

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR  
ENDED  
JUNE 30,  
2020



CHERRY CREEK  
SCHOOL DISTRICT NO. 5  
ARAPAHOE COUNTY, COLORADO



*Dedicated to Excellence*  
Cherry Creek Schools





# COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2020

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Superintendent

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Fiscal Services Division

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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, 2020

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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  
2019-2020



From Left to Right Standing  
Janice McDonald, Secretary  
Kelly Bates, Vice President

From Left to Right Sitting  
Anne Egan, Treasurer  
Karen Fisher, President  
Angela Garland, Assistannd Secretary/Treasurer

*Our Vision*

*Dedicated to Excellence*

*Our Mission*

*To inspire every student*

*to think,*

*to learn,*

*to achieve,*

*to care.*

*Our Goals*

*Inclusive Excellence*

*College & Career Preparedness & Success*

Letter  
of  
Transmittal



CherryCreek  
Schools  
Dedicated to Excellence



CherryCreek  
Schools  
Dedicated to Excellence

October 22, 2020

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, 2020. 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, 2020, 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 (GASB 34)*. 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. GASB 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.

The CAFR is presented in four sections: Introductory, Financial, Statistical, and Compliance Report. 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, Combining Statements for Component Units, 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. The Statistical Section, which is unaudited, includes financial and demographic information, generally presented on a multi-year basis. The Compliance Report Section includes the Independent Auditor's Report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*.

## THE DISTRICT AND ITS SERVICES

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

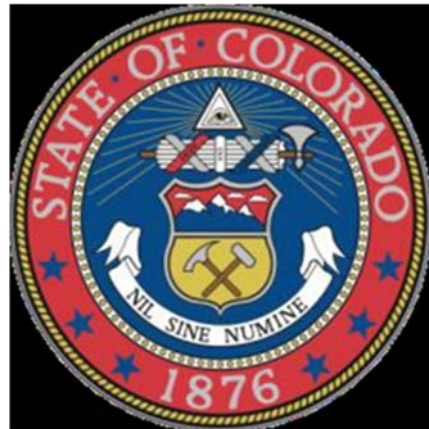
The District entered into agreements with three charter schools, as allowed under the Colorado Charter Schools Act, for the educational instruction of children. While the charter schools are public schools funded through the District under the school finance act and under the general supervision of the local Board of Education, the schools meet the requirements under Governmental Accounting Standards to be presented as discrete component units. On July 21, 1995, the District entered into an agreement with Cherry Creek Academy for grades K-8; on May 9, 2016, with Heritage Heights Academy for grades K-8; and on March 11, 2019, with Colorado Skies Academy for grades 6-8.

## 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 656,000 residents, has the third largest population of the counties in Colorado. The District, with approximately 55,500 students projected for fiscal year 2020-2021, is currently the fourth largest of the 178 school districts in the State.

The following economic data was obtained from the September 2020 revenue forecasts for the State of Colorado, prepared by the Governor's Office of State Planning and Budgeting and the Colorado Legislative Council Staff.



The pandemic recession that began in March 2020 has significantly reduced Colorado's economic activity. Despite significant improvement from the depths of the recession in April 2020, Colorado's economic activity remains well below normal levels. The State has recovered more than half of the jobs that were lost earlier in the year, but the unemployment rate remains elevated at 6.7 percent and nearly 250,000 Coloradans are receiving unemployment benefits.

Over the past three months, the U.S. and Colorado economies have recovered at a stronger pace than expected, as fiscal stimulus and the resiliency of businesses and consumer activity have buoyed growth. That said, data illustrates some extensive and lasting damage from the pandemic. In particular, labor markets have recovered only partially after their collapse in April. As the steadying effects of monetary and fiscal stimulus dissipate, some economic challenges will become more pronounced in the months ahead. Consumer activity and business investment are expected to grow, but unevenly and cautiously as the uncertainty surrounding the spread of COVID-19 continues. Risks to the forecast remain elevated, with a resurgence in the virus posing the largest downside risk to economic activity, and a near-term treatment for the virus or the passage of additional federal stimulus posing the greatest upside risks.

State aid decreased significantly for fiscal year 2020-2021 due to the effects of the pandemic recession. The decrease in State funding was partially offset with allocations from the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), a federal economic stimulus bill signed into law in March 2020. This impact is discussed in more detail in the MD&A section.

For fiscal year 2021-2022, State aid is expected to increase by at least \$143 million Statewide relative to fiscal year 2020-2021 and is expected to cover the increase in total program funding and to offset a decline in the local share, as the COVID-19 pandemic is expected to depress growth in assessed values for property taxes and specific ownership taxes to school districts.

Assuming that assessed values remain constant relative to fiscal year 2020-2021 levels and specific ownership tax declines 6 percent, the local share would be \$11 million lower on a year-over-year basis.

### Enrollment

District total enrollment increased last fall by 223 students to put the District at 55,506 students for the 2019-2020 school year. The breakdown of those students includes 22,507 in elementary schools; 12,591 in middle schools; 17,449 in high schools; 1,014 in the District's charter schools; 1,202 pre-school students; 76 special program students; and 667 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.

House Bill 19-1262 passed last year, providing 100% funding for full-day kindergarten. In previous years, the State only paid 58% funding for full-day kindergarten.



## 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 includes local property taxes, specific ownership taxes from vehicle registration, and State equalization aid. District revenue also includes voter approved mill levy budget overrides. These funding sources are approximately 95% of the District's General Fund revenues for fiscal year 2019-2020.

Voters approved State Constitutional Amendment 23 in November 2000, which provided for funding per student of at least the metro Denver 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 reduction into the State funding formula starting during the 2009-2010 fiscal year which reduces State per pupil funding.

The State showed strong economic conditions heading into the 2019-2020 fiscal year and funding to the District included a 4.6% increase in per pupil funding and included funding for enrollment growth. Per pupil funding for fiscal year 2019-2020 was \$8,464, which is an increase of \$372 per pupil over the prior fiscal year. This increase includes both 2.7% for inflation and a reduction in the Statewide negative factor.

The pandemic recession resulted in decreased funding for the District for the coming 2020-2021 fiscal year. The impact of that funding is discussed in the economic and future year budget discussion in the MD&A section of this CAFR.

Other realities affecting the financial outlook are mandates that are outside of the District's control. In addition to Amendment 23 approved in November 2000, 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 are 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 provided a temporary override to the current TABOR revenue formula for the State of Colorado. Referendum C allowed the State to keep and spend the revenue it collected under current rates for five years and established 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 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 all Federal statutes.



## CHERRY CREEK FUTURE FORWARD

In the Cherry Creek School District, we're dedicated to connecting every one of our 55,000-plus students with their own unique pathway of purpose. Whether it means providing a gateway to college, to a career or service in the military, we're committed to ensuring that every individual student in the District has the skills and resources they need to achieve their goals. That commitment is at the heart of Cherry Creek Future Forward, the District's roadmap for the future that builds on our longstanding dedication to excellence.

By focusing on instructional, operational and workforce excellence across the District, Cherry Creek Future Forward offers a blueprint for making sure that ALL students in our District have all the necessary tools at their disposal to realize their dreams. For nearly 70 years, we've worked hard "to inspire every student to think, to learn, to achieve, to care." Cherry Creek Future Forward continues that mission by connecting every student across our 108 square miles with the chance to find joy, purpose and fulfillment in the classroom and beyond.

## STRATEGIC PRIORITIES - OUR FOCUS

To prepare our students for their future and continue our legacy of excellence, we will be focusing on three strategic priorities:

### INSTRUCTIONAL EXCELLENCE:

Eliminate academic achievement disparities by providing ALL students with rigorous and relevant learning experiences to become leaders who create solutions that contribute to the betterment of our global society.

### WORKFORCE EXCELLENCE:

Invest in racially conscious, culturally competent employees who have the skill, will, capacity and knowledge to commit to a culture of continuous improvement.

### OPERATIONAL EXCELLENCE:

Design, manage and continually improve as a system to deliver value in service to students, schools and community stakeholders.



*What is Instructional Excellence?*

We will eliminate academic achievement disparities by providing ALL students with rigorous and relevant learning experiences so that they become leaders who create solutions that contribute to the betterment of our global society. We will focus on three key areas: **performance**, **growth** and **engagement**.

**PERFORMANCE:** The percentage of ALL CCSD students meeting the college and career readiness benchmarks in English Language Arts and Math, as measured on State assessments, will increase by three percentage points annually over the next four years. In an effort to simultaneously eliminate the achievement disproportionalities by race, the percentage of Black, Brown and Indigenous students meeting the same benchmarks will increase by at least four percentage points annually.

**GROWTH:** All CCSD students will see significant growth (60th percentile or higher) in English Language Arts and Math by 2023, as measured by State assessments.

**ENGAGEMENT:** The number of students who report feeling engaged in school as measured by the Climate, Safety and Wellness survey will increase by 10 percentage points. Simultaneously, the number of students involved in multiple discipline events will decrease by 10 percentage points, and we will work to eliminate the racial disproportionalities within discipline by 2025.



**ACCOMPLISHING OUR GOALS:  
KEY STRATEGIES**

**We are excited to launch and strengthen our efforts to support our students’ academic success by:**

- Ensuring students have access to a high-quality, culturally responsive education that prepares them for our diverse world;
- Supporting our students’ academic and social development by addressing racial and cultural bias through a transformational equity framework;
- Implementing a Universal Model of Instruction to support access and opportunity to rigorous and relevant learning opportunities;
- Launching innovative practices, environments and experiences across the District to further engage students;
- Supporting our teachers’ continued development through Professional Learning Communities;
- Ensuring our English learners, students in special education and advanced/gifted and talented learners have the supports needed to thrive;
- Increasing student and family engagement by removing barriers to access and opportunity;
- Ensuring extra-curricular offerings that engage ALL students;
- Expanding alternative pathways to provide tailored opportunities for ALL students;
- Creating meaningful, consistent opportunities to engage with students and ensure their voices are represented;
- Increasing social emotional learning opportunities to help students develop critical life skills for success in school and beyond.

*What is Workforce Excellence?*

We will meet the needs of our students with a high-quality workforce that can support our diverse community and provide world-class instruction and services. We will do this by focusing on **recruitment, retention and wellness**.

**RECRUITMENT:** We will focus on recruiting and hiring the highest-quality staff to ensure our teachers reflect the diversity of our community so that we can better support our students' learning and growth.

**RETENTION:** We will focus on retaining ALL of our employees, and will increase our retention rate for teachers of color.

**WELLNESS:** We will develop and implement an organizational wellness strategy that fosters a thriving culture and climate and supports individual employee wellness to positively impact the overall organizational performance.

**ACCOMPLISHING OUR GOALS:  
KEY STRATEGIES**

**We are focused on strengthening our practices to ensure a diverse and high-quality workforce by:**

- Building and strengthening relationships with educational institutions and organizations;
- Developing a series of “grow our own” pathway programs for teachers;
- Developing policies and practices that create a climate that will increase teacher retention;
- Increasing engagement opportunities through social media, mentorships and professional learning;
- Addressing racial and cultural bias to ensure students and staff can learn and grow in a safe and supportive environment;
- Creating opportunities for career advancement and preparing future school leaders to succeed;
- Aligning wellness efforts across the District and defining the culture and climate where employees can be most productive.



### *What is Operational Excellence?*

The District is committed to providing support for the needs of our students and staff by focusing on **physical and psychological safety, stakeholder partnerships and communication with our community**. The goals within District operations are designed to support and elevate the work toward Instructional and Workforce Excellence. The ultimate goal is always student learning, wellness and success.

#### **PHYSICAL AND PSYCHOLOGICAL SAFETY:**

We will invest in programs and services to ensure our students and staff feel safe and supported with an emphasis on building resilience, addressing bullying and substance abuse and reducing self-harm.

**STAKEHOLDER PARTNERSHIPS:** We will build and strengthen our relationships with stakeholders in order to create and enhance resources for our students, families and staff to build robust school communities.

**COMMUNICATION:** We will work to improve communication across our school community by broadening our audience reach, creating opportunities for meaningful dialogue and lifting the voices of all stakeholders, especially Black, Brown and Indigenous people.



### **ACCOMPLISHING OUR GOALS: KEY STRATEGIES**

- Reviewing and evaluating safety and security plans and protocols;
- Holding monthly school-based and District-wide drills, trainings and tabletop exercises;
- Continue training of District-wide and school-based security staff under new centralized model;
- Nurturing and expanding relationships with law enforcement and emergency response partners;
- Continue providing District-wide training on mandatory reporting for all employees;
- Providing all schools with comprehensive mental health supports based on 3-2-1 model, which puts one full-time licensed mental health worker at every elementary school, two at every middle and at least three at every high school;
- Ensuring one registered nurse will be at every school;
- Maintaining and deepening partnerships with organizations that support student mental health needs, social emotional growth, psychological safety and health and wellness;
- Implementing restorative justice practices;
- Expanding communication efforts to reach all audiences, including non-traditional methods, community ambassadors and key communicators;
- Creating opportunities for all to engage in conversation about District direction and to give feedback that informs policy decisions.

## 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, which was approved by voters in November 2016.

The budget election provided \$40.4 million in operating funds during fiscal year 2019-2020 primarily to maintain class sizes and recruit and retain a quality teaching staff, and fund curriculum and other instructional costs.

The bond election provided \$250 million for: career and innovation technology including renovating space at all the District's elementary and middle schools along with building the Cherry Creek Innovation Campus; new facilities and major renovations including a new elementary school and a new middle school; safety and security; and maintaining community investment in the school foundation of buildings and equipment.

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 August 3, 2020, the Board of Education voted unanimously to call for a budget and bond election. Specifically, the Board called for a budget election to raise \$35 million for operational expenses to alleviate the impacts of a projected budget deficit due to reduced State funding, and a \$150 million bond election for costs including deferred maintenance, security upgrades, innovation-focused renovations at the District's high schools, a mental health treatment facility, and the potential of a new school in the eastern part of the District to alleviate overcrowding.

The recommendation to call for an election came from the Budget Task Force and Council of Chairs, two volunteer committees made up of parents, teachers, students, community members, administrators and District staff. Those groups have spent months meeting and discussing potential cuts and new sources of revenue.

## **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.

## 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, 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 2019-2020 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, 2020. 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 is included in the Financial 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, 2019. 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 seven 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 2019-2020 budget document. In addition, the ASBO awarded its Meritorious Budget Award to the District for the fiscal year 2019-2020 budget document.



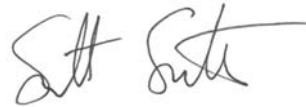
## Acknowledgments

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,



Dr. Scott Siegfried  
Superintendent



Scott S. Smith  
Chief Financial and Operating Officer



ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

The Certificate of Excellence in Financial Reporting  
is presented to

**Cherry Creek School District**

for its **Comprehensive Annual Financial Report (CAFR)**  
for the **Fiscal Year Ended June 30, 2019.**

The CAFR meets the criteria established for  
ASBO International's Certificate of Excellence.



A handwritten signature in black ink that reads 'Claire Hertz'. The signature is written in a cursive style.

Claire Hertz, SFO  
President

A handwritten signature in black ink that reads 'David J. Lewis'. The signature is written in a cursive style.

David J. Lewis  
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, 2019

*Christopher P. Morill*

Executive Director/CEO

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

List of Elected and Appointed Officials  
as of July 1, 2020

**Elected Officials**

**Board of Education**

District A	Anne Egan
District B	Janice McDonald
District C	Angela Garland
District D	Kelly Bates
District E	Karen Fisher

**Appointed Officials**

**District Leadership Team**

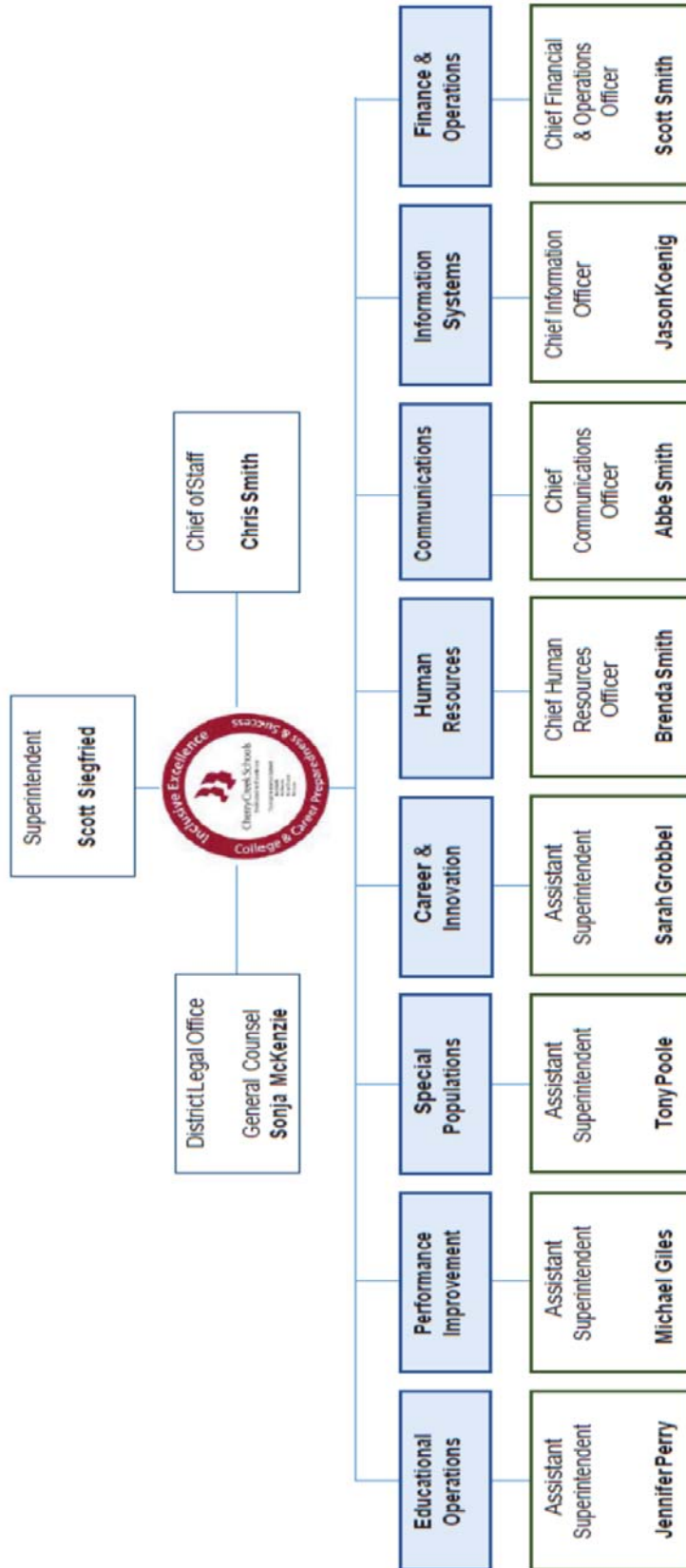
Superintendent	Dr. Scott A. Siegfried
Chief of Staff	Christopher Smith
Assistant Superintendent	Michael Giles
Assistant Superintendent	Jennifer Perry
Chief Human Resources Officer	Brenda Smith
Assistant Superintendent	Tony Poole
Assistant Superintendent	Sarah Grobbel
Chief Financial and Operations Officer	Scott Smith
Chief Information Officer	Jason Koenig
General Legal Counsel	Sonja McKenzie
Chief Communications Officer	Abbe Smith

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

**Administrative Organizational Chart  
as of July 1, 2020**

Cherry Creek Community  
Cherry Creek School District Board of Education

Cherry Creek School District  
District Leadership Team  
2020-2021



# FINANCIAL SECTION







## INDEPENDENT AUDITORS' REPORT

Board of Education  
Cherry Creek School District No. 5  
Greenwood Village, Colorado

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, 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, 2020, 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, Heritage Heights Academy, and Colorado Skies Academy, which represent 100 percent of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for Cherry Creek Academy, Heritage Heights Academy, and Colorado Skies Academy, is based solely on the reports 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, Heritage Heights Academy, and Colorado Skies Academy were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinions***

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the District as of June 30, 2020, 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 23-37 and pension and other postemployment benefit information and budgetary comparison for the Designated Purpose Grants Fund on pages 95-103 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 combining component unit financial statements, 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, 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 combining component unit financial statements, the Colorado Department of Education Auditors Integrity Report, the schedule of expenditures of federal awards, the schedules of revenues, expenditures and changes in fund balance – budget and actual for the Bond Redemption Fund, Building Fund, Capital Reserve Fund, Extended Child Services Fund, Food Services Fund, and Pupil Activities Fund, and the State required schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. 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.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 22, 2020, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Greenwood Village, Colorado  
October 22, 2020



CherryCreek  
Schools  
Dedicated to Excellence

Management's  
Discussion  
and  
Analysis



CherryCreek  
Schools  
Dedicated to Excellence



CherryCreek  
Schools  
Dedicated to Excellence

**Management's Discussion and Analysis**  
**Cherry Creek School District No. 5**  
**Arapahoe County, Colorado**  
**June 30, 2020**

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, 2020. We encourage readers to consider the information presented here in conjunction with additional information that can be found in the Letter of Transmittal.

**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 in the following pages.

The District has a negative net position. The governmental liabilities and deferred inflows of resources exceed its assets and deferred outflows of resources by \$1,352.4 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) and Statement No. 75 *Accounting and Financial Reporting for Other Post Employment Benefits* (OPEB) (GASB 75). The fiscal year ended June 30, 2020 is the sixth year that the District has been required to apply GASB 68 and the third year of GASB 75. These GASB pronouncements are discussed in more detail under Accounting Pronouncements in this analysis.

