Thunder Ridge (1993)										
Square feet	176,000	176,000	176,000	176,000	176,000	176,000	176,000	176,000	176,000	176,000
Capacity (students)	1,620	1,620	1,620	1,620	1,620	1,620	1,620	1,620	1,620	1,620
Enrollment	1,170	1,159	1,137	1,197	1,172	1,214	1,258	1,291	1,316	1,316
West (1967)										
Square feet	158,500	158,500	158,500	158,500	158,500	158,500	158,500	158,500	158,500	158,500
Capacity (students)	1,590	1,590	1,590	1,590	1,590	1,590	1,590	1,590	1,590	1,590
Enrollment	1,164	1,170	1,174	1,120	1,113	1,093	1,135	1,208	1,220	1,224

(continued)

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

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

Schedule 19 (continued)

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Elementary Schools										
Antelope Ridge (2000)										
Square feet	56,243	56,243	56,243	56,243	56,243	56,243	56,243	56,243	56,243	56,243
Capacity (students)	804	804	804	804	804	804	804	804	804	804
Enrollment	692	682	698	699	700	647	585	579	610	581
Arrowhead (1978)										
Square feet	58,440	58,440	58,440	58,440	58,440	58,440	58,440	58,440	58,440	58,440
Capacity (students)	719	719	719	719	719	719	719	719	719	719
Enrollment	597	587	597	597	593	577	578	542	576	551
Aspen Crossing (2006)										
Square feet	64,600	64,600	64,600	64,600	64,600	64,600	64,600	64,600	64,600	64,600
Capacity (students)	648	648	648	648	648	648	648	648	648	648
Enrollment	409	367	447	454	481	478	504	534	498	489
Bellevue (1955)										
Square feet	51,120	51,120	51,120	51,120	51,120	51,120	51,120	51,120	51,120	51,120
Capacity (students)	592	592	592	592	592	592	592	592	592	592
Enrollment	513	531	528	563	537	543	506	516	546	562
Black Forest Hills (2012)										
Square feet							68,866	68,866	68,866	68,866
Capacity (students)							648	648	648	648
Enrollment							308	455	479	501
Buffalo Trail (2008)										
Square feet		66,380	66,380	66,380	66,380	66,380	66,380	66,380	66,380	66,380
Capacity (students)		648	648	648	648	648	648	648	648	648
Enrollment		337	504	620	420	501	529	578	609	605
Canyon Creek (2003)										
Square feet	60,930	60,930	60,930	60,930	60,930	60,930	60,930	60,930	60,930	60,930
Capacity (students)	810	810	810	810	648	648	648	648	648	648
Enrollment	636	653	659	672	604	583	303	587	536	539
Cherry Hills Village (1984)										
Square feet	55,319	55,319	55,319	55,319	55,319	55,319	55,319	55,319	55,319	55,319
Capacity (students)	587	587	587	587	587	587	587	587	587	587
Enrollment	494	493	507	527	566	567	568	563	542	536
Cimarron (1980)										
Square feet	54,231	54,231	54,231	54,231	54,231	54,231	54,231	54,231	54,231	54,231
Capacity (students)	728	728	728	728	728	728	728	728	728	728
Enrollment	510	490	495	476	465	451	439	477	449	453
Cottonwood Creek (1977)										
Square feet	57,185	57,185	57,185	57,185	57,185	57,185	57,185	57,185	57,185	57,185
Capacity (students)	710	710	710	710	710	710	710	710	710	710
Enrollment	531	550	564	582	609	595	594	579	578	570
Coyote Hills (2007)										
Square feet	64,294	64,294	64,294	64,294	64,294	64,294	64,294	64,294	64,294	64,294
Capacity (students)	648	648	648	648	648	648	648	648	648	648
Enrollment	342	444	549	629	718	781	572	595	620	616
Creekside (1987)										
Square feet	54,600	54,600	54,600	54,600	54,600	54,600	54,600	54,600	54,600	54,600
Capacity (students)	671	671	671	671	671	671	671	701	701	701
Enrollment	535	586	610	648	652	656	677	673	650	600
Dakota Valley (2000)										
Square feet	56,243	56,243	56,243	56,243	56,243	56,243	56,243	56,243	56,243	56,243
Capacity (students)	804	804	804	804	804	804	804	804	804	804
Enrollment	761	750	747	754	741	748	751	742	612	566
Dry Creek (1973)										
Square feet	54,650	54,650	54,650	54,650	54,650	54,650	54,650	54,650	54,650	54,650
Capacity (students)	467	467	467	467	467	467	467	467	467	467
Enrollment	344	356	369	397	391	386	384	380	370	380
Eastridge (1964)										
Square feet	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000
Capacity (students)	868	868	868	868	868	868	868	868	868	868
Enrollment	705	725	662	697	716	720	723	736	733	688
Fox Hollow (2002)										
Square feet	60,930	60,930	60,930	60,930	60,930	60,930	60,930	60,930	60,930	60,930
Capacity (students)	810	810	810	810	810	810	810	810	810	810
Enrollment	677	700	722	723	776	769	710	653	620	600
Greenwood (1959)										
Square feet	50,504	50,504	50,504	50,504	50,504	50,504	50,504	50,504	50,504	50,504
Capacity (students)	467	467	467	467	467	467	467	467	467	467
Enrollment	386	384	380	376	364	390	388	394	403	408