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 \$1,074.4 million as of June 30, 2020. 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.

GASB 75 revised and established financial reporting requirements for governments that provide their employees with other post-employment benefits. The District provides its employees with OPEB through the Health Care Trust Fund (HCTF), a cost-sharing multiple employer defined benefit OPEB plan administered by PERA.

Similar to GASB 68, GASB 75 requires the District to report its proportionate share of the total PERA HCTF net OPEB liability in its government-wide financial statements. The District's share of the PERA HCTF net OPEB liability is \$52.8 million as of June 30, 2020.

Fund level statements, including the General Fund statements, are not impacted by GASB 68 and GASB 75 reporting.

## 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 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 the General Fund, Debt Service Fund, Capital Projects Funds, and Special Revenue Funds. The District only reports governmental activities since it does not currently have any business-type activities.

### 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 type presented by the District only includes governmental funds. The District currently does not have activities that require the use of 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 Financial 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, reconciliations are 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, the Debt Service – Bond Redemption Fund, and the Special Revenue - Designated Purpose Grants 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 and the Designated Purpose Grants Fund is included in the Required Supplemental Information to demonstrate compliance with the adopted budget. The remaining governmental funds budgetary comparisons are reported as Supplementary Information.

### 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.

### Supplementary Information

In addition to the Basic Financial Statements and accompanying notes, the CAFR also contains supplemental information concerning the District's non-major governmental funds, Combining Statements of Component Units, and schedules required as part of the Colorado Public School Finance Act and GASB 68 and GASB 75 required schedules.



Cherry Creek School District No. 5

### 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 7.25%). 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 in the Notes to Basic Financial Statements for the full disclosure related to PERA under GASB 68.

Effective with fiscal year 2017-2018, the District was required to apply GASB 75. GASB 75 significantly changed OPEB accounting and financial reporting by requiring a net OPEB liability on the statement of net position. Historically, an unfunded OPEB obligation for employers in a cost-sharing plan, such as PERA HCTF, was considered a liability to be reported in future periods. Previously, information about the total liability, unfunded and funded, was disclosed only in the notes to the financial statements and as required supplemental information.

See Note 14 in the Notes to Basic Financial Statements for the full disclosure related to PERA HCTF under GASB 75.



## Government-Wide Financial Analysis

The assets of the District are classified as current assets and noncurrent assets. Cash and investments, receivables, inventories, and prepaid expenses are current assets. These assets are available to provide resources for the near-term operations of the District. The majority of the current assets are the result of the property tax collection process; the District receives about 95% of the annual property tax assessment by the end of June.

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

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

Current and long-term liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, accrued salaries and benefits, unearned revenues, and current debt obligations. The liquidation of current liabilities is anticipated to be either from currently available resources, current assets or new resources that become available during fiscal year 2020-2021. 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 2020-2021.

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 Net 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 \$1,352.4 million.

The net position of the District's governmental activities includes net investment of \$201.2 million in land, improvements, buildings, equipment, and vehicles; net position of \$71.1 million, accumulated due to voter approved bonded debt mill levy assessments, restricted to provide resources to liquidate the current general obligation bond principal and related interest payments; net position of Food Services operations of \$2.1 million restricted for that fund's use only; the required emergency reserves of \$20.2 million have also been restricted; and the remaining balance is an unrestricted net deficit balance of \$1,647.0 million.

The unrestricted balance is negative due to the effects of GASB 68 and GASB 75. 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. The \$42.3 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 NPL is reported in the same manner as compensated absences and is \$1,074.4 million. The GASB 75 OPEB liability is reported in the same manner and is \$52.8 million.

The total net position of the District's governmental activities increased by \$200.9 million during fiscal year 2019-2020. This increase in net position on a government-wide basis is in contrast to a decrease in fund balance on a governmental fund basis. Several large factors impact differences between the two methods. The reconciliation between the two methods is found on the schedule titled Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government-wide Statement of Activities. The last two reconciling items on that schedule shows the effect of GASB 68 and GASB 75 on net position. The District's share of the NPL of PERA decreased by \$197.0 million (from \$1,271.4 million at June 30, 2019 to \$1,074.4

million at June 30, 2020). The impact of that decrease in NPL is a decrease in pension expense reflected in the Statement of Activities. This decrease in pension expense is a primary factor contributing to the increase in net position, in comparison to the decrease in fund balance reflected on a governmental fund basis. The District's share of the net OPEB liability is \$52.8 million at June 30, 2020, compared to \$63.5 million at June 30, 2019. This decrease of \$10.7 million also has the impact of reducing expenses.

While the total net position of the District's governmental activities increased, the fund balance of the District's governmental funds decreased. In addition to the effect of GASB 68 and GASB 75 discussed above, the difference is due primarily to the treatment of the issuance of debt for building projects and the spending of funds in the Capital Projects - Building Fund. On a governmental fund basis, the capital outlays associated with Building Fund 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. The issuance of debt is reflected as an increase of the fund balance on a governmental fund basis, while the bond issuance is reflected as a liability on a government-wide basis. 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 a \$5.1 million increase in net position and the net effect of debt related activity is an increase of \$53.4 million in net position on a government-wide basis compared to the impact on changes in fund balance on a governmental fund basis.

Cherry Creek School District No. 5  
 Comparative Summary of Net Position  
 as of June 30, 2020 and 2019  
 (in millions)

	Primary Government Governmental Activities	
	<u>2020</u>	<u>2019</u>
<b>Assets:</b>		
Capital assets	\$ 837.5	\$ 832.4
Other assets	318.4	337.2
Total assets	<u>1,155.9</u>	<u>1,169.6</u>
 Deferred Outflows of Resources	 <u>141.6</u>	 <u>401.6</u>
<b>Liabilities:</b>		
Current liabilities	147.4	122.0
Noncurrent liabilities	1,784.3	2,053.0
Total liabilities	<u>1,931.7</u>	<u>2,175.0</u>
 Deferred Inflows of Resources	 <u>718.2</u>	 <u>949.5</u>
<b>Net Position:</b>		
Net investment in capital assets	201.2	185.3
Restricted	93.4	82.9
Unrestricted	(1,647.0)	(1,821.5)
Total Net Position	<u>\$ (1,352.4)</u>	<u>\$ (1,553.3)</u>

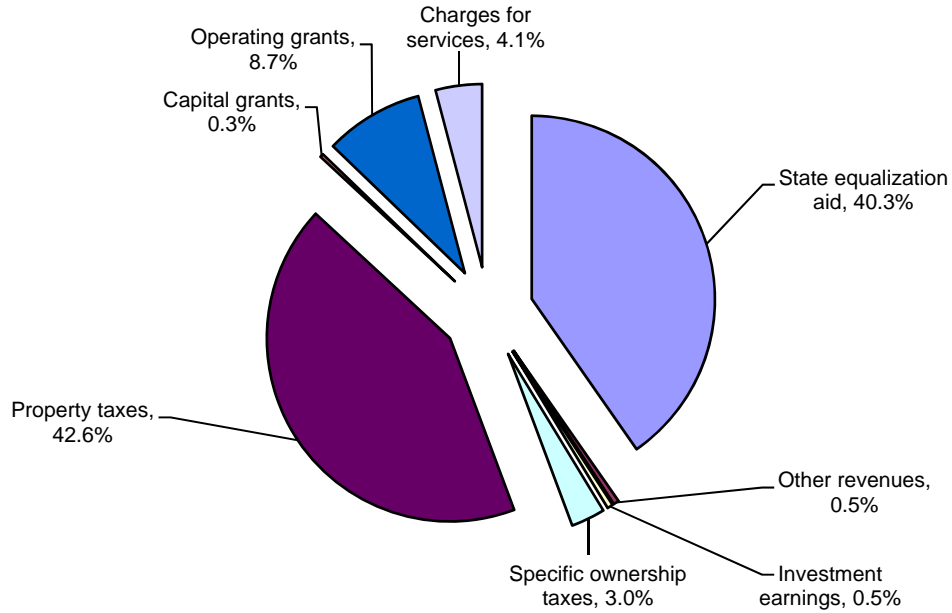


## Government-Wide Activities

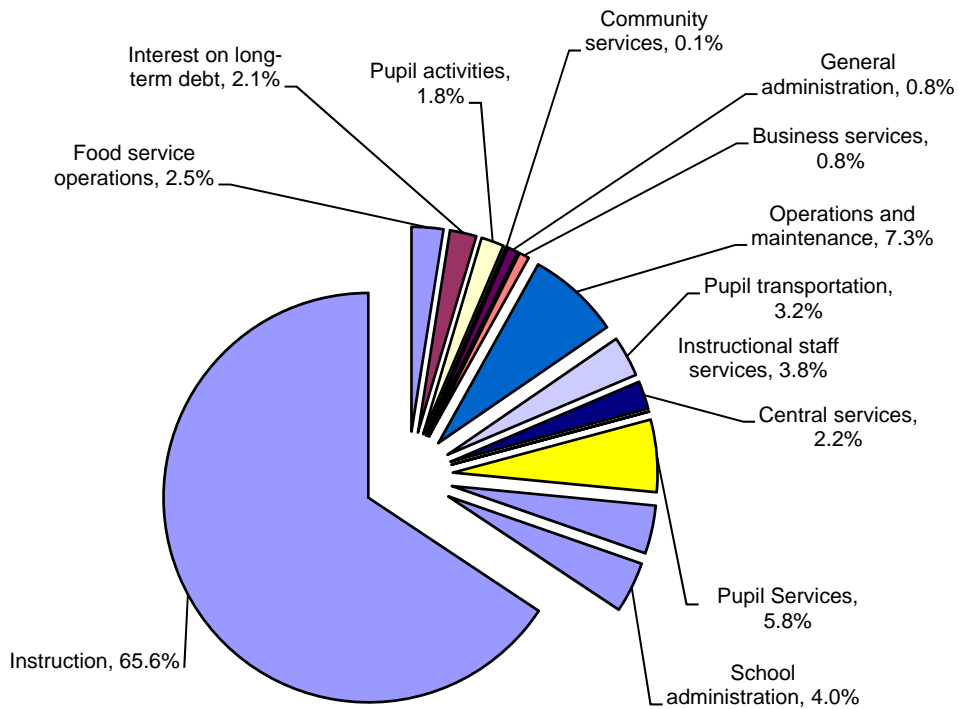
Governmental Activities increased the net position of the District by \$200.9 million.

Cherry Creek School District No. 5 Comparative Schedule of Changes in Net Position as of and for the fiscal year ended June 30, 2020 and 2019 (in millions)		
	Primary Government	
	Governmental Activities	
	<u>2020</u>	<u>2019</u>
Revenues:		
Program revenues		
Charges for services	\$ 31.6	\$ 45.9
Operating grants and contributions	67.0	67.9
Capital grants and contributions	2.1	1.3
General unrestricted revenues		
Property taxes	328.6	304.5
Specific ownership taxes	23.4	22.5
Investment earnings	3.8	6.7
Other revenues	3.6	4.1
State equalization aid	310.5	285.5
Total revenues	<u>770.6</u>	<u>738.4</u>
Expenses:		
Governmental activities		
Instruction	374.0	387.8
Indirect instruction		
Pupil services	32.3	31.6
Instructional staff services	21.8	23.5
School administration	22.9	23.8
Support services		
General administration	4.3	4.1
Business services	4.5	4.3
Operations and maintenance	41.7	41.5
Pupil transportation	18.0	19.6
Central services	12.6	11.6
Community services	0.7	0.9
Pupil activities	10.5	12.5
Interest on long-term debt	12.1	24.4
Food services operations	14.3	17.0
Total expenses	<u>569.7</u>	<u>602.6</u>
Changes in net position	200.9	135.8
Net position beginning of year	<u>(1,553.3)</u>	<u>(1,689.1)</u>
Net position end of year	<u><u>\$ (1,352.4)</u></u>	<u><u>\$ (1,553.3)</u></u>

## Government-Wide Revenues fiscal year ended June 30, 2020



## Government-Wide Expenses fiscal year ended June 30, 2020



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 \$25.0 million during the fiscal year, while property taxes increased by \$24.1 million during the year. The State's economic conditions remained strong heading into the 2019-2020 fiscal year and included a 4.6% increase in per pupil funding and included funding for enrollment growth. Per pupil funding for fiscal year 2019-2020 was \$8,464, which is an increase of \$372 per pupil over the prior fiscal year. This increase includes both 2.7% for inflation and a reduction in the Statewide negative factor. State equalization aid also increased from increased enrollment of 1,668 FTE. The increase in FTE enrollment includes the State funding kindergarten for full day instruction starting in fiscal year 2019-2020. In prior years, the State funded kindergarten at .58 FTE. The District has established full day programs at all elementary schools.

On November 8, 2016, the District voters approved a bond and a mill levy budget override. The mill levy budget override approved was an initial amount of \$23.9 million or twenty-five percent of total program funding. Due to an increase in total program funding, this mill levy budget override amounts to \$40.4 million for fiscal year 2019-2020. This increase in the mill levy override amount accounts for the majority of the increase in property tax revenue.

Specific ownership taxes increased slightly as new car sales remained strong prior to the pandemic recession. Interest income decreased from both less cash on hand from completing building projects and a lower rate environment.

Charges for services include tuition paid into the District's Extended Child Services Fund along with pupil activities revenue and food services sales. The District went to fully online learning in mid-March 2020 due to the pandemic. Starting at that time, the Extended Child Services for before and after school care were closed through June 30, 2020 resulting in no tuition collected during that time. Pupil activities were also discontinued during that time and food services operations were reduced to only providing

meals available for distribution primarily for those students eligible for free and reduced lunch program.

School financial issues are discussed in more detail in the Letter of Transmittal.

Total governmental activities expenses decreased by \$32.9 million. This decrease relates to the way pension and OPEB expenses are recorded as a result of GASB 68 and GASB 75. 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. GASB 75 requires the District to report its proportionate share of the total PERA HCTF net OPEB liability and related expense in its government-wide financial statements. Because the NPL and OPEB liability decreased, pension expense is reduced. With the District's move to fully online learning in mid-March 2020, expenses related to extended child services, pupil activities and food services decreased compared to the prior year. General supply usage was also reduced along with utilities to some extent and there was a reduced need for substitute teachers. These decreases were offset partially by increased salary as a result the District moving from half day to full day kindergarten and due to an increase in enrollment and an average pay increase of 2.7%. While the District was fully online from mid-March to June, all staff were paid at budgeted staffing levels. PERA costs were also higher due to a higher salary base and an increase in the employer contribution to 20.4% for fiscal year 2019-2020.



## Financial Analysis of the Governmental 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.

Fund balance of the District's governmental funds decreased by \$34.1 million resulting in an ending fund balance of \$220.6 million.

The General Fund had an increase in fund balance of \$1.1 million. The General Fund is discussed more fully later in this analysis.

The Capital Projects - Building Fund had a decrease in fund balance of \$42.4 million. On November 8, 2016, the District voters approved a \$250.0 million bond along with a mill levy budget override. The District sold \$150.0 million of General Obligation Debt in fiscal year 2016-2017 and sold the remaining approved \$100.0 million of District General Obligation debt in fiscal year 2017-2018. The remaining proceeds from both of those bond issues not yet spent on projects 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 had property tax and other revenues in excess of required payments on outstanding debt which resulted in an increase in fund balance of \$12.7 million. The Debt Service - Bond Redemption Fund has adequate resources accumulated to make the December 2020 principal and interest payments. The mill levy to accumulate resources for the June 2021 and December 2021 principal and interest payments will be certified in December 2020.

The Special Revenue- Designated Purpose Grants Fund did not have a change in fund balance.

Other governmental funds show a decrease of \$5.4 million in fund balance. This decrease includes the Special Revenue Fund - Capital Reserve Fund that is primarily a timing difference related to funding for projects established in the prior fiscal year while the expenses occurred in the current fiscal year. Fund balances also decreased in the Food Services Fund and Extended Child Services Fund due to the effects of the District moving to fully online instruction in mid-March 2020 which closed the Extended Child Services Program for tuition revenue and greatly reduced Food Service operations while staff continued to be paid for budgeted hours.

The unassigned fund balance for the District at the end of the fiscal year includes \$9.3 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, \$5.1 million; 2) restricted for construction, \$28.8 million; restricted to pay debt service, \$72.3 million; restricted for food service operations, \$2.1 million; and restricted for emergency reserves, \$20.2 million; 3) committed to specific Extended Child Services activities, \$3.7 million; committed to Pupil Activity activities, \$6.8 million; and committed to multiple year commitments and future year expenditures of \$30.3 million and 4) for a variety of other assigned purposes, \$42.0 million.

The State is required to give an annual direct distribution to PERA in the amount of \$225 million. This direct distribution from the State meets the definition of a special funding situation which requires the District to recognize pension expense for the District's proportionate share and a revenue equal to the expense recognized. This on-behalf payment is also recognized in the fund financials statements and is shown as a reconciling item from the General Fund budgetary basis to the modified accrual fund statement.



## 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. In order to address reductions in funding while minimizing the use of District reserves, the Board of Education called for an election to be held on November 8, 2016 asking the voters to increase the mill levy budget override to twenty-five percent of total program funding, \$40.4 million for fiscal year 2019-2020, to provide additional funding to the District.

During the current fiscal year the fund balance in the General Fund increased by \$1.1 million. Property taxes were above projections due to strong current year collections of taxes levied compared to prior years. Specific ownership taxes were also slightly higher than revised projections as new car sales remained strong prior to the pandemic recession. Earnings rates on investments also remained strong until a sharp drop off in late spring. Both fees and fines and miscellaneous revenue were below expectations due to the District going to fully online learning in mid-March 2020 which reduced student collected fees for the second semester and reduced

The components of the fund balance are as follows:

Cherry Creek School District No. 5 Fund Balance Components: General Fund June 30, 2020 and 2019		
	General Fund	
	<u>2020</u>	<u>2019</u>
Nonspendable for:		
Prepayments and deposits	\$ 1,248,877	\$ 3,376,813
Inventories	1,443,384	1,564,239
Restricted for:		
Emergency Reserve	18,609,000	17,591,000
Committed for:		
Multiple year commitments	537,370	1,005,309
Future year expenditures	29,755,487	22,966,761
Assigned for:		
Future year purchases and curriculum	760,843	554,410
Budget carryforward for future year expenditures	6,529,419	6,920,055
Board reserve	18,609,000	17,591,000
Unassigned	<u>9,281,247</u>	<u>14,128,466</u>
Total fund balance	<u>\$ 86,774,627</u>	<u>\$ 85,698,053</u>

contribution of District overhead costs from the Food Services Fund. Other revenue items were in line with projections. Per pupil funding increased during the fiscal year by \$372 compared to the prior fiscal year and student enrollment increased by 1,668 FTE with the implementation of full day kindergarten. Due to a loss in revenue from the program closure in mid-March, the Extended Child Services Fund was not able to contribute to General Fund which was budgeted as a Transfer in.

Primarily due to the mid-March movement to online instruction, the District was able to keep actual expenditures \$23.4 million below budget. The positive expenditure variances is primarily from lower general supplies spending, utilities, and less need for substitute teachers. The District also expected higher salary costs for teachers due to full day kindergarten than actual along with savings in budgeted benefits.

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 \$620.3 million. Unassigned fund balance represents 1.5% of expenditures while total fund balance represents 14.0% of budget-based expenditures.

## Capital Assets and Long-term Debt

### Capital Assets

The District's investment in capital assets for its governmental activities as of June 30, 2020, amounts to \$837.6 million (net of accumulated depreciation).

This investment in capital assets includes land, improvements, buildings, equipment and vehicles, and projects in progress. The total increase in the District's investment in capital assets for the current fiscal year was \$5.2 million. This increase is the net result of remaining capital additions completed during the current fiscal year from the \$250.0 million bond election in 2016, less current year depreciation expense. The District has used those funds to make capital improvements.

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 \$13.9 million.
- Major projects included finalizing work on multiple school and facility renovations as outlined in the \$250.0 million bond issue approved by voters in 2016.

Cherry Creek School District No. 5 Capital Assets (net of accumulated depreciation) June 30, 2020 and 2019 (in millions)		
	Governmental Activities	
	<u>2020</u>	<u>2019</u>
Land	\$ 29.7	\$ 29.7
Improvements	12.9	9.7
Buildings	760.6	647.4
Projects in progress	13.9	122.9
Equipment and vehicles	<u>20.5</u>	<u>22.7</u>
<b>Total capital assets</b>	<b><u>\$ 837.6</u></b>	<b><u>\$ 832.4</u></b>

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

## Long-term Debt

At June 30, 2020, the District had total bonded debt outstanding of \$625.6 million backed by the full faith and credit of the District.

The District's general obligation bonds decreased by \$48.1 million which is the result of the scheduled current year payments on existing debt.

In June 2020, the District refinanced the Series 2010B bonds with outstanding principal of \$86.7 million. The new bonds were sold competitively with bids received electronically via the internet. This transaction reduces the principal amount of outstanding debt by \$16.7 million, while also lowering the average interest

rate from 5.34% to 0.68%. The resultant savings of over \$26.4 million over the term of the bond are passed directly to the taxpayers of the District.

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

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 \$1,422.3 million and the legal debt margin was \$934.4 million.

Cherry Creek School District No. 5 Long Term Debt June 30, 2020 and 2019 (in millions)		
	Governmental Activities	
	<u>2020</u>	<u>2019</u>
General obligation bonds	\$ 625.6	\$ 673.7
Capital leases	18.1	23.2
Certificates of participation	<u>22.3</u>	<u>22.2</u>
Total	<u>\$ 666.0</u>	<u>\$ 719.1</u>

Additional information on the District's long-term debt can be found in Notes 9 and 10.



## **Economic Factors and Next Year's Budget and Rates**

As discussed in the Letter of Transmittal, Amendment 23, passed by the voters in November 2000, was 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.

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 2009-2010 fiscal year which reduces State per pupil funding.

The State showed strong economic conditions until March 2020 with the COVID-19 pandemic recession effecting State funding. State economic forecasts indicate a 25% decrease in overall State revenues for the 2020-2021 fiscal year resulting in decreased funds available for K-12 education funding.

Based on the State School Finance Act passed in June, the District will receive \$8,001 per pupil which is a decrease of \$463 (5.5%) from the prior year. Student enrollment is projected to remain steady at approximately 55,500 students. The decrease in per pupil funding amounts to a reduction in revenue of \$25.2 million for the District.

A Budget Balancing Task Force helped to establish priorities to guide advancement toward a long-term, balanced budget while maintaining our commitment to excellence for every student in CCSD. Recommendations from that Task Force include limit compensation increases for all employees to a maximum of \$9 million, operate with a stabilized budget going forward, centralized hiring freeze effective January 1, 2020 and hold an election for operating and capital needs.

The recommendations from the Task Force were put into effect by the District prior to the COVID-19 pandemic outbreak. Further responses by the District, post pandemic, include a District-wide salary freeze, implementation of a Health Savings Account health plan to aid in benefit cost stabilization; no cuts to school budgets; non-school department reductions including FTE openings resulting from hiring freeze will not be filled, reduce non-salary budgets 15% and will not have budget carry forward; significant

reductions to consulting services and travel; and furlough days for exempt staff.

Other areas being assessed to provide additional relief to the General Fund include a reduction in Capital Reserve transfer, move nurses to Medicaid Grant, unfilled positions from central office hiring freeze, and teacher ratio increase.

As a result of a PERA Bill passed in 2018, PERA employer rate increases the PERA rate from 20.4% in fiscal year 2019-2020 to 20.90% in fiscal year 2020-2021.

The proposed budget is balanced through a combination of projected revenue and a measured use of General Fund reserves that provides a fiscal plan for fiscal year 2020-2021. Staffing is planned using a 19.00:1 student teacher ratio for instructional staff across elementary and secondary schools. The ratio was changed based on the Budget Task Force recommendation from 18.75:1 to 19.00:1 to help address budget expenditure issues. Teacher and mental health support is provided for affected student populations that experienced unprecedented growth in fiscal year 2019-2020. Specifically ELL populations and Special Education populations grew by 5% in the 2019-2020 school year

The General Fund Budget includes planned use of up to \$29,755,000 in General Fund resources that are included in the beginning fund balance. These resources enable a balanced General Fund budget in fiscal year 2020-2021 through investment in new educational programs that further meet the changing needs of our student populations and maintain the strategic initiatives of Instructional, Workforce and Operational Excellence.

The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) is a \$2.2 trillion economic stimulus bill signed into law in March 2020 in response to the economic fallout of the COVID-19 pandemic in the United States. The CARES Act created the Educational Stabilization Fund to support the nation's K-12 schools and colleges and universities during the COVID-19 national emergency, contributing \$13.2 billion to the Elementary and Secondary School Emergency Relief (ESSER) fund and \$150 billion for the Coronavirus Relief Fund (CRF) to support states with expenses due to the public health emergency with respect to COVID-19.

In May 2020, Governor Polis directed the transfer of \$510 million from the State's CARES Act CRF to the Colorado Department of Education (CDE) to be awarded to school districts on a per pupil basis.

The CRF funds must be used to facilitate compliance with COVID-19 related public health measures and mitigate the second-order effects of the virus. Examples of allowable uses include: modifications to comply with public health orders, including classroom reconfigurations, student health monitoring, transportation, smaller class sizes, and increased social distancing; preparing for school closures and reopening; limiting transmission of the virus including cleaning, sanitizing and ventilating school and administration buildings; protecting the health of students and staff exposed or at risk of exposure to COVID-19, including nursing care, sick leave, temperature monitoring, and school health clinics; meeting the mental health needs of students experiencing challenges as a result of the public health emergency; facilitating distance learning for students and educators, including technological improvements; recovering lost learning time due to COVID-19; increasing instructional hours provided in the Fall 2020 as compared to the Spring 2020.

The District has received approximately \$28.2 million that must be used for expenses incurred prior to December 31, 2020. The District will use the funds for personal protective equipment, testing, cleaning and online curriculum along with the costs associated with professional development related to online learning and staffing costs related to increasing student instructional time provided in fall of 2020 compared to the spring of 2020.

ESSER Fund dollars are appropriated to states based on the 2019-2020 Title I shares, with 90% to be allocated to school districts that received a Title I allocation in the most recent fiscal year and the remaining 10% for a state level reserve fund. The allocations will be calculated using the Title I formula; however, relief funds will not be subject to Title I requirements. In May 2020, CDE received Colorado's share of this funding.

Allocations under ESSER must be used to address the impact COVID-19 has had and continues to have on elementary and secondary schools. In addition to the allowable uses of existing federal programs, examples of allowable uses include: coordination with public health departments; purchasing educational technology; planning for long term closures; training and supplies for sanitation; mental health support; summer school and afterschool programs; funds for principals to address local needs; other activities to continue school operations and employment of existing staff.

The District has received an allocation of approximately \$3.5 million that will be used primarily to pay for activities to continue school operations and employment of existing staff. These funds are available for expenses incurred through June 30, 2021.

The District has also received funds from the National School Lunch Program, School Breakfast Program, and Summer Food Service Program including emergency feeding efforts throughout the coronavirus pandemic. These funds have supplemented the District's food service programs through meal reimbursement.

### **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



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## CHERRY CREEK SCHOOL DISTRICT NO. 5

## ARAPAHOE COUNTY, COLORADO

## STATEMENT OF NET POSITION

June 30, 2020

	Primary	Component
	Government	Unit
	Governmental	Charter
	Activities	Schools
<b>ASSETS</b>		
Current Assets		
Cash and investments	\$ 296,700,777	\$ 9,898,230
Receivables, net		
Property taxes	11,107,659	-
Other governments	3,362,630	-
Other	2,076,259	334,461
Prepayments and deposits	2,723,310	77,136
Inventories	2,405,003	-
Total Current Assets	<u>318,375,638</u>	<u>10,309,827</u>
Capital Assets		
Land	29,659,837	744,711
Improvements	36,778,397	650,456
Buildings	1,219,222,321	11,558,469
Equipment and vehicles	92,752,117	993,590
Projects in progress	13,885,098	6,998,435
Less accumulated depreciation	(554,755,803)	(2,411,064)
Total Capital Assets	<u>837,541,967</u>	<u>18,534,597</u>
Total Assets	<u>1,155,917,605</u>	<u>28,844,424</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows of resources related to pensions	136,360,593	4,259,134
Deferred outflows of resources related to OPEBs	4,465,259	194,134
Deferred outflows on refunding	803,711	63,191
Total Deferred outflows of resources	<u>141,629,563</u>	<u>4,516,459</u>
<b>LIABILITIES</b>		
Current liabilities		
Accounts and other current payables	11,493,664	2,325,370
Accrued interest payable	1,167,316	330,104
Accrued salaries and benefits	36,595,822	206,888
Unearned revenues	41,141,882	490,105
General obligation bonds	45,890,000	165,000
Capital lease obligations	5,244,238	-
Compensated absences payable	5,868,861	-
Total Current liabilities	<u>147,401,783</u>	<u>3,517,467</u>
Noncurrent liabilities		
General obligation bonds	579,732,174	12,878,212
Certificates of participation	22,233,300	-
Capital lease payable	12,831,159	-
Compensated absences payable	42,266,031	-
Net OPEB liability	52,826,631	598,888
Net pension liability	1,074,427,362	12,189,837
Total Noncurrent Liabilities	<u>1,784,316,657</u>	<u>25,666,937</u>
Total Liabilities	<u>1,931,718,440</u>	<u>29,184,404</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows of resources related to OPEBs	9,758,563	110,632
Deferred inflows of resources related to pensions	708,409,831	7,617,317
Total Deferred Inflows of Resources	<u>718,168,394</u>	<u>7,727,949</u>
<b>NET POSITION</b>		
Net investment in capital assets	201,235,170	10,742,046
Restricted for:		
Debt service	71,098,054	3,538,282
Emergency reserve	20,240,000	328,500
Food service	2,056,291	-
Repair and replacement	-	51,939
Unrestricted	(1,646,969,181)	(18,212,237)
Total Net Position	<u>\$ (1,352,339,666)</u>	<u>\$ (3,551,470)</u>

See accompanying notes to basic financial statements.

**CHERRY CREEK SCHOOL DISTRICT NO. 5**

**ARAPAHOE COUNTY, COLORADO**

**STATEMENT OF ACTIVITIES**

For The Year Ended June 30, 2020

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>GOVERNMENTAL ACTIVITIES:</b>				
Instruction	\$ 374,002,933	\$ 13,074,648	\$ 44,723,532	\$ 2,140,415
Indirect instruction				
Pupil services	32,277,306	-	4,069,594	-
Instructional staff services	21,761,577	38,198	3,406,886	-
School administration	22,929,494	-	540,515	-
Support services				
General administration	4,279,964	-	-	-
Business services	4,549,978	22,279	-	-
Operations and maintenance	41,698,453	39,089	1,867,205	-
Pupil transportation	18,021,814	16,228	4,642,221	-
Central services	12,582,139	-	84,085	-
Community services	742,773	67,112	-	-
Pupil activities	10,525,244	10,968,052	-	-
Food service operations	14,274,455	7,375,075	7,676,863	-
Interest on long-term debt, unallocated	12,073,503	-	-	-
Total Governmental activities	<u>569,719,633</u>	<u>31,600,681</u>	<u>67,010,901</u>	<u>2,140,415</u>
 Total Primary government	 <u>\$ 569,719,633</u>	 <u>\$ 31,600,681</u>	 <u>\$ 67,010,901</u>	 <u>\$ 2,140,415</u>
 Component unit - Charter schools	 <u>\$ 13,107,179</u>	 <u>\$ 164,857</u>	 <u>\$ 1,606,627</u>	 <u>\$ 295,856</u>

**GENERAL UNRESTRICTED REVENUES:**

- Taxes:
  - Property taxes
  - Specific ownership taxes
- Investment earnings
- Other revenues
- State equalization aid
- Total General unrestricted revenues

Changes in net position

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 Schools
\$ (314,064,338)	\$ (7,037,651)
(28,207,712)	-
(18,316,493)	-
(22,388,979)	-
(4,279,964)	(3,499,090)
(4,527,699)	-
(39,792,159)	-
(13,363,365)	-
(12,498,054)	-
(675,661)	-
442,808	-
777,483	-
(12,073,503)	(503,098)
<u>(468,967,636)</u>	<u>(11,039,839)</u>
\$ (468,967,636)	-
-	(11,039,839)
328,638,693	2,256,554
23,426,947	-
3,799,981	46,113
3,623,917	75,850
<u>310,509,239</u>	<u>8,622,731</u>
<u>669,998,777</u>	<u>11,001,248</u>
201,031,141	(38,591)
(1,553,370,807)	(3,512,879)
\$ (1,352,339,666)	\$ (3,551,470)

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

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2020**

	<b>General Fund</b>	<b>Debt Service - Bond Redemption Fund</b>	<b>Capital Projects - Building Fund</b>	<b>Special Revenue - Designated Purpose Grants Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>						
Cash and investments	\$ 107,945,686	\$ 70,948,179	\$ 46,452,496	\$ 38,504,631	\$ 32,849,785	\$ 296,700,777
Receivables, net						
Property taxes	8,167,458	2,940,201	-	-	-	11,107,659
Other governments	-	-	-	2,822,857	539,773	3,362,630
Other	1,219,180	37,323	-	7,828	811,928	2,076,259
Interfund receivables	14,095,609	-	-	-	-	14,095,609
Prepayments and deposits	1,248,877	-	-	-	1,474,433	2,723,310
Inventories	1,443,384	-	-	-	961,619	2,405,003
Total Assets	<u>\$ 134,120,194</u>	<u>\$ 73,925,703</u>	<u>\$ 46,452,496</u>	<u>\$ 41,335,316</u>	<u>\$ 36,637,538</u>	<u>\$ 332,471,247</u>
<b>LIABILITIES</b>						
Accounts payable and retainage payable	\$ 6,306,016	\$ -	\$ 3,755,976	\$ 25,237	\$ 1,342,993	\$ 11,430,222
Other payables	63,442	-	-	-	-	63,442
Interfund payables	-	-	13,871,920	-	223,689	14,095,609
Accrued salaries and benefits	34,604,419	-	4,237	1,108,305	878,861	36,595,822
Unearned revenues	-	-	-	40,201,774	940,108	41,141,882
Compensated absences	2,836,365	-	-	-	482,496	3,318,861
Total Liabilities	<u>43,810,242</u>	<u>-</u>	<u>17,632,133</u>	<u>41,335,316</u>	<u>3,868,147</u>	<u>106,645,838</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable property tax revenues	<u>3,535,325</u>	<u>1,660,333</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,195,658</u>
<b>FUND BALANCES</b>						
Nonspendable for:						
Prepayments and deposits	1,248,877	-	-	-	1,474,433	2,723,310
Inventories	1,443,384	-	-	-	961,619	2,405,003
Restricted for:						
Construction	-	-	28,820,363	-	-	28,820,363
Debt service	-	72,265,370	-	-	-	72,265,370
Emergency reserve	18,609,000	-	-	-	1,631,000	20,240,000
Food service operations	-	-	-	-	2,056,291	2,056,291
Committed for:						
Multiple year commitments	537,370	-	-	-	-	537,370
Future year expenditures	29,755,487	-	-	-	-	29,755,487
Extended Child Services Fund activities	-	-	-	-	3,709,671	3,709,671
Pupil Activities Fund activities	-	-	-	-	6,837,634	6,837,634
Assigned for:						
Future year purchases and curriculum	760,843	-	-	-	-	760,843
Budget carryforward for future year expenditures	6,529,419	-	-	-	-	6,529,419
Board reserve	18,609,000	-	-	-	-	18,609,000
Future year transfers	-	-	-	-	671,798	671,798
Capital Reserve Fund activities	-	-	-	-	15,426,945	15,426,945
Unassigned	9,281,247	-	-	-	-	9,281,247
Total Fund balances	<u>86,774,627</u>	<u>72,265,370</u>	<u>28,820,363</u>	<u>-</u>	<u>32,769,391</u>	<u>220,629,751</u>
Total Liabilities, Deferred inflows of resources and Fund balances	<u>\$ 134,120,194</u>	<u>\$ 73,925,703</u>	<u>\$ 46,452,496</u>	<u>\$ 41,335,316</u>	<u>\$ 36,637,538</u>	<u>\$ 332,471,247</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, 2020

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

Total fund balance - governmental funds		\$ 220,629,751
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	\$ 1,392,297,770	
Accumulated depreciation is	<u>(554,755,803)</u>	837,541,967
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.		
		5,195,658
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	625,622,174	
Capital leases payable	18,075,397	
Certificates of participation	22,233,300	
Compensated absences payable	44,816,031	
Net OPEB liability	52,826,631	
Net pension liability	<u>1,074,427,362</u>	(1,838,000,895)
Deferred outflows from refunding debt are not considered current financial resources and not reported in the governmental funds		
		803,711
Deferred outflows related to pensions are applicable to future periods and, therefore, are not reported in the funds.		
		136,360,593
Deferred outflows related to OPEBs are applicable to future periods and, therefore, are not reported in the funds.		
		4,465,259
Deferred inflows related to pensions are applicable to future periods and, therefore, are not reported in the funds.		
		(708,409,831)
Deferred inflows related to OPEBs are applicable to future periods and, therefore, are not reported in the funds.		
		(9,758,563)
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>(1,167,316)</u>
Total Net Position - governmental activities		<u><u>\$ (1,352,339,666)</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, 2020

	<b>General Fund</b>	<b>Debt Service - Bond Redemption Fund</b>	<b>Capital Projects - Building Fund</b>	<b>Special Revenue - Designated Purpose Grants Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>						
Taxes						
Property taxes	\$ 255,622,566	\$ 70,964,674	\$ -	\$ -	\$ -	\$ 326,587,240
Specific ownership taxes	23,426,947	-	-	-	-	23,426,947
Intergovernmental						
Federal - grants	1,482,982	-	-	20,589,601	7,383,662	29,456,245
State equalization aid	310,509,239	-	-	-	-	310,509,239
State transportation	4,642,221	-	-	-	-	4,642,221
Special education	13,997,033	-	-	-	-	13,997,033
State vocational education	1,843,278	-	-	-	-	1,843,278
Other state	14,047,421	-	-	3,557,932	293,201	17,898,554
Earnings on investments	1,724,275	882,100	1,038,761	16,467	138,378	3,799,981
Other						
Tuition	648,467	-	-	-	10,647,401	11,295,868
Fees and fines	1,067,063	-	-	-	-	1,067,063
Pupil activities	-	-	-	-	10,968,052	10,968,052
Donations	-	-	-	2,636,139	160,828	2,796,967
Food services sales	-	-	-	-	7,375,075	7,375,075
Miscellaneous	2,658,889	-	11,000	-	365,669	3,035,558
Total revenues	<u>631,670,381</u>	<u>71,846,774</u>	<u>1,049,761</u>	<u>26,800,139</u>	<u>37,332,266</u>	<u>768,699,321</u>
<b>EXPENDITURES</b>						
Current						
Instruction	422,637,521	-	-	16,815,387	10,234,800	449,687,708
Indirect instructional						
Pupil services	39,649,893	-	-	4,069,594	-	43,719,487
Instructional staff services	21,778,261	-	-	3,406,886	855,699	26,040,846
School administration	31,360,885	-	-	556,982	-	31,917,867
Support services						
General administration	5,570,880	-	-	-	-	5,570,880
Business services	5,017,100	-	-	-	450,080	5,467,180
Operations and maintenance	45,237,943	-	-	1,867,205	-	47,105,148
Pupil transportation	23,214,409	-	-	-	-	23,214,409
Central services	15,591,157	-	-	84,085	-	15,675,242
Community services	506,350	-	-	-	400,709	907,059
Pupil activities	-	-	-	-	10,525,244	10,525,244
Food service operations	-	-	-	-	17,085,905	17,085,905
Non-departmental	641,886	-	-	-	-	641,886
Capital outlay	447,522	-	43,473,699	-	15,772,420	59,693,641
Debt service						
Principal	-	33,665,000	-	-	5,141,078	38,806,078
Interest and fiscal charges	-	25,772,739	-	-	1,201,067	26,973,806
Total expenditures	<u>611,653,807</u>	<u>59,437,739</u>	<u>43,473,699</u>	<u>26,800,139</u>	<u>61,667,002</u>	<u>803,032,386</u>
Excess of revenues over (under) expenditures	<u>20,016,574</u>	<u>12,409,035</u>	<u>(42,423,938)</u>	<u>-</u>	<u>(24,334,736)</u>	<u>(34,333,065)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	-	18,940,000	18,940,000
Transfers out	(18,940,000)	-	-	-	-	(18,940,000)
Premium on bonds	-	16,995,852	-	-	-	16,995,852
Refunding bond issuance	-	70,020,000	-	-	-	70,020,000
Bond refunding escrow agent	-	(86,742,480)	-	-	-	(86,742,480)
Total other financing sources (uses)	<u>(18,940,000)</u>	<u>273,372</u>	<u>-</u>	<u>-</u>	<u>18,940,000</u>	<u>273,372</u>
Net change in fund balances	1,076,574	12,682,407	(42,423,938)	-	(5,394,736)	(34,059,693)
Fund balances, Beginning	<u>85,698,053</u>	<u>59,582,963</u>	<u>71,244,301</u>	<u>-</u>	<u>38,164,127</u>	<u>254,689,444</u>
Fund balances, Ending	<u>\$ 86,774,627</u>	<u>\$ 72,265,370</u>	<u>\$ 28,820,363</u>	<u>\$ -</u>	<u>\$ 32,769,391</u>	<u>\$ 220,629,751</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, 2020

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

Total net change in fund balances - governmental funds	\$	(34,059,693)
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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	\$ 44,124,983	
Depreciation expense	<u>(39,022,575)</u>	5,102,408

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.

5,195,658

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.

(3,144,205)

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.

(4,457,168)

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.

38,806,078

Governmental funds report the issuance of debt, including premiums and discounts, as an other financing source or use. 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.

Refunding bond issuance	\$ (70,020,000)	
Premium on bonds	(16,995,852)	
Payment to bond refunding escrow agent	<u>86,742,480</u>	(273,372)

The premium received on the issuance of bonds and the book loss on refunding of bonds are amortized over the life of the bonds. Current year amortization of the premium on the bonds, net of the amortization on the loss on refunding and the amortization of the discount on the bonds, is reported as a reduction to interest expense on the statement of activities.

14,742,977

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.

157,329

Other pension and OPEB 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, 2019 and not reflected as expenses on the statement of activities. These consist of:

Pension		178,193,122
OPEB		<u>768,007</u>

Total change in net position - governmental activities	\$	<u><u>201,031,141</u></u>
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See accompanying notes to basic financial statements.