(continued)

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

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

Schedule 19 (continued)

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Elementary Schools (cont.)										
Heritage (1977)										
Square feet	40,600	40,600	40,600	40,600	40,600	40,600	40,600	40,600	40,600	40,600
Capacity (students)	429	429	429	429	429	429	429	429	429	429
Enrollment	230	234	237	261	276	273	270	259	262	261
High Plains (1979)										
Square feet	55,119	55,119	55,119	55,119	55,119	55,119	55,119	55,119	55,119	55,119
Capacity (students)	687	687	687	687	687	687	687	687	687	687
Enrollment	412	403	444	499	481	482	476	489	496	518
Highline (1992)										
Square feet	53,600	53,600	53,600	53,600	53,600	53,600	53,600	53,600	53,600	53,600
Capacity (students)	804	804	804	804	804	804	804	804	804	804
Enrollment	553	539	564	566	550	564	567	593	555	525
Holly Hills (1959)										
Square feet	38,292	38,292	38,292	38,292	38,292	38,292	38,292	38,292	38,292	38,292
Capacity (students)	339	339	339	339	339	339	339	339	339	339
Enrollment	261	262	273	221	236	324	276	286	272	273
Holly Ridge (1963)										
Square feet	37,894	37,894	37,894	37,894	37,894	37,894	37,894	37,894	37,894	37,894
Capacity (students)	320	320	320	320	320	320	320	320	320	320
Enrollment	210	214	256	289	292	263	282	314	334	298
Homestead (1978)										
Square feet	51,358	51,358	51,358	51,358	51,358	51,358	51,358	51,358	51,358	51,358
Capacity (students)	582	582	582	582	582	582	582	582	582	582
Enrollment	482	484	480	479	481	495	513	502	499	499
Independence (1977)										
Square feet	54,635	54,635	54,635	54,635	54,635	54,635	54,635	54,635	54,635	54,635
Capacity (students)	699	699	699	699	699	699	699	699	699	699
Enrollment	456	457	475	471	440	429	447	440	461	473
Indian Ridge (1986)										
Square feet	57,373	57,373	57,373	57,373	57,373	57,373	57,373	57,373	57,373	57,373
Capacity (students)	763	763	763	763	763	763	763	763	763	763
Enrollment	567	549	534	540	531	516	490	476	457	463
Meadow Point (1983)										
Square feet	53,100	53,100	53,100	53,100	53,100	53,100	53,100	53,100	53,100	53,100
Capacity (students)	638	638	638	638	638	638	638	638	638	638
Enrollment	543	513	502	451	404	374	397	405	107	425
Mission Viejo (1974)										
Square feet	75,950	75,950	75,950	75,950	75,950	75,950	75,950	75,950	75,950	75,950
Capacity (students)	995	995	995	995	995	995	995	995	995	995
Enrollment	656	637	604	606	584	579	623	598	574	556
Mountain Vista (2014)										
Square feet									68,866	68,866
Capacity (students)									704	704
Enrollment									248	339
Peakview (1992)										
Square feet	53,600	53,600	53,600	53,600	53,600	53,600	53,600	53,600	53,600	53,600
Capacity (students)	804	804	804	804	804	804	804	804	804	804
Enrollment	567	576	581	557	535	518	549	525	526	509
Pine Ridge (2011)										
Square feet					68,866	68,866	68,866	68,866	68,866	68,866
Capacity (students)					648	648	648	758	758	758
Enrollment					451	575	726	744	708	751
Polton (1973)										
Square feet	70,715	70,715	70,715	70,715	70,715	70,715	70,715	70,715	70,715	70,715
Capacity (students)	495	495	495	495	495	495	495	495	495	495
Enrollment	424	397	379	366	390	427	408	405	416	434
Ponderosa (1978)										
Square feet	56,150	56,150	56,150	56,150	56,150	56,150	56,150	56,150	56,150	56,150
Capacity (students)	661	661	661	661	661	661	661	711	711	711
Enrollment	563	545	585	601	627	649	683	694	717	695
Red Hawk Ridge (2006)										
Square feet	73,800	73,800	73,800	73,800	73,800	73,800	73,800	73,800	73,800	73,800
Capacity (students)	648	648	648	648	648	648	648	648	648	648
Enrollment	446	508	504	542	609	629	640	624	633	578
Rolling Hills (1997)										
Square feet	55,884	55,884	55,884	55,884	55,884	55,884	55,884	55,884	55,884	55,884
Capacity (students)	804	804	804	804	804	804	804	804	804	804
Enrollment	736	723	683	657	625	619	615	603	607	590