CherryCreek  
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Notes to  
Basic  
Financial  
Statements



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CherryCreek  
Schools  
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## Notes to Basic Financial Statements

### Cherry Creek School District No. 5

Arapahoe County, Colorado

June 30, 2020

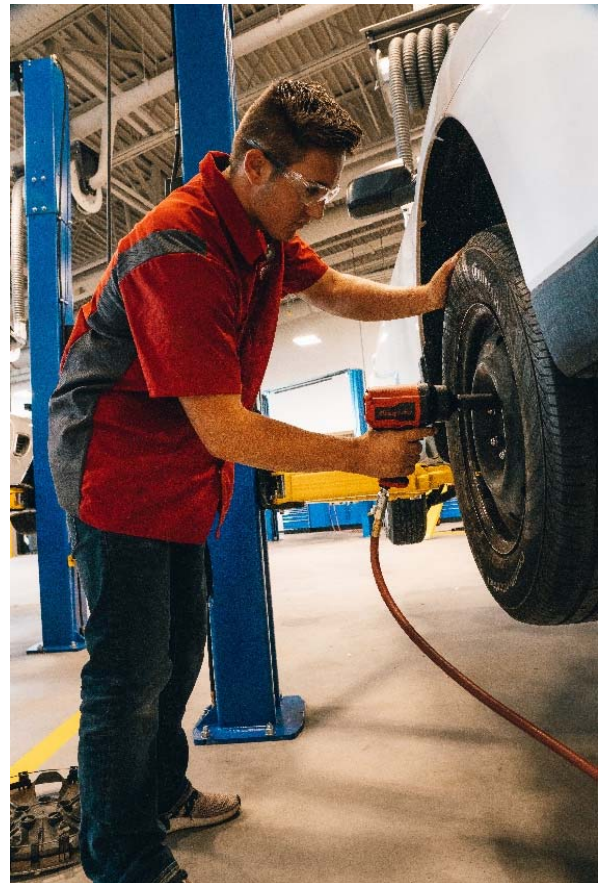
#### 1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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-three elementary schools, eleven middle schools, eight high schools, one K-8 school, three charter schools (discretely presented component units), six alternative school programs, two stadiums, three central administrative facilities, and seven support facilities providing educational services to approximately 55,500 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 units discussed in Note 1(B) have 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 Units- Charter Schools**

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 three Charter Schools in operation, Cherry Creek Academy, Heritage Heights Academy, and Colorado Skies Academy. The Charter Schools are discretely presented component units 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 Cherry Creek Academy in the leasing of its facilities separately from the District. The Colorado Skies Academy also has an affiliated finance corporation that was formed to support and assist the Colorado Skies Academy in the leasing of its facilities separately from the District.

The Charter Schools have issued separate financial statements for the fiscal year ended June 30, 2020. Complete financial statements may be obtained at the school's administrative offices:

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

Heritage Heights Academy, 20050 E Smoky Hill Rd., Centennial, CO 80015

Colorado Skies Academy, 13015 Wings Way, Englewood, CO 80112

**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 units. 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, Capital Projects - Building Fund, and Special Revenue Fund – Designated Purpose Grants 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).

The *Special Revenue – Designated Purpose Grants Fund* accounts for the many restricted grants and contracts that are obtained primarily to provide for specific instructional programs.

**F) Cash and Investments**

In order to facilitate the recording of cash transactions and to maximize earnings, the District has combined the cash resources of certain of its funds and maintains accountability for such funds' equity in 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 amortized cost or 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 2019 but not yet collected in 2020 are identified as property taxes receivable and deferred inflows of resources in the governmental funds balance sheet at June 30, 2020, and are presented in the amount of \$5,195,658. Intergovernmental receivable of \$2,822,857 in the Designated Purpose Grants Fund includes amounts due from grantors for specific program grants. Intergovernmental receivable of \$539,773 in the Food Service Fund includes amounts due from the State of Colorado related to federal food reimbursement programs. 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 \$2,405,003.

**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 \$1,248,877 in the General Fund, \$1,345,797 in the Capital Reserve Fund, \$114,770 in the Food Services Fund, \$2,592 in the Pupil Activities Fund and \$11,274 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 acquisition 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 \$803,711 for governmental activities and \$63,191 for component units.

The District also has 5 other items classified as deferred outflows of resources related to GASB No. 68, No. 71 and No. 75:

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 and 14 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 2020 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, 2020, in the amount of \$5,195,658. 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 governmental 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, 2020.

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, 2020, was \$13,990,683 with a current portion due within one year of \$845,746. 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 three items which are classified as deferred inflows of resources related to GASB No. 68, No. 71 and No. 75:

1. Change in experience;
2. Change in assumptions; and
3. Change in proportionate share of the net pension liability.
4. Change in investment earnings

See Note 13 and 14 for additional information.

**Q) Fund Equity**

As of June 30, 2020, 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. For the year ended June 30, 2020, the District has \$537,370 committed for multiple year commitments relating to employment contracts and \$29,755,487 committed for future year expenditures related to a budgeted deficit offset for the General Fund in fiscal year 2021, as approved by the Board of Education through resolution 20.6.1.

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. Positive unassigned fund balance can only be reported for the General Fund.

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) Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Health Care Trust Fund (HCTF) administered by the Public Employees’ Retirement Association of Colorado (PERA) and additions to/deductions from the HCTF’s fiduciary net position have been determined on the same basis as they are reported by the HCTF. For this purpose, the HCTF recognizes benefit payments when due and payable in accordance with benefit terms. Investments are reported at fair value.



**1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**T) On-Behalf Payments**

GAAP requires that direct on-behalf payments for fringe benefits and salaries made by one entity to a third party recipient for the employees of another, legally separate entity be recognized as revenue and expenditures by the employer government. The State of Colorado makes direct on-behalf payments for retirement benefits to Colorado PERA. Beginning on July 1, 2018, the State of Colorado is required to make a payment to PERA each year equal to \$225 million. PERA allocates the contribution to the trust funds of the State, School, Denver Public Schools, and Judicial Division Trust Funds of PERA, as proportionate to the annual payroll of each division. This annual payment is required on July 1st of each year thereafter until there are no unfunded actuarial accrued liabilities of any division of PERA that receives the direct distribution. The amount of on-behalf payments made for the District by the State of Colorado has been recorded in the fund financial statements.

**2) RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

The governmental funds balance 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**

A reconciliation of the District’s cash and investments as shown on the Statement of Net Position follows:

Cash	\$ 8,124,666
Equity in pooled cash	25,867,394
Cash held by county treasurer	6,177,503
Investments held by the District	186,449,406
Investments held by an escrow agent	70,081,808
<b>Total Cash and Investments</b>	<b>\$ 296,700,777</b>

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, 2020, State regulatory commissioners have indicated that all financial institutions holding deposits for the District are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA.

PDPA allows the institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the deposits.

**Custodial Credit Risk**

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the District will not be able to recover its deposits or will not be able to recover collateral securities that are in possession of an outside party. The District policy is to only place deposits in an eligible

public depository as defined by State regulators with collateral defined by the PDPA.

As of June 30, 2020, the District had bank deposits of \$33,456,243 and a carrying balance of \$33,992,060, the difference is checks issued but not yet cashed. The District had cash of \$6,177,503 held by the county treasurer.

Component Units:

As of June 30, 2020, the charter schools had bank deposits of \$1,026,161 at Cherry Creek Academy, \$404,144 at Heritage Heights Academy, and \$390,279 at Colorado Skies Academy. The charter schools had a carrying balance of \$1,023,310 at Cherry Creek Academy, \$405,246 at Heritage Heights Academy, and \$184,535 at Colorado Skies Academy. At June 30, 2020, State regulatory commissioners have indicated that all financial institutions holding deposits for the charter school are eligible public depositories.

**INVESTMENTS**

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

**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.

Investment Type	Total	% of Total	Rating as of Year End							
			P-1	A1	Aaa	Aa1	AA+	Aa2	Aa3	AAAM
Certificate of Deposit	\$ 1,505,843	0.59%	\$ 1,505,843	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commercial Paper	1,019,718	0.40%	1,019,718	-	-	-	-	-	-	-
Corporate Note	16,093,964	6.27%	-	2,020,920	4,017,764	2,012,666	-	6,025,702	2,016,912	-
Federal Agency	1,402,673	0.55%	-	-	1,402,673	-	-	-	-	-
CSIP LGIP	205,080,641	79.94%	-	-	-	-	-	-	-	205,080,641
CSIP Fixed Term	25,000,000	9.75%	-	-	-	-	25,000,000	-	-	-
US Treasury	6,428,375	2.51%	-	-	6,428,375	-	-	-	-	-
<b>Total</b>	<b>\$ 256,531,214</b>	<b>100.00%</b>	<b>\$ 2,525,561</b>	<b>\$ 2,020,920</b>	<b>\$ 11,848,812</b>	<b>\$ 2,012,666</b>	<b>\$ 25,000,000</b>	<b>\$ 6,025,702</b>	<b>\$ 2,016,912</b>	<b>\$ 205,080,641</b>

**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.



**5) CASH AND INVESTMENTS (Continued)**

**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:

Investment Type		Remaining Maturity (in Months)	
		12 Months Or Less	13 to 24 Months
Certificate of Deposit	\$ 1,505,843	\$ -	\$ 1,505,843
Commercial Paper	1,019,718	-	1,019,718
Corporate Note	16,093,964	-	16,093,964
Federal Agency	1,402,673	-	1,402,673
CSIP LGIP	205,080,641	205,080,641	-
CSIP Fixed Term	25,000,000	-	25,000,000
US Treasury	6,428,375	-	6,428,375
Total	<u>\$ 256,531,214</u>	<u>\$ 205,080,641</u>	<u>\$ 51,450,573</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.

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, 2020:

<u>Investments by fair value levels</u>	<u>Balance</u> <u>June 30, 2020</u>	<u>Amortized</u> <u>Cost</u>	<u>Fair Value</u> <u>Measurement</u> <u>Using Level 2</u>
Certificate of Deposit	\$ 1,505,843	\$ -	\$ 1,505,843
Commercial Paper	1,019,718	-	1,019,718
Corporate Note	16,093,964	-	16,093,964
Federal Agency	1,402,673	-	1,402,673
CSIP LGIP	205,080,641	205,080,641	-
CSIP Fixed Term	25,000,000	25,000,000	-
US Treasury	6,428,375	-	6,428,375
Total	<u>\$ 256,531,214</u>	<u>\$ 230,080,641</u>	<u>\$ 26,450,573</u>

Component Units:

At June 30, 2020, Cherry Creek Academy had invested \$1,879,374, Heritage Heights Academy had \$1,218,295, and Colorado Skies Academy had \$5,187,470 in Colorado Government Liquid Asset Trust Plus (ColoTrust). Investments consist of U.S. Treasury and U.S. Agency securities and repurchase agreements collateralized by U.S. Treasury and U.S. Agency securities. A designated custodial bank provides safekeeping and depository services in

connection with the direct investment and withdrawal functions. Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the entities. ColoTrust is rated AAA by Standard and Poor's. The charter school's investment in ColoTrust as of June 30, 2020 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>	Balance <u>July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2020</u>
<b>Non-depreciable assets:</b>				
Land	\$ 29,659,837	\$ -	\$ -	\$ 29,659,837
Projects in progress	122,892,272	39,101,155	148,108,329	13,885,098
<b>Total non-depreciable assets</b>	<b>152,552,109</b>	<b>39,101,155</b>	<b>148,108,329</b>	<b>43,544,935</b>
<b>Depreciable assets:</b>				
Land improvements	32,687,636	4,090,761	-	36,778,397
Buildings	1,074,298,693	144,923,628	-	1,219,222,321
Equipment & vehicles	88,652,511	4,117,769	18,163	92,752,117
<b>Total depreciable assets</b>	<b>1,195,638,840</b>	<b>153,132,158</b>	<b>18,163</b>	<b>1,348,752,835</b>
<b>Less accumulated depreciation for:</b>				
Land improvements	23,021,587	844,498	-	23,866,085
Buildings	426,839,147	31,729,957	-	458,569,104
Equipment & vehicles	65,890,657	6,448,120	18,163	72,320,614
<b>Total accumulated depreciation</b>	<b>515,751,391</b>	<b>39,022,575</b>	<b>18,163</b>	<b>554,755,803</b>
<b>Total capital assets being depreciated, net</b>	<b>679,887,449</b>	<b>114,109,583</b>	<b>-</b>	<b>793,997,032</b>
<b>Net capital assets</b>	<b>\$ 832,439,558</b>	<b>\$ 153,210,738</b>	<b>\$ 148,108,329</b>	<b>\$ 837,541,967</b>



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

Governmental activities:	
Instruction	\$ 35,457,838
Indirect instruction	1,811,714
General administration	13,269
School administration	29,383
Business services	99,249
Operations and maintenance	471,244
Pupil transportation	538,781
Central services	299,058
Food service operations	287,989
Other support services	14,050
Total depreciation expense - governmental activities	<u>\$ 39,022,575</u>

Component unit activities

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
Governmental activities:				
Land	\$ 744,711	\$ -	\$ -	\$ 744,711
Improvements	359,917	290,539	-	650,456
Projects in progress	-	6,998,435	-	6,998,435
Buildings	11,558,469	-	-	11,558,469
Equipment and Vehicles	729,673	263,917	-	993,590
Accumulated depreciation	<u>(2,087,267)</u>	<u>(323,797)</u>	-	<u>(2,411,064)</u>
Total Capital Assets, net	<u>\$11,305,503</u>	<u>\$ 7,229,094</u>	<u>\$ -</u>	<u>\$ 18,534,597</u>

Construction commitments: The District has active construction projects as of June 30, 2020. The projects include renovation, new construction, and site improvements.



**6) CAPITAL ASSETS (Continued)**

A list of significant commitments as of June 30, 2020, is as follows:

	Commitment	Completed	Remaining
	<u>Total</u>	<u>to Date</u>	<u>Commitment</u>
Fremont Building	\$ 1,566,055	\$ 387,003	\$ 1,179,052
SARC	3,467,264	1,756,915	1,710,349
Mechanical renovations	107,865	86,450	21,415
Maintenance renovations	855,802	236,174	619,628
Athletic renovations	2,087,153	746,990	1,340,163
Student devices	2,995,100	-	2,995,100
			<u>\$ 7,865,707</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 2019 – 2020 fiscal year were as follows:

	Transfers In
	Nonmajor Fund:
	<u>Capital Reserve</u>
<u>Transfers Out</u>	
General Fund	\$ 18,940,000
Total	<u>\$ 18,940,000</u>

Due To/Due From – Amounts owed to one fund or governmental activity by another which are due within one year are reported as due to other funds or governmental 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	\$ 223,689
General Fund	Building Fund	13,871,920
Total		<u>\$ 14,095,609</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, 2020, are estimated to be \$34,604,419 for the General Fund and \$1,108,305 for the Designated Purpose Grants Fund. Additional accrued salaries and benefits earned by non-contracted employees, including other hourly employees, are \$883,098 at June 30, 2020.

**9) COMPENSATED ABSENCES PAYABLE**

As of June 30, 2020, compensated absences payable are as follows:

	<u>Current</u>	<u>Long-term</u>	<u>Total</u>
Governmental activities	\$ 5,870,861	\$ 42,266,031	\$ 48,136,892
Total	<u>\$ 5,870,861</u>	<u>\$ 42,266,031</u>	<u>\$ 48,136,892</u>

The current portion for Governmental Funds of accrued compensated absences have been recorded in the respective funds and as current liabilities in the governmental financial statements in the amount of \$3,318,861. 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, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2020</u>
Governmental funds	\$ 44,342,486	\$ 10,328,029	\$ 6,533,623	\$ 48,136,892

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, 2020, are as follows:

<u>Description, Interest Rates, and Maturity Dates</u>	<u>Balance</u>
School building bonds in the original amount of \$100,000,000 (Series 2004) due in varying installments through December 15, 2023, interest at 2.0% - 5.0%	\$ 13,525,000
Refunding bonds in the original amount of \$48,855,000 (Series 2012) due in varying installments through December 15, 2023, interest at 2.0% - 3.5%	23,335,000
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%	104,320,000
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%	15,250,000
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%	21,095,000
School building bonds in the original amount of \$150,000,000 (Series 2017) due in varying installments through December 15, 2036, interest at 4.0-5.0%	147,625,000
Refunding building bonds in the original amount of \$75,510,000 (Series 2017B) due in varying installments through December 15, 2028, interest at 2.0-5.0%	66,745,000
School building bonds in the original amount of \$100,000,000 (Series 2017C) due in varying installments through December 15, 2037, interest at 4.0-8.0%	98,255,000
Refunding building bonds in the original amount of \$70,020,000 (Series 2020) due in varying installments through December 15, 2029, interest at 5.0%	70,020,000
Total general obligation bonds payable	\$ 560,170,000

Long-term debt maturities for all general obligation bonds outstanding at June 30, 2020, including interest, are as follows:

<u>Fiscal year ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 45,890,000	\$ 22,541,040	\$ 68,431,040
2022	27,835,000	20,853,315	48,688,315
2023	29,015,000	19,719,515	48,734,515
2024	30,270,000	18,638,790	48,908,790
2025	31,020,000	17,368,565	48,388,565
2026-2030	157,790,000	66,639,220	224,429,220
2031-2035	152,080,000	23,483,275	175,563,275
2036-2038	86,270,000	5,484,100	91,754,100
Total	<u>\$ 560,170,000</u>	<u>\$ 194,727,820</u>	<u>\$ 754,897,820</u>

### Certificates of Participation

On December 13, 2017, the District issued \$15,465,000 in certificates of participation for the purchase and renovation of a building known as the Fremont property to be used for the Options program and other District programs.

On February 21, 2019, the District issued \$7,000,000 in certificates of participation for the purchase and renovation of a building known as the Fremont property to be used for the Online High school program and other District programs.

The certificates of participation have interest rates between 1.75% and 3.25%, due in varying installments through December 15, 2038.

The certificates of participation has an interest rate of 3.130%, due in varying installments through December 15, 2031.

Future payments for all certificates of participation outstanding at June 30, 2020 are as follows:

<u>Fiscal year ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ -	\$ 642,191	\$ 642,191
2022	1,230,000	627,703	1,857,703
2023	1,265,000	598,282	1,863,282
2024	1,290,000	567,200	1,857,200
2025	1,330,000	533,655	1,863,655
2026-2030	7,210,000	2,097,751	9,307,751
2031-2035	5,980,000	1,062,214	7,042,214
2036-2039	4,160,000	273,222	4,433,222
Total	<u>\$ 22,465,000</u>	<u>\$ 6,402,217</u>	<u>\$ 28,867,217</u>

**10) LONG-TERM DEBT (Continued)**

**Capital Lease Obligations**

Capital lease obligations at June 30, 2020, are as follows:

<u>Description, Interest Rates, and Maturity Dates</u>	<u>Balance</u>
Bus lease in the original amount of \$4,178,500 (2015) due in varying installments through March 24, 2025, interest at 2.090%	\$ 2,197,749
Bus lease in the original amount of \$3,368,178 (2016) due in varying installments through January 25, 2026, interest at 1.990%	2,100,351
Bus lease in the original amount of \$3,552,683 (2017) due in varying installments through March 3, 2027, interest at 2.296%	2,570,666
Technology lease in the original amount of \$12,000,000 (2017) due in varying installments through July 15, 2021, interest at 1.781%	5,234,174
Bus lease in the original amount of \$7,262,050 (2018) due in varying installments through January 31, 2028, interest at 2.910%	5,972,457
Total capital lease obligations payable	<u>\$ 18,075,397</u>

The total amount of assets acquired with the technology and bus leases noted above amount to \$24,607,299; less \$15,894,026 accumulated depreciation, and is included in the category of equipment and vehicles. For financial reporting purposes, the District

follows the requirements of GAAP; for capital leases, the present value of future minimum lease payments is shown as a liability and related assets are capitalized in the basic financial statements.