(continued)

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

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

Schedule 19 (continued)

	Fiscal Year									
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Elementary Schools (cont.)										
Sagebrush (1978)										
Square feet	57,100	57,100	57,100	57,100	57,100	57,100	57,100	57,100	57,100	57,100
Capacity (students)	738	738	738	738	738	738	738	738	738	738
Enrollment	579	550	576	558	524	524	500	519	490	490
Summit (1989)										
Square feet	52,800	52,800	52,800	52,800	52,800	52,800	52,800	52,800	52,800	52,800
Capacity (students)	699	699	699	699	699	699	699	699	699	699
Enrollment	491	489	479	445	428	421	370	352	312	312
Sunrise (1985)										
Square feet	72,507	72,507	72,507	72,507	72,507	72,507	72,507	72,507	72,507	72,507
Capacity (students)	954	954	954	954	954	954	954	954	954	954
Enrollment	643	623	618	595	583	597	581	570	574	574
Timberline (1987)										
Square feet	52,800	52,800	52,800	52,800	52,800	52,800	52,800	52,800	52,800	52,800
Capacity (students)	874	874	874	874	874	874	874	874	874	874
Enrollment	638	590	609	607	578	576	573	551	549	550
Trails West (1981)										
Square feet	55,119	55,119	55,119	55,119	55,119	55,119	55,119	55,119	55,119	55,119
Capacity (students)	675	675	675	675	675	675	675	675	675	675
Enrollment	491	499	490	492	500	542	500	466	450	415
Village East (1972)										
Square feet	69,650	69,650	69,650	69,650	69,650	69,650	69,650	69,650	69,650	69,650
Capacity (students)	810	810	810	810	810	810	810	810	810	810
Enrollment	592	605	653	739	755	733	714	763	722	671
Walnut Hills (1970)										
Square feet	54,940	54,940	54,940	54,940	54,940	54,940	54,940	54,940	54,940	54,940
Capacity (students)	467	467	467	467	467	467	467	467	467	467
Enrollment	380	373	370	338	350	338	319	321	326	289
Willow Creek (1978)										
Square feet	52,066	52,066	52,066	52,066	52,066	52,066	52,066	52,066	52,066	52,066
Capacity (students)	551	551	551	551	551	551	551	551	551	551
Enrollment	491	492	494	513	508	499	507	501	526	507
Alternative Schools										
Challenge (1996)										
Square feet	62,000	62,000	62,000	62,000	62,000	62,000	62,000	62,000	62,000	62,000
Capacity (students)	555	555	555	555	555	555	555	555	555	555
Enrollment	522	523	525	526	524	523	525	522	522	522
Cherry Creek Academy (1998)										
Square feet	44,500	44,500	44,500	44,500	44,500	57,130	57,130	57,130	57,130	57,130
Capacity (students)	450	450	450	450	450	588	588	588	588	588
Enrollment	435	430	437	449	451	461	466	476	529	543
I-Teams - 3 facilities										
Square feet	39,568	39,568	22,336	22,336	22,336	22,336	22,336	22,336	22,336	22,336
Joliet (2002)										
Square feet	14,297	14,297	14,297	14,297	14,297	14,297	14,297	14,297	14,297	14,297
Capacity (students)	90	90	90	90	90	90	90	90	90	90
Enrollment	28	30	41	33	23	26	51	45	57	35
Administrative and Support										
10 Current Facilities										
Square feet	220,089	220,089	220,089	220,089	280,089	280,089	280,089	280,089	280,089	280,089
Stadiums										
Legacy (2004)										
Square feet	13,725	13,725	13,725	13,725	13,725	13,725	13,725	13,725	13,725	13,725
Capacity (students)	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Stutler Bowl (1965)										
Square feet	9,800	9,800	9,800	9,800	9,800	9,800	9,800	9,800	9,800	9,800
Capacity (students)	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500