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>	
2021	\$ 5,631,954
2022	3,856,064
2023	2,080,174
2024	2,080,174
2025	2,080,174
2026-2028	3,699,044
Total minimum lease payments	19,427,584
Less: amount representing interest	(1,352,187)
Present value of minimum lease payments	<u>\$ 18,075,397</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, 2020, are \$1,422,332,247 and \$934,427,618, respectively. As of June 30, 2020, 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 June 16, 2020 the District refunded \$86.73 million of the 2010B Series general obligation bonds with the proceeds from the issuance of 2020 Series refunding general obligation bonds. Total debt service on the 2020 refunding bonds will be \$89,910,525 through December 15, 2029. This refunding decreases total debt service and will result

in savings to taxpayers of \$26.4 million over the life of the new debt and an economic gain on a net present value basis of \$25.2 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 \$1,482,982 from the United States Treasury for the fiscal year ended June 30, 2020, 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, 2020, the following changes occurred in long-term debt:

	Balance <u>July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	Outstanding <u>June 30, 2020</u>
Governmental Activities:				
General obligation bonds payable	\$ 610,545,000	\$ 70,020,000	\$ 120,395,000	\$ 560,170,000
Unamortized premiums	63,129,062	16,995,852	14,672,740	65,452,174
Total bonds payable	<u>673,674,062</u>	<u>87,015,852</u>	<u>135,067,740</u>	<u>625,622,174</u>
Capital lease	23,216,475	-	5,141,078	18,075,397
Certificates of participation	22,465,000	-	-	22,465,000
Unamortized discounts	(244,224)	-	(12,524)	(231,700)
Compensated absences	44,342,486	10,328,029	6,533,623	48,136,892
Total	<u>\$ 763,453,799</u>	<u>\$ 97,343,881</u>	<u>\$ 146,729,917</u>	<u>\$ 714,067,763</u>

**10) LONG-TERM DEBT (Continued)**

Due within one year:	
Governmental activities:	
General obligation bonds payable	\$ 45,890,000
Capital lease	5,244,238
Compensated absences	5,870,861
	<hr/>
Total	\$ 57,005,099
	<hr/> <hr/>

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

**Component Unit Debt**

Building lease – Cherry Creek Academy

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>
2021	\$ 165,000	\$ 107,888	\$ 272,888
2022	175,000	101,288	276,288
2023	180,000	94,288	274,288
2024	190,000	85,737	275,737
2025	200,000	76,712	276,712
2026-2030	1,415,000	233,700	1,648,700
Totals	<hr/> <u>\$ 2,325,000</u>	<hr/> <u>\$ 699,613</u>	<hr/> <u>\$ 3,024,613</u>

During the year ended June 30, 2020, the following changes occurred in the Cherry Creek Academy's long-term debt:

	Balance			Balance
	<u>July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2020</u>
Building Lease, Series 2012	\$ 2,485,000	\$ -	\$ 160,000	\$ 2,325,000
Lease Discount	(12,997)	-	(1,209)	(11,788)
Total	<u>\$ 2,472,003</u>	<u>\$ -</u>	<u>\$ 158,791</u>	<u>\$ 2,313,212</u>
Due within one year:				
Building Lease				<u>\$ 165,000</u>

Notes Payable – Colorado Skies Academy

The Academy entered into a loan agreement with individuals and entities in the surrounding communities. The notes do not carry any

interest and were paid in full as of June 30, 2020.

Bonds Payable – Colorado Skies Academy

In November 2019, the Public Finance Authority issued \$10,730,000 Charter School Revenue Bonds (Series 2019). Proceeds from the bonds were loaned to the Building Corporation to construct the School's education facilities. The school is obligated to

make monthly lease payments to Corporation for use of the building. The Corporation is required to make equal lease payments to the Trustee, for payment of the bonds. Interest accrued at 7.0% per annum. The bonds mature in July 2025.

Future debt service requirements are as follows:

<u>Fiscal year ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ -	\$ 609,612	\$ 609,612
2022	-	609,612	609,612
2023	100,000	606,112	706,112
2024	105,000	598,937	703,937
2025	115,000	591,237	706,237
2026	10,410,000	293,609	10,703,609
Totals	<u>\$ 10,730,000</u>	<u>\$ 3,309,119</u>	<u>\$ 14,039,119</u>

**10) LONG-TERM DEBT (Continued)**

During the year ended June 30, 2020, the following changes occurred in the Colorado Skies Academy's long-term debt:

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
Note Payable	\$ -	\$ 277,250	\$ 277,250	\$ -
2019 Bonds Payable	-	10,730,000	-	10,730,000
Total	<u>\$ -</u>	<u>\$ 11,007,250</u>	<u>\$ 277,250</u>	<u>\$ 10,730,000</u>
Due within one year:				
Bonds Payable				<u>\$ -</u>

**11) SHORT-TERM DEBT**

During the year ended June 30, 2020, the District borrowed \$28,030,826 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, 2020. The amount borrowed was paid in full by the maturity date June 30, 2020.

**12) OPERATING LEASE**

The District has entered into an operating lease for GPS equipment installed in District transportation vehicles. Payments made during fiscal year 2020 totaled \$81,600.

**13) DEFINED BENEFIT PENSION PLAN**

*Pensions.* The District participates in the School Division Trust Fund (SCHDTF), a cost-sharing multiple-employer defined benefit pension plan 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.

The Colorado General Assembly passed significant pension reform through Senate Bill (SB) 18-200: *Concerning Modifications To the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years*. The bill was signed into law by Governor Hickenlooper on June 4, 2018. SB 18-200 makes changes to certain benefit provisions. Some, but not all, of these changes were in effect as of June 30, 2020.

## **General Information about the Pension Plan**

*Plan description.* Eligible employees of the District are provided with pensions through the SCHDTF—a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

*Benefits provided as of December 31, 2019.* 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% match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

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

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement

benefits earned. If eligible, the member may receive a match of either 50% or 100% 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.

As of December 31, 2019, 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., once certain criteria are met. Pursuant to SB 18-200, the annual increase for 2019 is 0.00% for all benefit recipients. Thereafter, benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007, and all benefit recipients of the DPS benefit structure will receive an annual increase of 1.25 percent unless adjusted by the automatic adjustment provision (AAP) pursuant to C.R.S. § 24-51-413. Benefit recipients under the PERA benefit structure who began eligible employment on or after January 1, 2007, will receive the lesser of an annual increase of 1.25% or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed 10% of PERA's Annual Increase Reserve (AIR) for the SCHDTF. The AAP may raise or lower the aforementioned annual increase by up to 0.25% based on the parameters specified in C.R.S. § 24-51-413.

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 lifetime retirement benefit formula(s) 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.

**13) DEFINED BENEFIT PENSION PLAN (Continued)**

*Contributions provisions as of June 30, 2020:*  
 Eligible employees of the District and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the

SCHDTF are established under C.R.S. § 24-51-401, *et seq.* and § 24-51-413. Eligible employees are required to contribute 8.75% of their PERA-includable salary during the period of July 1, 2019 through June 30, 2020.

The employer contribution requirements are summarized in the table below:

	July 1, 2019 Through June 30, 2020
Employer Contribution Rate <sup>1</sup>	10.40 %
Amount of Employer Contribution Apportioned to the health Care Trust Fund as Specified in C.R.S. § 24-51-208(1)(f) <sup>1</sup>	(1.02)%
Amount Apportioned to the SCHDTF <sup>1</sup>	9.38 %
Amortization Equalization Disbursement (AED) as Specified in C.R.S. § 24-51-411 <sup>1</sup>	4.50 %
Supplemental Amortization Equalization Disbursement (SAED) as Specified in C.R.S. § 24-51-411 <sup>1</sup>	5.50 %
Total Employer Contribution Rate to the SCHDTF <sup>1</sup>	19.38 %

<sup>1</sup> Contribution rates for the SCHDTF are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

As specified in C.R.S. § 24-51-414, the State is required to contribute \$225 million each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the total annual payroll of the SCHDTF, State Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund. A portion of the direct distribution allocated to the SCHDTF is considered a nonemployer contribution for financial reporting purposes.

Subsequent to the SCHDTF's December 31, 2019, measurement date, HB 20-1379 *Suspend Direct Distribution to PERA Public Employees Retirement Association for 2020-*

*21 Fiscal Year*, was passed into law during the 2020 legislative session and signed by Governor Polis on June 29, 2020. This bill suspends the July 1, 2020, \$225 million direct distribution allocated to the State, School, Judicial, and DPS Divisions, as required under Senate Bill 18-200.

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 \$84,337,844 for the year ended June 30, 2020.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources**

The net pension liability for the SCHDTF was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. Standard update procedures were used to roll-forward the total pension liability to December 31, 2019. The District's proportion of the net pension liability was based on the District's contributions to the SCHDTF for the calendar year 2019 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

At June 30, 2020, the District reported a liability of \$1,074,427,362 for its proportionate share of the net pension liability that reflected a reduction for support from the State as a nonemployer contributing entity. The amount recognized by the District as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the District were as follows:

District's Proportionate Share of the Net Pension Liability	\$ 1,074,427,362
State's Proportionate Share of the Net Pension Liability Associated with the District	136,277,445
Total	\$ 1,210,704,807

At December 31, 2019, the District's proportion was 7.1917200005%, which was an increase of 0.0115892902% from its proportion measured as of December 31, 2018.

For the year ended June 30, 2020, the District recognized pension expense of \$134,851,080 and revenue of \$4,310,644 for support from the State as a nonemployer contributing entity. At June 30, 2020, 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	\$ 58,556,998	\$ -
Changes of Assumptions or other Inputs	30,673,261	487,350,070
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	127,276,615
Changes in Proportion and Differences between Contributions Recognized and Proportionate Share of Contributions	3,788,292	93,783,146
Contributions Subsequent to the Measurement Date	43,342,042	-
Total	<u>\$ 136,360,593</u>	<u>\$ 708,409,831</u>

**13) DEFINED BENEFIT PENSION PLAN (Continued)**

\$43,342,042 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Amount
2021	\$ (339,224,184)
2022	(235,570,469)
2023	2,699,108
2024	(43,295,735)
2025	-
Thereafter	-

*Actuarial assumptions.* The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial Cost Method	Entry Age
Price Inflation	2.40%
Real Wage Growth	1.10%
Wage Inflation	3.50%
Salary Increases, Including Wage Inflation	3.50 - 9.70%
Long-Term Investment Rate of Return, Net of Pension Plan	
Investment Expenses, Including Price Inflation	7.25%
Discount rate	7.25%
Future Post Retirement Benefit Increases:	
PERA Benefit Structure Hired Prior to January 1, 2007; and DPS Benefit Structure (Automatic)	1.25% Compounded Annually
PERA Benefit Structure hired after December 31, 2006 (Ad Hoc, Substantively Automatic) <sup>1</sup>	Financed by the Annual Increase Reserve

<sup>1</sup> For 2019, the annual increase was 0.0%.

Healthy mortality assumptions for active members reflect the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

Post-retirement non-disabled mortality assumptions were based on the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

- Males: Mortality improvement projected to 2018 using the MP-2015 projection scale, a 93 percent factor applied to rates for ages less than 80, a 113 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- Females: Mortality improvement projected to 2020 using the MP-2015 projection scale, a 68 percent factor applied to rates for ages less than 80, a 106 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

For disabled retirees, the mortality assumption was based on 90% of the RP-2014 Disabled Retiree Mortality Table.

reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2016.

The actuarial assumptions used in the December 31, 2018, valuation were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting.

Several factors were considered in evaluating the long-term rate of return assumption for the SCHDTF, including long-term historical data, estimates inherent in current market data, and 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.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>30-Year Expected Geometric Real Rate of Return</u>
U.S. Equity - Large Cap	21.20 %	4.30 %
U.S. Equity - Small Cap	7.42	4.80
Non U.S. Equity - Developed	18.55	5.20
Non U.S. Equity - Emerging	5.83	5.40
Core Fixed Income	19.32	1.20
High Yield	1.38	4.30
Non U.S. Fixed Income - Developed	1.84	0.60
Emerging Market Debt	0.46	3.90
Core Real Estate	8.50	4.90
Opportunity Fund	6.00	3.80
Private Equity	8.50	6.60
Cash	1.00	0.20
<b>Total</b>	<u>100%</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 7.25%.

### 13) DEFINED BENEFIT PENSION PLAN (Continued)

*Discount Rate:* The discount rate used to measure the total pension liability was 7.25%. 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 of 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 increase annually at a rate of 3.50%.
  - Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in SB 18-200 and the additional 0.50% resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020. 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 for each year, including the scheduled increase in SB 18-200 and the additional 0.50 percent, resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020. Employer contributions also include the 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 reflect 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.
- As specified in law, the State provides an annual direct distribution of \$225 million, which commenced July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.
  - Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
  - The Annual Increase Reserve (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. AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
  - The projected benefit payments reflect the lowered annual increase cap, from 1.50% to 1.25% resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020.
  - Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the projection test indicates 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 of 7.25% 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 rate, and therefore, the discount rate is 7.25%. 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 7.25%, 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 (6.25%) or 1-percentage-point higher (8.25%) than the current rate

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate Share of the Net Pension Liability	\$ 1,424,920,727	\$ 1,074,427,362	\$ 780,157,642

*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](http://www.copera.org/investments/pera-financial-reports).

**Component Units:**

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the charter schools is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the charter schools were \$1,004,708 for the year ended June 30, 2020.

valuation as of December 31, 2018. Standard update procedures were used to roll forward the total pension liability to December 31, 2019. The charter school's proportion of the net pension liability was based on charter school's contributions to the SCHDTF for the calendar year 2019 relative to the total contributions of participating employers to the SCHDTF.

At June 30, 2020, the charter schools reported a liability of \$12,189,837 for their proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial

At December 31, 2019, the charter schools' proportion was .0815548343%, which was an increase of .014975285% from their proportion measured as of December 31, 2018.

**13) DEFINED BENEFIT PENSION PLAN (Continued)**

For the year ended June 30, 2020, the charter schools recognized pension expense of \$3,038,366. At June 30, 2020, the charter school reported deferred outflows of

resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	\$ 664,354	\$ -
Changes of Assumptions or other Inputs	348,001	5,529,195
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	1,444,008
Changes in Proportion and Differences between Contributions Recognized and Proportionate Share of Contributions	2,715,680	644,114
Contributions Subsequent to the Measurement Date	531,099	-
Total	<u>\$ 4,259,134</u>	<u>\$ 7,617,317</u>

\$531,099 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, 2021. 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>Year Ended June 30,</u>	<u>Amount</u>
2021	\$ (2,209,722)
2022	(1,612,967)
2023	408,616
2024	(475,209)
Total	<u>\$ (3,889,282)</u>

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate Share of the Net Pension Liability	<u>\$ 16,166,334</u>	<u>\$ 12,189,837</u>	<u>\$ 7,751,022</u>

## 14) POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS

### General Information about the OPEB Plan

#### *Plan Description*

Eligible employees of the District are provided with OPEB through the HCTF—a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. Title 24, Article 51, Part 12 of the C.R.S., as amended, sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

#### *Benefits Provided*

The HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member's years of service credit. For members who retire having service credit with employers in the Denver Public Schools (DPS) Division and one or more of the other four Divisions (State, School, Local Government and Judicial), the premium subsidy is allocated between the HCTF and the Denver Public Schools Health Care Trust Fund (DPS HCTF). The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contribution account balance from each division as it relates to the total member

contribution account balance from which the retirement benefit is paid.

C.R.S. § 24-51-1202 et seq. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure and all retirees under the DPS benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare. Upon the death of a DPS benefit structure retiree, no further subsidy is paid.

Enrollment in the PERACare is voluntary and is available to benefit recipients and their eligible dependents, certain surviving spouses, and divorced spouses and guardians, among others. Eligible benefit recipients may enroll into the program upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period.

#### *PERA Benefit Structure*

The maximum service-based premium subsidy is \$230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The basis for the maximum service-based subsidy, in each case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5% reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

**14) POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)**

For benefit recipients who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, C.R.S. § 24-51-1206(4) provides an additional subsidy. According to the statute, PERA cannot charge premiums to benefit recipients without Medicare Part A that are greater than premiums charged to benefit recipients with Part A for the same plan option, coverage level, and service credit. Currently, for each individual PERACare enrollee, the total premium for Medicare coverage is determined assuming plan participants have both Medicare Part A and Part B and the difference in premium cost is paid by the HCTF or the DPS HCTF on behalf of benefit recipients not covered by Medicare Part A.

*Contributions*

Pursuant to Title 24, Article 51, Section 208(1) (f) of the C.R.S., as amended, certain contributions are apportioned to the HCTF. PERA-affiliated employers of the State, School, Local Government, and Judicial Divisions are required to contribute at a rate of 1.02% of PERA-includable salary into the HCTF.

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were \$4,438,834 for the year ended June 30, 2020.

**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

At June 30, 2020 the District reported a liability of \$52,826,631 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2018. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2019. The District's proportion of the net OPEB liability was based on the District's contributions to the HCTF for the calendar year 2019 relative to the total contributions of participating

employers to the HCTF.

At December 31, 2019, the District's proportion was 4.6998865679%, which an increase of 0.0327643523% from its proportion measured as of December 31, 2018.

For the year ended June 30, 2020, the District recognized OPEB expense of \$1,513,152. At June 30, 2020 the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	\$ 175,306	\$ 8,876,817
Changes of Assumptions or other Inputs	438,264	-
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	-	881,746
Changes in Proportion and Differences between Contributions Recognized and Proportionate Share of Contributions	1,570,529	-
Contributions Subsequent to the Measurement Date	2,281,160	-
Total	<u>\$ 4,465,259</u>	<u>\$ 9,758,563</u>

\$2,181,160 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2021	\$(1,481,785)
2022	(1,481,691)
2023	(1,226,393)
2024	(1,646,543)
2025	(1,639,097)
Thereafter	(98,955)

*Actuarial assumptions*

The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial Cost Method	Entry Age
Price Inflation	2.40%
Real Wage Growth	1.10%
Wage Inflation	3.50%
Salary Increases, Including Wage Inflation	3.50 % in the aggregate
Long-Term Investment Rate of Return, Net of OPEB Plan	
Investment Expenses, Including Price Inflation	7.25%
Discount rate	7.25%
Health Care Cost Trend Rates	
Service-based Premium Subsidy	0.00%
PERACare Medicare Plans	5.60% in 2019, gradually decreasing to 4.50% in 2029
Medicare Part A Premiums	3.50% for 2019, gradually increasing to 4.50% in 2029

Calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each actuarial valuation and on the pattern of sharing of costs between employers of each fund to that point.

The actuarial assumptions used in the December 31, 2018, valuation were based on the results of the 2016 experience

analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting. In addition, certain actuarial assumptions pertaining to per capita health care costs and their related trends are analyzed and reviewed by PERA's actuary, as discussed below.

**14) POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)**

In determining the additional liability for PERACare enrollees who are age sixty-five or older and who are not eligible for premium-free Medicare Part A, the following monthly costs/premiums are assumed for 2019 for the PERA Benefit Structure:

<b>Medicare Plan</b>	<b>Cost for Members Without Medicare Part A</b>	<b>Premiums for Members Without Medicare Part A</b>
Medicare Advantage/Self-Insured Prescription	\$ 601	\$ 240
Kaiser Permanente Medicare Advantage HMO	605	237

The 2019 Medicare Part A premium is \$437 per month.

In determining the additional liability for PERACare enrollees in the PERA Benefit Structure who are age sixty-five or older and

who are not eligible for premium-free Medicare Part A, the following chart details the initial expected value of Medicare Part A benefits, age adjusted to age 65 for the year following the valuation date:

<b>Medicare Plan</b>	<b>Cost for Members Without Medicare Part A</b>
Medicare Advantage/Self-Insured Prescription	\$ 562
Kaiser Permanente Medicare Advantage HMO	571

All costs are subject to the health care cost trend rates, as discussed below.

Health care cost trend rates reflect the change in per capita health costs over time due to factors such as medical inflation, utilization, plan design, and technology improvements. For the PERA benefit structure, health care cost trend rates are needed to project the future costs associated with providing benefits to those PERACare enrollees not eligible for premium-free Medicare Part A.

Health care cost trend rates for the PERA

benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2018, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

The PERA benefit structure health care cost trend rates that were used to measure the total OPEB liability are summarized in the table below:

<b>Year</b>	<b>PERACare Medicare Plans</b>	<b>Medicare Part A Premiums</b>
2019	5.60%	3.50%
2020	8.60%	3.50%
2021	7.30%	3.50%
2022	6.00%	3.75%
2023	5.70%	3.75%
2024	5.50%	3.75%
2025	5.30%	4.00%
2026	5.10%	4.00%
2027	4.90%	4.25%
2028	4.70%	4.25%
2029+	4.50%	4.50%

Mortality assumptions for the determination of the total pension liability for each of the Division Trust Funds as shown below are applied, as applicable, in the determination of the total OPEB liability for the HCTF. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

Healthy mortality assumptions for active members were based on the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

Post-retirement non-disabled mortality assumptions for the State and Local Government Divisions were based on the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

- Males: Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73 percent factor applied to rates for ages less than 80, a 108 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

- Females: Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78 percent factor applied to rates for ages less than 80, a 109 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

Post-retirement non-disabled mortality assumptions for the School and Judicial Divisions were based on the RP-2014 White Collar Healthy Annuitant Mortality Table, adjusted as follows:

- Males: Mortality improvement projected to 2018 using the MP-2015 projection scale, a 93 percent factor applied to rates for ages less than 80, a 113 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- Females: Mortality improvement projected to 2020 using the MP-2015 projection scale, a 68 percent factor applied to rates for ages less than 80, a 106 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

For disabled retirees, the mortality assumption was based on 90% of the RP-2014 Disabled Retiree Mortality Table.

**14) POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)**

The following economic and demographic assumptions were updated and used in the measurement of the obligations for the HCTF:

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2019 plan year.
- The morbidity assumptions were updated to reflect the assumed standard aging factors.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA’s Board on October 28, 2016.

Several factors were considered in evaluating the long-term rate of return assumption for the HCTF, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

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

Asset Class	Target Allocation	30-Year Expected Geometric Real Rate of Return
U.S. Equity - Large Cap	21.20 %	4.30 %
U.S. Equity - Small Cap	7.42	4.80
Non U.S. Equity - Developed	18.55	5.20
Non U.S. Equity - Emerging	5.83	5.40
Core Fixed Income	19.32	1.20
High Yield	1.38	4.30
Non U.S. Fixed Income - Developed	1.84	0.60
Emerging Market Debt	0.46	3.90
Core Real Estate	8.50	4.90
Opportunity Fund	6.00	3.80
Private Equity	8.50	6.60
Cash	1.00	0.20
<b>Total</b>	<b>100%</b>	

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 7.25%.

*Sensitivity of the District's proportionate share of the net OPEB liability to changes in the healthcare cost trend rates*

The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare Trend Rate	4.60%	5.60%	6.60%
Ultimate PERACare Medicare Trend Rate	3.50%	4.50%	5.50%
Initial Medicare Part A Trend Rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A Trend Rate	3.50%	4.50%	5.50%
Proportionate Share of the Net OPEB Liability	\$ 51,571,761	\$ 52,826,631	\$ 54,276,734

*Discount Rate*

The discount rate used to measure the total OPEB liability was 7.25%. 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 of cash flows:

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2019, measurement date.
- 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 increase annually at a rate of 3.50%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.

- 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.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the projection test indicates the HCTF's fiduciary net position was projected to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%.

**14) POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)**

*Sensitivity of the District's proportionate share of the net OPEB liability to changes in the discount rate*

The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate Share of the Net OPEB Liability	\$ 59,731,140	\$ 52,826,631	\$ 46,921,835

*OPEB plan fiduciary net position*

Detailed information about the HCTF plan's fiduciary net position is available in the separately issued comprehensive annual financial report issued by PERA. That report can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

**Component Units:**

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the charter schools were \$52,163 for the year ended June 30, 2020.

At June 30, 2020, the charter schools reported a liability of \$598,888 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2018. Standard update procedures were used to roll forward the total OPEB liability to

December 31, 2019. The charter school's proportion of the net OPEB liability was based on the charter school's contributions to the HCTF for the calendar year 2019 relative to the total contributions of participating employers to the HCTF. At December 31, 2019, the charter school's proportion was 0.0531859933%, which was an increase of 0.0100075573% from its proportion measured as of December 31, 2018.

For the year ended June 30, 2020, the charter schools recognized OPEB expense of \$38,069. At June 30, 2020, the charter schools reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	\$ 1,988	\$ 100,636
Changes of Assumptions or other Inputs	4,968	-
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	-	9,996
Changes in Proportion and Differences between Contributions Recognized and Proportionate Share of Contributions	159,590	-
Contributions Subsequent to the Measurement Date	27,588	-
<b>Total</b>	<b>\$ 194,134</b>	<b>\$ 110,632</b>

\$27,588 reported as deferred outflows of resources related to OPEB resulting from charter schools contributions subsequent to the measurement date will be recognized as a reduction in the net OPEB liability in the

year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	Amount
2021	\$ 13,927
2022	13,927
2023	16,820
2024	7,875
2025	3,207
Thereafter	68
Total	<u>\$ 55,824</u>

The following presents the charter school's proportionate share of the net OPEB liability, as well as what the charter school's proportionate share of the net OPEB liability would be if it were calculated using a

discount rate that is 1 percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current discount rate:

	1% Decrease (6.25%)	Current Discount Rate 7.25%	1% Increase (8.25%)
Proportionate Share of the Net OPEB Liability	<u>\$ 677,163</u>	<u>\$ 598,888</u>	<u>\$ 531,945</u>

The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care

cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare Trend Rate	4.60%	5.60%	6.60%
Ultimate PERACare Medicare Trend Rate	3.50%	4.50%	5.50%
Initial Medicare Part A Trend Rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A Trend Rate	3.50%	4.50%	5.50%
Proportionate Share of the Net OPEB Liability	<u>\$ 584,661</u>	<u>\$ 598,888</u>	<u>\$ 615,327</u>

## 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 \$750,000 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 \$6,000,000 annual aggregate. 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, 2020, the amount of workers compensation prepaid was \$1,009,541. Changes in the reported prepaid/liability for the years ended June 30, 2020, and 2019, were as follows:

	<u>2020</u>	<u>2019</u>
Beginning of fiscal year liability	\$ 660,923	\$ -
Current-year claims and changes in estimate	3,113,187	3,585,427
Claim payments	(2,764,569)	(2,924,504)
Balance at fiscal year-end prepaid	<u>\$ 1,009,541</u>	<u>\$ 660,923</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 \$7,865,707 for capital projects at June 30, 2020, of which \$7,865,707 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 other matters will not have a materially adverse effect on the financial position of the District.



**17) CONTINGENCIES (Continued)**

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.

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.

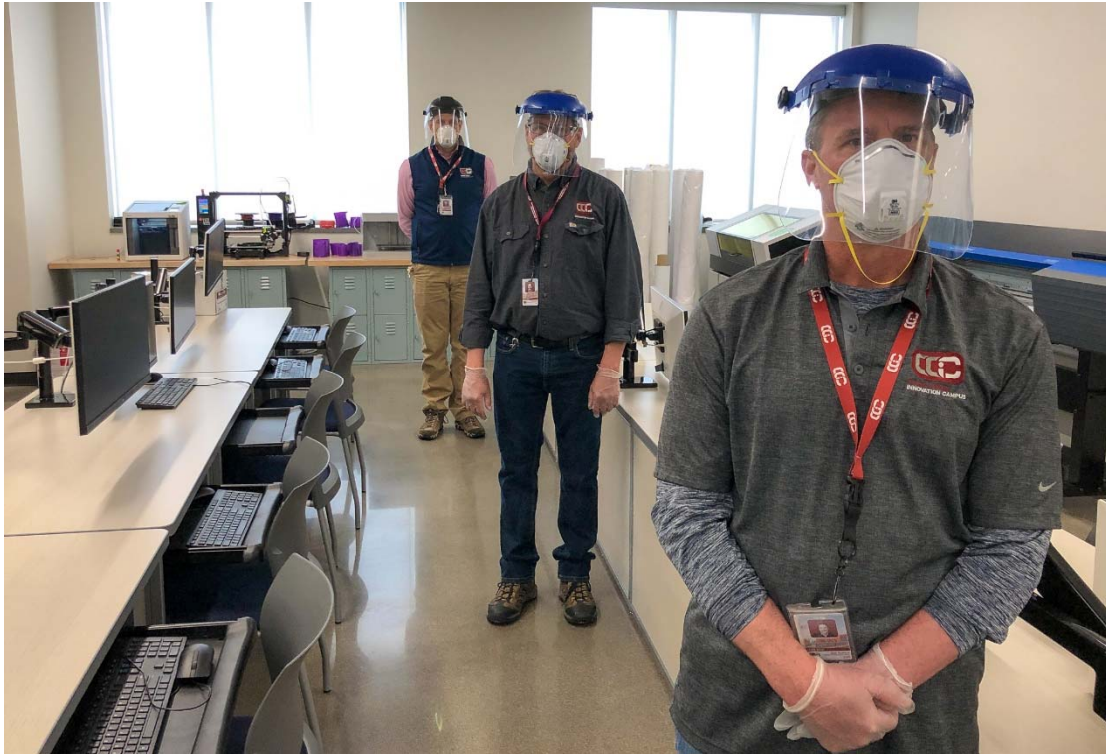
At this time the amendment's further impact on the District is unknown. However, based on the best information and opinions available, the District's management believes it is in compliance with the provisions of the amendment.

As of June 30, 2020, the District has restricted 3 percent of its fiscal year 2019-2020 spending as follows:

Governmental Activities:	
General Fund	\$ 18,609,000
Capital Projects Fund: Capital Reserve Fund	654,000
Special Revenue Funds:	
Extended Child Services Fund	359,000
Food Services Fund	302,000
Pupil Activities Fund	316,000
	<hr/>
Total	<u>\$ 20,240,000</u>

## 18) RELATED PARTY TRANSACTIONS

The District provides administrative and other services to its charter schools, shown as component units. The amount of charges for services, in accordance with governing State statutes, for the fiscal year ended June 30, 2020, was \$702,931.





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Required  
Supplementary  
Information

Defined Benefit  
Pension Plan Schedules,  
Other Post Employment Benefit  
Plan Schedules,  
and  
General Fund and  
Special Revenue - Designated Purpose Grant Fund  
Budget to Actual Schedule



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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>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Plan measurement date	12/31/2013	12/31/2014	12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019
Proportion of the Net Pension Liability	7.829%	7.856%	8.287%	7.951%	8.031%	7.180%	7.192%
Proportionate share of the Net Pension Liability	\$ 998,604	\$ 1,064,745	\$ 1,267,410	\$ 2,367,204	\$ 2,596,852	\$ 1,271,390	\$ 1,074,427
State's Proportionate Share of the Net Pension Liability Associated with the District **	-	-	-	-	-	173,845	136,277
<b>Total</b>	<u>\$ 998,604</u>	<u>\$ 1,064,745</u>	<u>\$ 1,267,410</u>	<u>\$ 2,367,204</u>	<u>\$ 2,596,852</u>	<u>\$ 1,445,235</u>	<u>\$ 1,210,704</u>
District's Covered payroll	\$ 315,627	\$ 328,886	\$ 347,291	\$ 357,027	\$ 372,922	\$ 391,443	\$ 421,541
District's Proportionate share of Net Pension Liability as a percentage of its covered payroll	316.4%	323.7%	364.9%	663.0%	696.4%	324.8%	254.9%
Plan Fiduciary Net Position as a percentage of Total Pension Liability	64.10%	62.80%	59.20%	43.10%	43.96%	57.01%	64.52%

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

\* Information for the prior three years was not available to report

\*\* A direct distribution provision to allocate funds from the State of Colorado budget to Colorado PERA on an annual basis began in July 2018 based on Senate Bill 18-200.

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

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

	Fiscal Year			
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Contractually required contribution	\$ 41,241,902	\$ 43,955,795	\$ 46,977,093	\$ 51,349,225
Contributions in relation to the contractually required contribution	<u>41,241,902</u>	<u>43,955,795</u>	<u>46,977,093</u>	<u>51,349,225</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 310,340,201	\$ 309,832,213	\$ 311,487,289	\$ 321,256,642
Contributions as a percentage of covered payroll	13.29%	14.19%	15.08%	15.98%

Fiscal Year

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$ 57,048,749	\$ 65,062,685	\$ 66,439,413	\$ 71,666,521	\$ 78,396,192	\$ 84,337,844
<u>57,048,749</u>	<u>65,062,685</u>	<u>66,439,413</u>	<u>71,666,521</u>	<u>78,396,192</u>	<u>84,337,844</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 337,867,964	\$ 367,224,349	\$ 361,430,140	\$ 379,540,091	\$ 409,807,588	\$ 435,179,792
16.88%	17.72%	18.38%	18.88%	19.13%	19.38%



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

**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY  
PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO HEALTH CARE TRUST FUND**  
Last Ten Years\*  
(In Thousands of Dollars)

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Plan measurement date	12/31/2016	12/31/2017	12/31/2018	12/31/2019
Proportion (percentage) of the Collective Net OPEB Liability	4.519%	4.563%	4.667%	4.700%
Proportionate share of the Collective Net OPEB Liability (in thousands)	\$ 58,593	\$ 59,301	\$ 63,498	\$ 52,827
Covered payroll	\$ 357,027	\$ 372,922	\$ 391,443	\$ 421,541
Proportionate share of Net OPEB Liability as a percentage of its covered payroll	16.41%	15.90%	16.22%	12.53%
Plan Fiduciary Net Position as a percentage of Total OPEB Liability	16.72%	17.53%	17.03%	24.49%

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

\* Information for the prior six years was not available to report

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

**SCHEDULE OF CONTRIBUTIONS  
PERA COLORADO HEALTH CARE TRUST FUND**

Last Ten Fiscal Years

	Fiscal Year			
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Contractually required contribution	\$ 3,165,470	\$ 3,160,289	\$ 3,177,170	\$ 3,276,818
Contributions in relation to the contractually required contribution	<u>3,165,470</u>	<u>3,160,289</u>	<u>3,177,170</u>	<u>3,276,818</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 310,340,201	\$ 309,832,213	\$ 311,487,289	\$ 321,256,642
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%

Fiscal Year

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$ 3,446,253	\$ 3,745,688	\$ 3,686,587	\$ 3,871,309	\$ 4,180,037	\$ 4,438,834
<u>3,446,253</u>	<u>3,745,688</u>	<u>3,686,587</u>	<u>3,871,309</u>	<u>4,180,037</u>	<u>4,438,834</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 337,867,964	\$ 367,224,349	\$ 361,430,140	\$ 379,540,091	\$ 409,807,588	\$ 435,179,792
1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

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

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

For The Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes				
Property taxes	\$ 254,489,650	\$ 254,658,091	\$ 255,622,566	\$ 964,475
Specific ownership taxes	24,795,620	22,548,600	23,426,947	878,347
Intergovernmental - State				
State equalization aid	309,098,399	310,565,374	310,509,239	(56,135)
Transportation	4,653,000	4,710,000	4,642,221	(67,779)
Special education	13,625,256	13,626,756	13,997,033	370,277
Vocational education	1,898,600	2,057,900	1,843,278	(214,622)
Other state	3,689,758	3,686,034	3,725,712	39,678
Intergovernmental - Federal	1,463,989	1,478,535	1,482,982	4,447
Earnings on investments	730,867	1,281,467	1,724,275	442,808
Other				
Tuition	579,400	827,407	648,467	(178,940)
Fees and fines	1,590,700	1,651,000	1,067,063	(583,937)
Miscellaneous	3,767,050	3,316,550	2,658,889	(657,661)
Total revenues	<u>620,382,289</u>	<u>620,407,714</u>	<u>621,348,672</u>	<u>940,958</u>
<b>EXPENDITURES</b>				
Current				
Instruction	437,368,062	432,578,801	415,010,597	17,568,204
Indirect instructional				
Pupil services	37,643,054	39,138,156	38,929,482	208,674
Instructional staff services	20,716,746	21,675,061	21,434,329	240,732
School administration	30,912,988	31,138,733	30,824,269	314,464
Support services				
General administration	5,027,462	5,503,432	5,493,925	9,507
Business services	4,739,720	5,104,008	4,936,131	167,877
Operations and maintenance	47,908,172	48,487,554	44,882,030	3,605,524
Pupil transportation	23,777,712	23,777,712	22,848,057	929,655
Central services	15,070,982	15,680,694	15,385,000	295,694
Community services	576,381	585,896	498,870	87,026
County treasury fees	590,850	650,850	641,886	8,964
Facilities construction services	437,371	448,603	447,522	1,081
Total expenditures	<u>624,769,500</u>	<u>624,769,500</u>	<u>601,332,098</u>	<u>23,437,402</u>
Excess of revenues over (under) expenditures	(4,387,211)	(4,361,786)	20,016,574	24,378,360
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,560,450	1,403,026	-	(1,403,026)
Transfers out	(18,940,000)	(18,940,000)	(18,940,000)	-
Total other financing sources (uses)	<u>(17,379,550)</u>	<u>(17,536,974)</u>	<u>(18,940,000)</u>	<u>(1,403,026)</u>
Net change in fund balance	(21,766,761)	(21,898,760)	1,076,574	22,975,334
Fund balance, Beginning	57,413,499	85,698,053	85,698,053	-
Fund balance, Ending	<u>\$ 35,646,738</u>	<u>\$ 63,799,293</u>	<u>\$ 86,774,627</u>	<u>\$ 22,975,334</u>
Less effect of on-behalf payments to PERA			(10,321,709)	
Plus effect of on-behalf contributions from PERA			<u>10,321,709</u>	
Fund Balance (GAAP Basis), Ending			<u>\$ 86,774,627</u>	

See accompanying notes to basic financial statements.

**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, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental				
Federal - Grants	\$ 21,730,715	\$ 53,342,961	\$ 20,589,601	\$ (32,753,360)
State - Grants	2,876,841	4,172,219	3,557,932	(614,287)
Interest Earnings	-	-	16,467	16,467
Donations	4,792,444	4,792,444	2,636,139	(2,156,305)
Total revenues	<u>29,400,000</u>	<u>62,307,624</u>	<u>26,800,139</u>	<u>(35,507,485)</u>
<b>EXPENDITURES</b>				
Current				
Instruction	22,095,217	49,507,463	16,815,387	32,692,076
Pupil services	3,135,455	5,135,455	4,069,594	1,065,861
Instructional staff services	3,774,406	4,774,406	3,406,886	1,367,520
School administration	394,922	594,922	556,982	37,940
Central services	-	100,000	84,085	15,915
Operations & Maintenance	-	2,195,378	1,867,205	328,173
Total expenditures	<u>29,400,000</u>	<u>62,307,624</u>	<u>26,800,139</u>	<u>35,507,485</u>
Net change in fund balance	-	-	-	-
Fund balance, Beginning	-	-	-	-
Fund balance, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



CherryCreek  
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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

**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, 2020

	<u>Capital Reserve Fund</u>	<u>Extended Child Services Fund</u>	<u>Food Services Fund</u>	<u>Pupil Activities Fund</u>	<u>Total Nonmajor Governmental Funds</u>
<b>ASSETS</b>					
Cash and investments	\$ 16,609,232	\$ 5,703,671	\$ 3,159,559	\$ 7,377,323	\$ 32,849,785
Receivables, net					
Other governments	-	-	539,773	-	539,773
Other	678,328	132,967	633	-	811,928
Prepayments and deposits	1,345,797	11,274	114,770	2,592	1,474,433
Inventories	-	-	961,619	-	961,619
 Total Assets	<u>\$ 18,633,357</u>	<u>\$ 5,847,912</u>	<u>\$ 4,776,354</u>	<u>\$ 7,379,915</u>	<u>\$ 36,637,538</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities					
Accounts payable	\$ 1,206,615	\$ 3,798	\$ 132,580	\$ -	\$ 1,342,993
Accrued salaries and benefits	-	789,801	89,060	-	878,861
Interfund payables	-	-	-	223,689	223,689
Unearned revenues	-	131,080	809,028	-	940,108
Compensated absences	-	171,490	311,006	-	482,496
 Total Liabilities	<u>1,206,615</u>	<u>1,096,169</u>	<u>1,341,674</u>	<u>223,689</u>	<u>3,868,147</u>
Fund balances					
Nonspendable for:					
Prepayments and deposits	1,345,797	11,274	114,770	2,592	1,474,433
Inventories	-	-	961,619	-	961,619
Restricted for:					
Emergency reserve	654,000	359,000	302,000	316,000	1,631,000
Food service operations	-	-	2,056,291	-	2,056,291
Committed for:					
Extended Child Services Fund activities	-	3,709,671	-	-	3,709,671
Pupil Activities Fund activities	-	-	-	6,837,634	6,837,634
Assigned for:					
Future year transfers	-	671,798	-	-	671,798
Capital Reserve Fund activities	15,426,945	-	-	-	15,426,945
 Total Fund balances	<u>17,426,742</u>	<u>4,751,743</u>	<u>3,434,680</u>	<u>7,156,226</u>	<u>32,769,391</u>
 Total Liabilities and Fund balances	<u>\$ 18,633,357</u>	<u>\$ 5,847,912</u>	<u>\$ 4,776,354</u>	<u>\$ 7,379,915</u>	<u>\$ 36,637,538</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, 2020

	<u>Capital Reserve Fund</u>	<u>Extended Child Services Fund</u>	<u>Food Services Fund</u>	<u>Pupil Activities Fund</u>	<u>Total Nonmajor Governmental Funds</u>
<b>REVENUES</b>					
Intergovernmental					
Federal - grants	\$ -	\$ -	\$ 7,383,662	\$ -	\$ 7,383,662
State - grants	-	-	293,201	-	293,201
Tuition	-	10,647,401	-	-	10,647,401
Earnings on investments	6,894	57,617	61,705	12,162	138,378
Pupil activities	-	-	-	10,968,052	10,968,052
Food services sales	-	-	7,375,075	-	7,375,075
Cash in lieu of land	160,828	-	-	-	160,828
Other	-	169,372	196,297	-	365,669
<b>Total revenues</b>	<u>167,722</u>	<u>10,874,390</u>	<u>15,309,940</u>	<u>10,980,214</u>	<u>37,332,266</u>
<b>EXPENDITURES</b>					
Current					
Instruction	-	10,234,800	-	-	10,234,800
Instructional staff services	-	855,699	-	-	855,699
Business services	-	450,080	-	-	450,080
Community services	-	400,709	-	-	400,709
Pupil activities	-	-	-	10,525,244	10,525,244
Food service operations	-	-	17,085,905	-	17,085,905
Capital outlay	15,438,277	-	334,143	-	15,772,420
Debt service					
Principal	5,141,078	-	-	-	5,141,078
Interest and fiscal charges	1,201,067	-	-	-	1,201,067
<b>Total expenditures</b>	<u>21,780,422</u>	<u>11,941,288</u>	<u>17,420,048</u>	<u>10,525,244</u>	<u>61,667,002</u>
Excess of revenues over (under) expenditures	<u>(21,612,700)</u>	<u>(1,066,898)</u>	<u>(2,110,108)</u>	<u>454,970</u>	<u>(24,334,736)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	18,940,000	-	-	-	18,940,000
<b>Total other financing sources (uses)</b>	<u>18,940,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,940,000</u>
<b>Net change in fund balances</b>	<u>(2,672,700)</u>	<u>(1,066,898)</u>	<u>(2,110,108)</u>	<u>454,970</u>	<u>(5,394,736)</u>
Fund balances, Beginning	<u>20,099,442</u>	<u>5,818,641</u>	<u>5,544,788</u>	<u>6,701,256</u>	<u>38,164,127</u>
Fund balances, Ending	<u>\$ 17,426,742</u>	<u>\$ 4,751,743</u>	<u>\$ 3,434,680</u>	<u>\$ 7,156,226</u>	<u>\$ 32,769,391</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, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes				
Property	\$ 62,363,000	\$ 70,222,403	\$ 70,964,674	\$ 742,271
Earnings on investments	1,035,896	1,035,896	882,100	(153,796)
Total revenues	<u>63,398,896</u>	<u>71,258,299</u>	<u>71,846,774</u>	<u>588,475</u>
<b>EXPENDITURES</b>				
Debt service				
Principal	33,665,000	33,665,000	33,665,000	-
Interest	25,499,171	25,499,171	25,499,171	-
Fiscal charges	15,029	288,401	273,568	14,833
Total expenditures	<u>59,179,200</u>	<u>59,452,572</u>	<u>59,437,739</u>	<u>14,833</u>
Excess of revenues (under) expenditures	4,219,696	11,805,727	12,409,035	603,308
<b>OTHER FINANCING SOURCES (USES)</b>				
Premium on bonds	-	16,995,852	16,995,852	-
Refunding bond proceeds	-	70,020,000	70,020,000	-
Transfer to escrow agent	-	(86,742,480)	(86,742,480)	-
Total other financing sources (uses)	<u>-</u>	<u>273,372</u>	<u>273,372</u>	<u>-</u>
Net change in fund balance	4,219,696	12,079,099	12,682,407	603,308
Fund balance, Beginning	<u>58,939,451</u>	<u>59,582,963</u>	<u>59,582,963</u>	<u>-</u>
Fund balance, Ending	<u>\$ 63,159,147</u>	<u>\$ 71,662,062</u>	<u>\$ 72,265,370</u>	<u>\$ 603,308</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, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Earnings on investments	\$ 885,542	\$ 885,542	\$ 1,038,761	\$ 153,219
Other	-	-	11,000	11,000
Total revenues	<u>885,542</u>	<u>885,542</u>	<u>1,049,761</u>	<u>164,219</u>
<b>EXPENDITURES</b>				
Capital outlay				
Land, building and improvements	52,410,354	48,410,354	33,345,340	15,065,014
Furniture and equipment	17,157,546	17,157,546	6,245,184	10,912,362
Other	-	4,000,000	3,883,175	116,825
Total expenditures	<u>69,567,900</u>	<u>69,567,900</u>	<u>43,473,699</u>	<u>26,094,201</u>
Net change in fund balance	(68,682,358)	(68,682,358)	(42,423,938)	26,258,420
Fund balance, Beginning	<u>74,639,996</u>	<u>71,244,301</u>	<u>71,244,301</u>	-
Fund balance, Ending	<u>\$ 5,957,638</u>	<u>\$ 2,561,943</u>	<u>\$ 28,820,363</u>	<u>\$ 26,258,420</u>