(continued)

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

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

Schedule 19 (continued)

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

Notes:

(1) Fiscal year of original construction is shown in parentheses. Changes in square footage are the result of renovations and additions and the addition or removal of mobile classrooms.

(2) Capacity data is operational capacity estimated at 79% of full capacity per Cherry Creek School District Facility Utilization & Capacity Study. Capacity data is building capacity without mobiles. In some cases enrollment has gone above building capacity and the students have been housed in mobiles. Elementary schools changing to or from traditional calendars to year round calendars reflect changes in capacity to reflect the building's usage.

(3) Cherry Creek Academy data provided by Cherry Creek Academy. Cherry Creek Academy is a charter school operating within the District.

(4) The District has three I-Team facilities associated with the high schools. Enrollment and capacity for these programs are included within the respective high school.

(5) Administrative and support buildings include: Auxiliary Service Center, Admissions West/Career & Tech Ed, Educational Services Center, Nutrition Center, Maintenance West, Student Achievement Resource Center, Instructional Support Facility, Transportation/Maintenance Central, Transportation East, and Warehouse/Purchasing.



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

**Schedule of Insurance in Force
June 30, 2016**

<u>Insurer</u>	<u>Policy Number</u>	<u>Type of Policy</u>	<u>Policy Period</u>
Colorado School Districts Self Insurance Pool	0305-15-00003	"All Risk" (A) Property Insurance Total Reported values 1) Buildings 2) Contents and Inland Marine - Cameras, Projection Equipment - Musical Instruments, etc. - Contractor's Equipment - Fine Arts - Radio Equipment - Electronic Data Processing - Equipment/Data/Media 3) Flood/Earth Movement 4) Builder's Risk (B) Commercial Crime Coverage 1) Employee Theft 2) Forgery or Alteration 3) Theft of money and other property coverage 4) Computer Fraud 5) Counterfeit currency & money orders 6) Public Officials Coverage (Secretary - Board of Education) (Treasurer - Board of Education) (Asst. Secretary/Asst. Treasurer - Board of Education) (C) School Entity Liability Includes: 1) General Liability 2) School Leaders Errors & Omissions 3) Employment Practices Liability 4) Defense Limits unlimited other than Sexual Molestation (D) Commercial Auto Liability - Owned, Non Owned, Hired, Borrowed, or Leased Autos - Physical Damage - Garage Operations Coverage - Terminal Coverage (Comprehensive) - Auto Medical Pay (Buses) (E) Equipment Breakdown Insurance Extra Exp./Business Interruption Hazardous Substance Spoilage Damage Expediting Expense (F) School Crisis Act Insurance Pool Shared Annual Aggregate Limit (G) Terrorism Coverage Insurance Pool Shared Annual Aggregate Limit (H) Premises Pollution Liability (I) Data Compromise	07-01-15 to 07-01-16
Joint School Districts Workers' Compensation Self Insurance Pool	30-C	Statutory Workers' Compensation Insurance	07-01-15 to 07-01-16
ACE American Insurance Co	PHFD38406097003	Foreign Liability Insurance	07-01-15 to 07-01-16
QBE Insurance Corporation	AHH 007253	Travel Accident Insurance	07-01-15 to 07-01-16

Limits		Deductible
Per Occurrence	\$ 1,000,000,000	(Pool limit)
		\$ 100,000 per occurrence
	\$ 1,082,027,134	
	\$ 165,630,587	
	Included	\$ 100,000 per occurrence
	Included	\$ 100,000 per occurrence
	Included	\$ 100,000 per occurrence
	Included	\$ 100,000 per occurrence
	Included	\$ 100,000 per occurrence
	Included	\$ 100,000 per occurrence
	Included	\$ 100,000 per occurrence
	\$ 100,000,000	(Pool limit)
Reported value		\$ 25,000 per occurrence
	\$ 600,000	\$ 500 per loss
	\$ 600,000	\$ 500 per loss
	\$ 600,000	\$ 500 per loss
	\$ 600,000	\$ 500 per loss
	\$ 600,000	\$ 500 per loss
	\$ 600,000	\$ 500 per loss
Per occurrence	\$ 2,000,000	\$ 50,000 per occurrence
Aggregate	\$ 5,000,000	
Per occurrence	\$ 2,500,000	
Per occurrence	\$ 1,000,000	\$ 10,000 per occurrence
Self Insured		
	\$45,000	\$ 250 per vehicle
		\$ 500 maximum deductible per loss
	Replacement Cost	\$ 1,000 per vehicle
		\$ 100,000 maximum deductible per loss
Per Person	\$ 5,000	\$ -
	\$ 250,000,000	\$ 10,000 damage to covered property
	Included	
	\$ 10,000,000	
	\$ 100,000,000	
	Included	
	\$ 250,000	
	\$ 10,000,000	\$ 50,000 liability deductible per occurrence
		\$ 100,000 property deductible per occurrence
Per occurrence/ aggregate	\$ 1,000,000	\$ 50,000 liability deductible per occurrence
		\$ 100,000 property deductible per occurrence
Per occurrence/ aggregate	\$ 100,000	\$ 50,000
Statutory/ \$1,000,000 Employers Liability		Each Pool Member retains first \$100,000 of each loss, losses between \$100,000 - \$450,000 are pooled with other members, losses between \$450,000 and statutory limits are reinsured.
Per occurrence/ aggregate	\$ 1,000,000	\$ - deductible per loss
Per accident	\$ 15,000	\$ - deductible



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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 the OMB Uniform Guidance.



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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, 2016

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	Federal CFDA Number	State Grant Number	Disbursements/ Expenditures
U.S. DEPARTMENT OF EDUCATION			
Passed through State Department of Education			
Title I Grants to Local Educational Agencies (Title I, Part A of ESEA)	84.010	4010/6010	\$ 5,506,898
Neglected and Delinquent State Agency and Local Education (Title I, Part D)	84.010	7010	212,035
Special Education--Grants to States (IDEA, Part B)	84.027	4027	8,827,601
Special Education--Preschool Grants (IDEA Preschool)	84.173	4173	160,900
Special Education--Preschool Literacy	84.027	5027	8,135
Special Education--Preschool SPDG	84.173	5173	539
Special Education -IDEA Part B, Competitive Grants	84.027	5027	7,924
subtotal IDEA Cluster			<u>9,005,099</u>
Special Education -- IDEA Part D , Preschool Pyramid	84.323	6323	1,087
Special Education--Grants to States (IDEA, Part D)	84.323	4323	4,000
English Language Acquisition Grants (Title III)	84.365	4365	277,207
English Language Acquisition Grants (Title III, Set Aside)	84.365	7365	144,314
Improving Teacher Quality State Grants (Title IIA)	84.367	4367	756,363
Graduation Pathways	84.360	4360	13,252
Race to the Top - Early Childhood Readiness Assessment	84.412	5412	10,000
Race to the Top	84.413	4413	49,808
Passed through Colorado Community College and Occupational Education System			
Vocational Education - Basic Grants To States (Perkins III)	84.048		<u>244,218</u>
Total U.S. Department of Education			<u>16,224,281</u>
U.S. DEPARTMENT OF AGRICULTURE			
Passed through State Department of Education			
School Breakfast Program	10.553	4553	1,221,995
National School Lunch Program	10.555	4555	5,488,733
Passed through State Department of Human Services			
USDA Commodities	10.555	4555	<u>1,078,725</u>
subtotal Child Nutrition Cluster			<u>7,789,453</u>
Total U.S. Department of Agriculture			<u>7,789,453</u>
Passed through State Department of Education			
Rehabilitation Services - Vocational Rehabilitation Grants To States	84.126	6126	165,977
Passed through Other Agencies			
Through Sheridan School District No. 2			
Head Start	93.600		<u>243,294</u>
Total Other Federal Awards			<u>409,271</u>
Total Federal Awards			<u>\$ 24,423,005</u>