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

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
CAPITAL PROJECTS - CAPITAL RESERVE FUND  
For The Year Ended June 30, 2020**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Earnings on investments	\$ 17,850	\$ 17,850	\$ 6,894	\$ (10,956)
Cash in lieu of land	38,000	38,000	160,828	122,828
Total revenues	<u>55,850</u>	<u>55,850</u>	<u>167,722</u>	<u>111,872</u>
<b>EXPENDITURES</b>				
Capital outlay				
Building and improvements	13,098,401	19,098,401	15,122,200	3,976,201
Furniture and equipment	8,068,072	2,068,072	316,077	1,751,995
Debt service				
Principal	5,141,078	5,141,078	5,141,078	-
Interest and fiscal charges	1,202,449	1,202,449	1,201,067	(1,382)
Total expenditures	<u>27,510,000</u>	<u>27,510,000</u>	<u>21,780,422</u>	<u>5,729,578</u>
Excess of revenues over (under) expenditures	<u>(27,454,150)</u>	<u>(27,454,150)</u>	<u>(21,612,700)</u>	<u>5,841,450</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	<u>18,940,000</u>	<u>18,940,000</u>	<u>18,940,000</u>	<u>-</u>
Total other financing sources	<u>18,940,000</u>	<u>18,940,000</u>	<u>18,940,000</u>	<u>-</u>
Net change in fund balance	(8,514,150)	(8,514,150)	(2,672,700)	5,841,450
Fund balance, Beginning	<u>10,159,365</u>	<u>20,099,442</u>	<u>20,099,442</u>	<u>-</u>
Fund balance, Ending	<u>\$ 1,645,215</u>	<u>\$ 11,585,292</u>	<u>\$ 17,426,742</u>	<u>\$ 5,841,450</u>

**CHERRY CREEK SCHOOL DISTRICT NO. 5**

**ARAPAHOE COUNTY, COLORADO**

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

For The Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Tuition	\$ 15,315,972	\$ 16,245,972	\$ 10,647,401	\$ (5,598,571)
Earnings on investments	-	-	57,617	57,617
Other	34,000	34,000	169,372	135,372
Total revenues	<u>15,349,972</u>	<u>16,279,972</u>	<u>10,874,390</u>	<u>(5,405,582)</u>
<b>EXPENDITURES</b>				
Current				
Instruction	12,066,400	11,746,400	10,234,800	1,511,600
Instructional staff services	273,530	873,530	855,699	17,831
Business services	1,066,548	1,696,548	450,080	1,246,468
Community services	382,822	402,822	400,709	2,113
Total expenditures	<u>13,789,300</u>	<u>14,719,300</u>	<u>11,941,288</u>	<u>2,778,012</u>
Excess of revenues over expenditures	<u>1,560,672</u>	<u>1,560,672</u>	<u>(1,066,898)</u>	<u>(2,627,570)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>(1,560,000)</u>	<u>(1,560,000)</u>	<u>-</u>	<u>1,560,000</u>
Total other financing sources (uses)	<u>(1,560,000)</u>	<u>(1,560,000)</u>	<u>-</u>	<u>1,560,000</u>
Net change in fund balance	672	672	(1,066,898)	(1,067,570)
Fund balance, Beginning	<u>6,645,111</u>	<u>5,818,641</u>	<u>5,818,641</u>	<u>-</u>
Fund balance, Ending	<u>\$ 6,645,783</u>	<u>\$ 5,819,313</u>	<u>\$ 4,751,743</u>	<u>\$ (1,067,570)</u>

**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, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental				
Federal - Grants	\$ 8,325,760	\$ 8,325,760	\$ 7,383,662	\$ (942,098)
State - Grants	352,131	352,131	293,201	(58,930)
Food sales	9,901,790	10,137,715	7,375,075	(2,762,640)
Earnings on Investments	75,000	75,000	61,705	(13,295)
Other	302,719	416,794	196,297	(220,497)
Total revenues	<u>18,957,400</u>	<u>19,307,400</u>	<u>15,309,940</u>	<u>(3,997,460)</u>
<b>EXPENDITURES</b>				
Current				
Food service operations	18,861,600	18,861,600	17,085,905	1,775,695
Capital outlay	61,000	411,000	334,143	76,857
Total expenditures	<u>18,922,600</u>	<u>19,272,600</u>	<u>17,420,048</u>	<u>1,852,552</u>
Excess of revenues over (under) expenditures	<u>34,800</u>	<u>34,800</u>	<u>(2,110,108)</u>	<u>(2,144,908)</u>
Net change in fund balance	34,800	34,800	(2,110,108)	(2,144,908)
Fund balance, Beginning	<u>6,299,490</u>	<u>5,544,788</u>	<u>5,544,788</u>	<u>-</u>
Fund balance, Ending	<u>\$ 6,334,290</u>	<u>\$ 5,579,588</u>	<u>\$ 3,434,680</u>	<u>\$ (2,144,908)</u>

**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, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Earnings on investments	\$ -	\$ -	\$ 12,162	\$ 12,162
Pupil activities	<u>16,782,000</u>	<u>16,782,000</u>	<u>10,968,052</u>	<u>(5,813,948)</u>
Total revenues	<u>16,782,000</u>	<u>16,782,000</u>	<u>10,980,214</u>	<u>(5,801,786)</u>
<b>EXPENDITURES</b>				
Current				
Pupil activities	<u>16,782,000</u>	<u>16,782,000</u>	<u>10,525,244</u>	<u>6,256,756</u>
Total expenditures	<u>16,782,000</u>	<u>16,782,000</u>	<u>10,525,244</u>	<u>6,256,756</u>
Excess of revenues (under) expenditures	-	-	454,970	454,970
Net change in fund balance	-	-	454,970	454,970
Fund balance, Beginning	<u>6,326,997</u>	<u>6,701,256</u>	<u>6,701,256</u>	<u>-</u>
Fund balance, Ending	<u>\$ 6,326,997</u>	<u>\$ 6,701,256</u>	<u>\$ 7,156,226</u>	<u>\$ 454,970</u>



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# Component Units - Charter Schools

The component units consist of three charter schools:

Cherry Creek Academy, Heritage Heights Academy, and Colorado Skies Academy.

The schools have separate governing boards but are dependent upon the District for the majority of their funding.



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

**COMBINING STATEMENTS OF NET POSITION  
COMPONENT UNITS**

June 30, 2020

	<b>Cherry Creek Academy</b>	<b>Heritage Heights Academy</b>	<b>Colorado Skies Academy</b>	<b>Total Component Units</b>
<b>ASSETS</b>				
Cash and investments	\$ 2,902,684	\$ 1,623,541	\$ 5,372,005	\$ 9,898,230
Receivables, net				
Other	70,467	36,266	227,728	334,461
Prepayments and deposits	-	76,240	896	77,136
Capital Assets				
Land	744,711	-	-	744,711
Improvements	283,886	79,525	287,045	650,456
Buildings	11,558,469	-	-	11,558,469
Equipment and vehicles	839,085	8,390	146,115	993,590
Construction in progress	-	-	6,998,435	6,998,435
Less accumulated depreciation	<u>(2,358,754)</u>	<u>(52,310)</u>	<u>-</u>	<u>(2,411,064)</u>
Total Capital assets	<u>11,067,397</u>	<u>35,605</u>	<u>7,431,595</u>	<u>18,534,597</u>
<b>Total Assets</b>	<u>14,040,548</u>	<u>1,771,652</u>	<u>13,032,224</u>	<u>28,844,424</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows of resources related to pensions	1,275,340	1,514,822	1,468,972	4,259,134
Deferred outflows of resources related to OPEBs	52,355	62,772	79,007	194,134
Deferred outflows on refunding	63,191	-	-	63,191
Total Deferred outflows of resources	<u>1,390,886</u>	<u>1,577,594</u>	<u>1,547,979</u>	<u>4,516,459</u>
<b>LIABILITIES</b>				
Liabilities				
Accounts payable	130,467	43,588	2,151,315	2,325,370
Accrued salaries and benefits	206,120	-	768	206,888
Unearned revenues	277,659	166,375	46,071	490,105
General obligations payable	165,000	-	-	165,000
Accrued interest payable	26,971	-	303,133	330,104
Total Current liabilities	<u>806,217</u>	<u>209,963</u>	<u>2,501,287</u>	<u>3,517,467</u>
Noncurrent liabilities				
General obligations payable	2,148,212	-	10,730,000	12,878,212
Net OPEB liability	375,483	149,382	74,023	598,888
Net pension liability	7,634,951	3,039,699	1,515,187	12,189,837
Total Noncurrent liabilities	<u>10,158,646</u>	<u>3,189,081</u>	<u>12,319,210</u>	<u>25,666,937</u>
<b>Total Liabilities</b>	<u>10,964,863</u>	<u>3,399,044</u>	<u>14,820,497</u>	<u>29,184,404</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows of resources related to pensions	5,011,692	1,738,862	866,763	7,617,317
Deferred inflows of resources related to OPEBs	69,362	27,595	13,675	110,632
	<u>5,081,054</u>	<u>1,766,457</u>	<u>880,438</u>	<u>7,727,949</u>
<b>NET POSITION</b>				
Net investment in capital assets	8,817,376	35,605	1,889,065	10,742,046
Restricted for:				
Debt service	368,271	-	3,170,011	3,538,282
Emergency reserve	200,000	90,000	38,500	328,500
Repair and replacement	51,939	-	-	51,939
Unrestricted	<u>(10,052,069)</u>	<u>(1,941,860)</u>	<u>(6,218,308)</u>	<u>(18,212,237)</u>
<b>Total Net position</b>	<u>\$ (614,483)</u>	<u>\$ (1,816,255)</u>	<u>\$ (1,120,732)</u>	<u>\$ (3,551,470)</u>

**CHERRY CREEK SCHOOL DISTRICT NO. 5**

**ARAPAHOE COUNTY, COLORADO**

**COMBINING STATEMENTS OF ACTIVITIES**

**COMPONENT UNITS**

For The Year Ended June 30, 2020

	<u>Cherry Creek Academy</u>	<u>Heritage Heights Academy</u>	<u>Colorado Skies Academy</u>	<u>Total Component Units</u>
<b>REVENUES</b>				
Intergovernmental				
State equalization aid	\$ 4,866,276	\$ 2,767,669	\$ 988,786	\$ 8,622,731
Mill levy funding	1,241,168	712,039	303,347	2,256,554
Grants and contributions not restricted	5,534	-	-	5,534
Earnings on investments	32,847	13,266	-	46,113
Other	16,586	13,033	40,697	70,316
Program revenues				
Charges for services	141,803	23,054	-	164,857
Operating grants and contributions	136,975	139,945	1,329,707	1,606,627
Capital grants and contributions	158,945	91,184	45,727	295,856
Total revenues	<u>6,600,134</u>	<u>3,760,190</u>	<u>2,708,264</u>	<u>13,068,588</u>
<b>EXPENSES</b>				
Current				
Instruction	3,517,224	2,352,002	1,880,808	7,750,034
Supporting services	1,710,717	1,577,863	1,565,467	4,854,047
Debt				
Interest and fiscal charges	120,377	-	382,721	503,098
Total expenses	<u>5,348,318</u>	<u>3,929,865</u>	<u>3,828,996</u>	<u>13,107,179</u>
Change in net position	<u>1,251,816</u>	<u>(169,675)</u>	<u>(1,120,732)</u>	<u>(38,591)</u>
Net position, Beginning	<u>(1,866,299)</u>	<u>(1,646,580)</u>	<u>-</u>	<u>(3,512,879)</u>
Net position, Ending	<u>\$ (614,483)</u>	<u>\$ (1,816,255)</u>	<u>\$ (1,120,732)</u>	<u>\$ (3,551,470)</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, 2020

Fiscal year spending

General Fund	\$ 631,838,277	
Designated-Purpose Grants Fund	55,213,004	
Capital Reserve Fund	(504,564)	
Extended Child Services Fund	10,665,161	
Pupil Activities Fund	10,980,214	
Other Special Revenue Funds	N/A	
Building Fund	N/A	
Bond Redemption Fund	71,382,205	
Food Service Fund	<u>15,138,676</u>	
 Total fiscal year spending		 \$ 794,712,973

Deduct the following expenditures included in totals above:

Expenditures from Gifts/Foundations	2,636,139	
Expenditures from Federal Grants	57,885,577	
Amendment No. 23, November 2000	208,016,856	
Expenditures from Damage Awards	-	
Expenditures from Sale of Property	-	
Repayment of Voter-Approved Debt	71,382,205	
Post 1991 Voter-Approved Referendum	<u>91,400,000</u>	

Total Deductions		<u>431,320,777</u>
------------------	--	--------------------

Total Spending Subject to TABOR for Current Year		<u>363,392,196</u>
--	--	--------------------

Total Spending Subject to TABOR Prior Year		368,207,386
--	--	-------------

% Change in Denver/Boulder Consumer Price Index for Prior Year	2.70	
--	------	--

% Change in Student Enrollment	<u>3.15</u>	
--------------------------------	-------------	--

Total % Change	<u><u>5.85</u></u>	
----------------	--------------------	--

Change in Spending Permitted		<u>21,540,132</u>
------------------------------	--	-------------------

Maximum Spending Subject to TABOR Allowed for Current Year		<u>389,747,518</u>
--	--	--------------------

Spending Over (Under) Allowable Amount		<u><u>\$ (26,355,322)</u></u>
--	--	-------------------------------



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# 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.

**Contents**

	<b>Page</b>
<b>Financial Trends:</b>	
These schedules contain trend information to help the user understand how the District's financial position has changed over time.	
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Schedule 2 Changes in Net Position .....	122-127
Schedule 3 Fund Balances, Governmental Funds .....	128
Schedule 4 Changes in Fund Balances, Governmental Funds .....	130-132
<b>Revenue Capacity:</b>	
These schedules contain information to help the user understand and assess the factors affecting the District's most significant local revenue source, property tax.	
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Schedule 6 Direct and Overlapping Property Tax Rates .....	134
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These schedules offer demographic and economic indicators to help the user understand the socioeconomic environment within which the District's financial activities take place.	
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<b>Operating Information:</b>	
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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>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<b>Governmental activities:</b>				
Net investment in capital assets	\$ 175,535,480	\$ 172,640,583	\$ 178,096,324	\$ 173,658,780
Restricted	56,639,073	60,204,062	59,368,003	60,360,003
Unrestricted	<u>22,929,078</u>	<u>24,837,243</u>	<u>29,717,319</u>	<u>39,769,558</u>
<b>Total governmental activities net position</b>	<b><u>\$ 255,103,631</u></b>	<b><u>\$ 257,681,888</u></b>	<b><u>\$ 267,181,646</u></b>	<b><u>\$ 273,788,341</u></b>
<b>Business-type activities:</b>				
Net investment in capital assets	\$ 1,113,297	\$ 1,293,612	\$ 1,905,120	\$ 2,170,445
Restricted	243,000	274,000	282,000	229,000
Unrestricted	<u>5,977,288</u>	<u>4,849,788</u>	<u>3,455,122</u>	<u>4,827,177</u>
<b>Total business-type activities net position</b>	<b><u>\$ 7,333,585</u></b>	<b><u>\$ 6,417,400</u></b>	<b><u>\$ 5,642,242</u></b>	<b><u>\$ 7,226,622</u></b>
<b>Primary government:</b>				
Net investment in capital assets	\$ 176,648,777	\$ 173,934,195	\$ 180,001,444	\$ 175,829,225
Restricted	56,882,073	60,478,062	59,650,003	60,589,003
Unrestricted	<u>28,906,366</u>	<u>29,687,031</u>	<u>33,172,441</u>	<u>44,596,735</u>
<b>Total primary government net position</b>	<b><u>\$ 262,437,216</u></b>	<b><u>\$ 264,099,288</u></b>	<b><u>\$ 272,823,888</u></b>	<b><u>\$ 281,014,963</u></b>

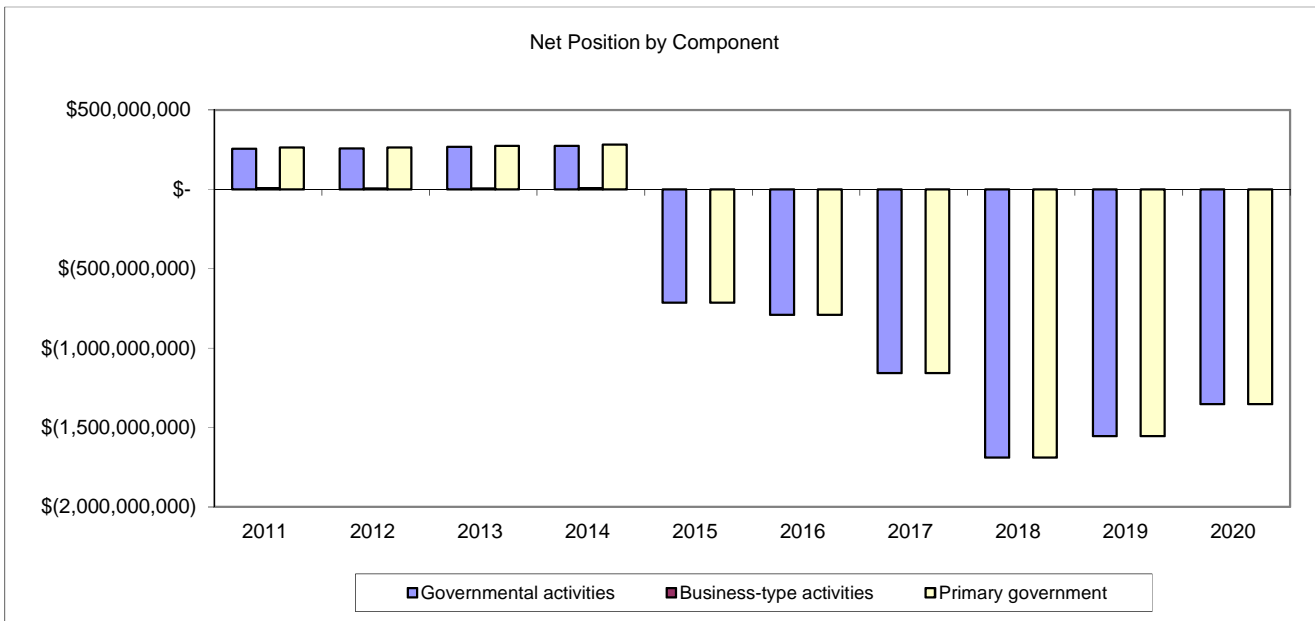
Notes:

(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.