CHERRY CREEK SCHOOL DISTRICT NO. 5

ARAPAHOE COUNTY, COLORADO

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For The Year Ended June 30, 2016

1) **Basis of Presentation**

In the accompanying schedule of expenditures of federal awards, award revenues and expenditures have been prepared on the modified accrual basis of accounting, except for the U.S. Department of Agriculture grants, which have been prepared on the full accrual basis of accounting. The basis of accounting used for the schedule of expenditures of federal awards is consistent with the basis of accounting used for the annual financial report presentation.

2) **Noncash Federal Awards**

The District receives food commodities from the U. S. Department of Agriculture for use in its food service program. Commodities are recorded under CFDA # 10.555 on the Schedule of Federal Awards. The commodities, in the amount of \$1,078,725, are recognized as revenue when received. The commodities are recognized as expenditures when used by the schools. The majority of the commodities are stored at the individual schools instead of a central warehouse. As such, the District has determined that the title to the commodities passes to the District upon receipt of the commodities. Since the District has received title to the commodities, the unused commodities are not reflected as unearned revenue.

3) The District has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Cherry Creek School District No. 5 (the District), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 14, 2016. Our report includes a reference to other auditors who audited the financial statements of Cherry Creek Academy, as described in our report on the District's financial statements. The financial statements of Cherry Creek Academy were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

CliftonLarsonAllen LLP

Greenwood Village, Colorado
October 14, 2016

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

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

Report on Compliance for Each Major Federal Program

We have audited Cherry Creek School District No. 5's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2016. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Greenwood Village, Colorado
October 14, 2016

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2016**

Section I—Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? ☐ yes ☒ no

Federal Awards

Internal control over major programs:

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

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

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

Identification of major program:

CFDA Number(s)	Name of Federal Program or Cluster
10.553 and 10.555	Child Nutrition Cluster

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

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, 2016

Section II –Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Findings and Questioned Costs – Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

Section IV – Prior Year Findings

There were no findings in the prior year that were required to be reported.

DATA INTEGRITY CHECK FIGURES SECTION





Colorado Department of Education

Auditors Integrity Report

District: 0130 – CHERRY CREEK 5

Fiscal Year 2015–16

Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number		Beg Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental		+		-	=
10	General Fund	69,689,627	477,293,806	483,570,748	63,412,684
18	Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19	Colorado Preschool Program Fund	0	1,710,806	1,710,806	0
Sub- Total		69,689,627	479,004,612	485,281,555	63,412,684
11	Charter School Fund	1,473,253	4,677,003	4,486,267	1,663,989
20,26-29	Special Revenue Fund	6,360,947	16,479,343	16,472,948	6,367,342
21	Food Service Spec Revenue Fund	5,235,850	18,609,051	18,103,178	5,741,724
22	Govt Designated-Purpose Grants Fund	0	22,871,647	22,871,647	0
23	Pupil Activity Special Revenue Fund	5,324,013	12,552,637	12,240,209	5,636,442
24	Full Day Kindergarten Mill Levy Override	0	0	0	0
25	Transportation Fund	0	0	0	0
31	Bond Redemption Fund	50,860,912	105,746,343	104,055,341	52,551,914
39	Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41	Building Fund	25,832,323	83,087	18,462,722	7,452,688
42	Special Building Fund	0	0	0	0
43	Capital Reserve Capital Projects Fund	6,381,591	20,469,147	15,863,177	10,987,561
Totals		171,158,517	680,492,870	697,837,043	153,814,344
Proprietary					
50	Other Enterprise Funds	0	0	0	0
64 (63)	Risk-Related Activity Fund	0	0	0	0
60,65-69	Other Internal Service Funds	0	0	0	0
Totals		0	0	0	0
Fiduciary					
70	Other Trust and Agency Funds	0	0	0	0
72	Private Purpose Trust Fund	0	0	0	0
73	Agency Fund	0	0	0	0
74	Pupil Activity Agency Fund	0	0	0	0
79	GASB 34:Permanent Fund	0	0	0	0
85	Foundations	0	0	0	0
Totals		0	0	0	0

FINAL

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



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