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 170,518,596	\$ 180,082,824	\$ 179,540,163	\$ 175,620,267	\$ 185,281,019	\$ 201,235,170
73,886,697	73,268,418	83,842,108	81,909,083	82,873,232	93,394,345
<u>(959,050,922)</u>	<u>(1,043,493,821)</u>	<u>(1,421,475,863)</u>	<u>(1,946,663,034)</u>	<u>(1,821,525,058)</u>	<u>(1,646,969,181)</u>
<u><u>\$ (714,645,629)</u></u>	<u><u>\$ (790,142,579)</u></u>	<u><u>\$ (1,158,093,592)</u></u>	<u><u>\$ (1,689,133,684)</u></u>	<u><u>\$ (1,553,370,807)</u></u>	<u><u>\$ (1,352,339,666)</u></u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
\$ 170,518,596	\$ 180,082,824	\$ 179,540,163	\$ 175,620,267	\$ 185,281,019	\$ 201,235,170
73,886,697	73,268,418	83,842,108	81,909,083	82,873,232	93,394,345
<u>(959,050,922)</u>	<u>(1,043,493,821)</u>	<u>(1,421,475,863)</u>	<u>(1,946,663,034)</u>	<u>(1,821,525,058)</u>	<u>(1,646,969,181)</u>
<u><u>\$ (714,645,629)</u></u>	<u><u>\$ (790,142,579)</u></u>	<u><u>\$ (1,158,093,592)</u></u>	<u><u>\$ (1,689,133,684)</u></u>	<u><u>\$ (1,553,370,807)</u></u>	<u><u>\$ (1,352,339,666)</u></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>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<b>Expenses:</b>				
Governmental activities:				
Instruction	\$ 344,545,552	\$ 336,630,175	\$ 346,453,219	\$ 365,185,697
Indirect instruction				
Pupil services	28,659,690	28,729,476	29,536,406	31,021,527
Instructional staff services	13,703,092	13,149,405	12,675,181	13,857,314
School administration	22,348,882	21,859,294	21,952,033	23,204,153
Support services				
General administration	2,745,940	3,226,398	3,620,491	4,054,572
Business services	4,177,634	3,773,499	3,947,340	3,901,097
Operations and maintenance	35,131,333	34,177,502	35,008,799	36,209,203
Pupil transportation	19,458,476	19,693,624	20,458,952	20,472,241
Central services	10,191,118	11,533,499	12,766,547	13,600,777
Community services	1,195,266	1,202,570	872,855	786,233
Pupil activities	10,665,631	10,807,898	11,751,012	12,391,480
Food services operations	-	-	-	-
Non-departmental	-	-	-	-
Assets conveyed to other governments	2,781,306	-	-	-
Interest on long-term debt	23,104,156	24,622,384	17,009,979	21,314,671
Total governmental activities expenses	<u>518,708,076</u>	<u>509,405,724</u>	<u>516,052,814</u>	<u>545,998,965</u>
Business-type activities:				
Food services operations	<u>15,252,619</u>	<u>16,270,439</u>	<u>16,944,341</u>	<u>15,355,789</u>
Total business-type activities expenses	<u>15,252,619</u>	<u>16,270,439</u>	<u>16,944,341</u>	<u>15,355,789</u>
Total primary government expenses	<u>\$ 533,960,695</u>	<u>\$ 525,676,163</u>	<u>\$ 532,997,155</u>	<u>\$ 561,354,754</u>

Notes:

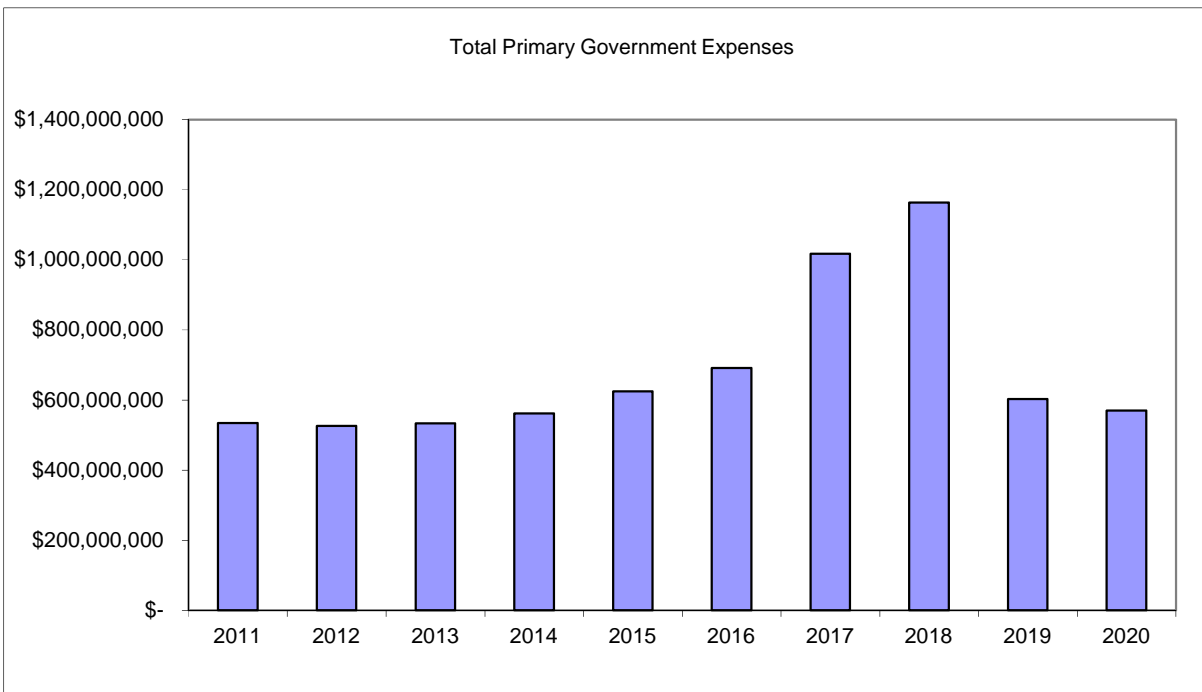
(1) Includes all funds. (GAAP Basis)

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

(3) The District funded capital improvements at the Cherry Creek Academy Charter School (a discretely presented component unit) completed in fiscal years 2011 and 2017. The contributions from the District is reflected as assets conveyed to other governments.

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

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 414,304,861	\$ 467,537,058	\$ 703,392,749	\$ 804,844,158	\$ 387,772,766	\$ 374,002,933
32,854,486	37,073,844	58,480,293	66,931,375	31,611,834	32,277,306
20,795,098	20,337,348	32,782,286	33,959,258	23,490,363	21,761,577
26,139,197	30,022,059	46,476,214	50,968,590	23,805,791	22,929,494
4,493,078	4,861,700	7,420,407	8,746,332	4,089,304	4,279,964
4,398,011	4,897,793	7,685,836	7,914,755	4,309,307	4,549,978
37,381,807	40,831,590	49,650,329	52,849,553	41,450,783	41,698,453
22,109,735	20,122,305	34,052,376	39,853,661	19,618,143	18,021,814
12,764,162	15,026,745	19,540,005	31,702,337	11,606,476	12,582,139
714,396	842,782	1,409,488	1,542,553	880,782	742,773
12,352,432	12,240,209	13,049,338	12,436,368	12,509,696	10,525,244
16,856,380	18,536,204	22,808,464	25,907,388	17,024,052	14,274,455
-	-	-	-	-	-
-	-	764,413	-	-	-
19,611,220	18,494,821	19,775,884	25,274,579	24,447,812	12,073,503
<u>624,774,863</u>	<u>690,824,458</u>	<u>1,017,288,082</u>	<u>1,162,930,907</u>	<u>602,617,109</u>	<u>569,719,633</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 624,774,863</u>	<u>\$ 690,824,458</u>	<u>\$ 1,017,288,082</u>	<u>\$ 1,162,930,907</u>	<u>\$ 602,617,109</u>	<u>\$ 569,719,633</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>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services:				
Instruction	\$ 17,306,277	\$ 17,887,323	\$ 17,907,531	\$ 18,256,500
Pupil activities	10,744,849	11,002,470	11,554,515	12,528,299
Food services operations	-	-	-	-
Other activities	1,466,473	1,334,298	1,058,037	550,790
Operating grants and contributions	50,919,702	35,338,499	34,657,536	37,404,200
Capital grants and contributions	866,172	1,212,331	460,861	1,055,175
Total governmental activities program revenues	<u>81,303,473</u>	<u>66,774,921</u>	<u>65,638,480</u>	<u>69,794,964</u>
Business-type activities:				
Charges for services:				
Food services operations	8,266,385	7,975,985	8,105,311	8,033,410
Operating grants and contributions	7,390,992	7,376,254	7,781,614	7,967,900
Total business-type activities program revenues	<u>15,657,377</u>	<u>15,352,239</u>	<u>15,886,925</u>	<u>16,001,310</u>
Total primary government program revenues	<u>\$ 96,960,850</u>	<u>\$ 82,127,160</u>	<u>\$ 81,525,405</u>	<u>\$ 85,796,274</u>
<b>Net (Expense)/Revenue</b>				
Governmental activities	\$ (437,404,603)	\$ (442,630,803)	\$ (450,414,334)	\$ (476,204,001)
Business-type activities	404,758	(918,200)	(1,057,416)	645,521
Total primary government net expense	<u>\$ (436,999,845)</u>	<u>\$ (443,549,003)</u>	<u>\$ (451,471,750)</u>	<u>\$ (475,558,480)</u>

Notes:

(1) Includes all funds. (GAAP Basis)

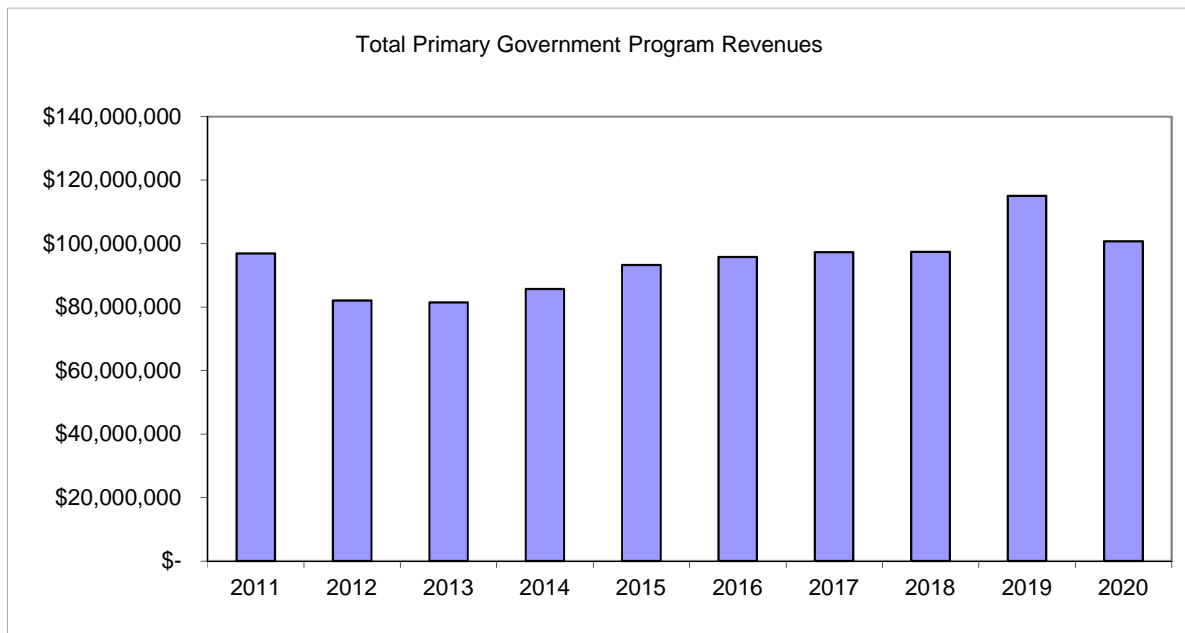
(2) Beginning with fiscal year 2015, the Food Services Fund is reported within governmental activities.

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

(4) Beginning with fiscal year 2019, the State is required to give an annual direct distribution to PERA which is recognized as an on-behalf payment in operating grants and contributions.

Schedule 2 (continued)

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 19,071,710	\$ 20,493,121	\$ 20,386,624	\$ 20,906,239	\$ 21,593,931	\$ 13,074,648
12,529,479	12,541,753	13,216,520	12,944,412	12,869,793	10,968,052
8,833,988	9,446,817	9,578,059	8,956,515	9,503,290	7,375,075
1,598,637	1,710,744	1,314,197	1,844,121	1,913,606	182,906
50,530,484	51,030,628	52,016,053	52,023,527	67,902,192	67,010,901
789,202	648,635	848,692	768,013	1,284,983	2,140,415
<u>93,353,500</u>	<u>95,871,698</u>	<u>97,360,145</u>	<u>97,442,827</u>	<u>115,067,795</u>	<u>100,751,997</u>
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 93,353,500</u>	<u>\$ 95,871,698</u>	<u>\$ 97,360,145</u>	<u>\$ 97,442,827</u>	<u>\$ 115,067,795</u>	<u>\$ 100,751,997</u>
\$ (531,421,363)	\$ (594,952,760)	\$ (919,927,937)	\$ (1,065,488,080)	\$ (487,549,314)	\$ (468,967,636)
-	-	-	-	-	-
<u>\$ (531,421,363)</u>	<u>\$ (594,952,760)</u>	<u>\$ (919,927,937)</u>	<u>\$ (1,065,488,080)</u>	<u>\$ (487,549,314)</u>	<u>\$ (468,967,636)</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>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental activities:				
Taxes:				
Property taxes	\$ 229,323,293	\$ 229,771,527	\$ 244,443,241	\$ 250,991,310
Specific ownership taxes	14,449,208	14,509,101	16,057,777	17,605,225
Investment earnings	751,113	440,924	633,081	825,024
Other revenues	2,960,316	3,179,402	2,695,837	2,690,670
State equalization aid	186,263,975	197,308,106	201,778,792	211,633,340
Sale of assets	-	-	-	-
Transfers	(103,451)	-	(275,560)	(934,873)
Total governmental activities	<u>433,644,454</u>	<u>445,209,060</u>	<u>465,333,168</u>	<u>482,810,696</u>
Business-type activities:				
Investment earnings	1,025	2,015	6,698	3,986
Transfers	103,451	-	275,560	934,873
Total business-type activities	<u>104,476</u>	<u>2,015</u>	<u>282,258</u>	<u>938,859</u>
Total primary government	<u>\$ 433,748,930</u>	<u>\$ 445,211,075</u>	<u>\$ 465,615,426</u>	<u>\$ 483,749,555</u>
<b>Change in Net Position</b>				
Governmental activities	\$ (3,760,149)	\$ 2,578,257	\$ 14,918,834	\$ 6,606,695
Business-type activities	<u>509,234</u>	<u>(916,185)</u>	<u>(775,158)</u>	<u>1,584,380</u>
Total primary government	<u>\$ (3,250,915)</u>	<u>\$ 1,662,072</u>	<u>\$ 14,143,676</u>	<u>\$ 8,191,075</u>

Notes:

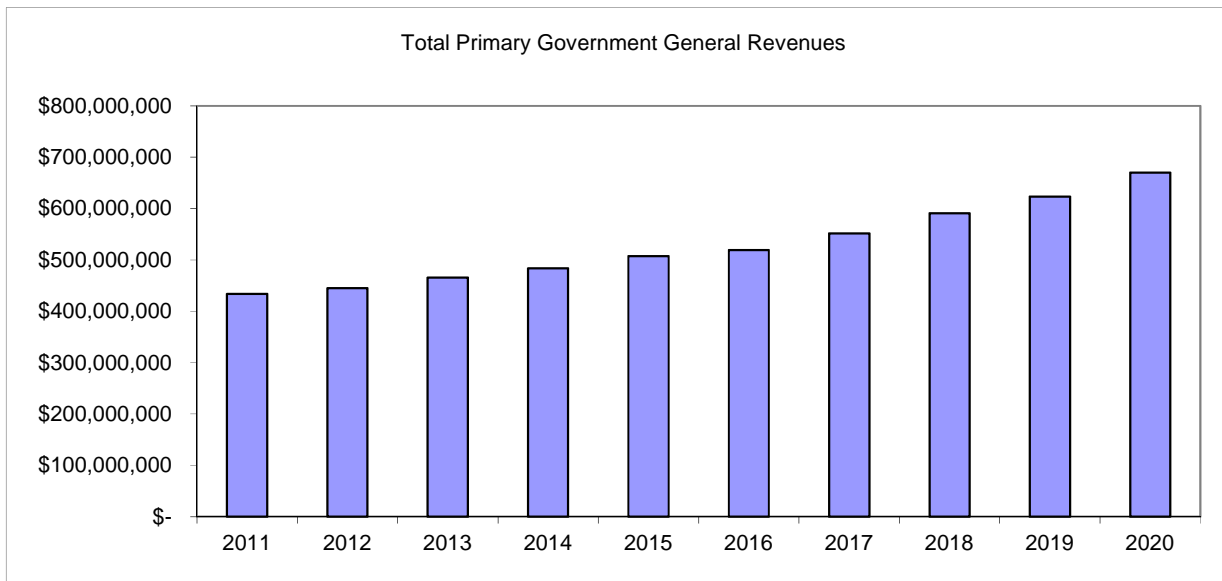
(1) Includes all funds. (GAAP Basis)

(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 2 (continued)

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 252,956,067	\$ 251,422,063	\$ 275,982,491	\$ 297,242,905	\$ 304,510,324	\$ 328,638,693
19,097,032	19,635,073	21,153,791	23,957,474	22,548,623	23,426,947
330,635	346,212	1,236,883	3,183,624	6,706,746	3,799,981
2,167,466	2,838,653	3,285,983	3,569,362	3,404,462	3,623,917
232,119,104	245,160,665	250,235,290	263,158,611	285,450,978	310,509,239
642,594	53,144	82,486	42,028	691,056	-
-	-	-	-	-	-
<u>507,312,898</u>	<u>519,455,810</u>	<u>551,976,924</u>	<u>591,154,004</u>	<u>623,312,189</u>	<u>669,998,777</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 507,312,898</u>	<u>\$ 519,455,810</u>	<u>\$ 551,976,924</u>	<u>\$ 591,154,004</u>	<u>\$ 623,312,189</u>	<u>\$ 669,998,777</u>
\$ (24,108,465)	\$ (75,496,950)	\$ (367,951,013)	\$ (474,334,076)	\$ 135,762,875	\$ 201,031,141
-	-	-	-	-	-
<u>\$ (24,108,465)</u>	<u>\$ (75,496,950)</u>	<u>\$ (367,951,013)</u>	<u>\$ (474,334,076)</u>	<u>\$ 135,762,875</u>	<u>\$ 201,031,141</u>



**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>
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
2017	2,659,365	15,302,000	-	6,375,259	55,915,851	80,252,475
2018	1,758,649	16,388,000	3,500,576	22,636,473	43,680,217	87,963,915
2019	4,941,052	17,591,000	23,972,070	25,065,465	14,128,466	85,698,053
2020	2,692,261	18,609,000	30,292,857	25,899,262	9,281,247	86,774,627

**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>
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
2017	1,205,360	214,413,000	9,400,594	9,872,619	-	234,891,573
2018	1,885,055	220,548,713	9,943,510	18,023,581	-	250,400,859
2019	2,293,234	137,851,178	9,204,177	19,642,802	-	168,991,391
2020	2,436,052	104,773,024	10,547,305	16,098,743	-	133,855,124

**Notes:**

(1) Other governmental funds from fiscal year 2011 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			
	2011	2012	2013	2014
<b>Revenues</b>				
Local sources				
Property taxes	\$ 230,897,870	\$ 228,223,103	\$ 244,241,017	\$ 253,798,699
Specific ownership taxes	14,449,208	14,509,101	16,057,777	17,605,225
Tuition	15,591,988	16,142,958	16,401,196	16,929,390
Earnings on investments	751,113	440,924	633,081	825,024
Pupil activities	10,744,849	11,002,470	11,554,515	12,528,299
Food service operations	-	-	-	-
Other	6,540,245	6,683,263	6,101,978	5,500,336
State sources				
Equalization aid	186,263,975	197,308,106	201,778,792	211,633,340
Vocational education	1,927,762	1,999,301	1,770,487	1,242,237
Education of handicapped	8,260,881	8,756,893	8,876,181	10,733,620
Transportation	3,986,143	3,893,457	3,976,050	4,402,117
Other	1,414,238	1,254,837	1,179,010	1,870,763
Federal sources	35,797,683	20,221,144	18,474,903	19,278,707
Total revenues	<u>516,625,955</u>	<u>510,435,557</u>	<u>531,044,987</u>	<u>556,347,757</u>
<b>Expenditures</b>				
Instruction	311,451,823	310,493,043	317,066,517	330,808,321
Pupil services	28,261,343	28,749,259	29,402,945	30,796,440
Instructional staff services	13,056,852	13,171,119	12,535,219	14,114,213
School administration	22,241,396	21,789,567	22,010,548	23,052,768
General administration	2,704,992	3,175,239	3,586,078	3,813,769
Business services	3,843,164	3,633,546	3,697,875	3,748,118
Operations & maintenance	33,299,583	32,933,622	33,742,097	34,781,310
Pupil transportation	16,586,304	18,380,112	19,179,400	19,611,022
Central supporting services	10,178,782	11,355,195	12,180,195	13,123,683
Non-departmental	1,582,783	1,566,324	1,275,301	1,238,377
Pupil activities	10,665,631	10,807,898	11,751,012	12,391,480
Food service operations	-	-	-	-
Capital outlay	80,911,468	25,393,161	26,531,263	70,697,204
Debt service				
Interest	23,974,385	31,340,000	21,770,399	22,357,261
Principal	29,050,000	21,821,250	28,940,000	29,627,902
Total expenditures	<u>587,808,506</u>	<u>534,609,335</u>	<u>543,668,849</u>	<u>610,161,868</u>
Excess of revenues over (under) expenditures	(71,182,551)	(24,173,778)	(12,623,862)	(53,814,111)
<b>Other Financing Sources (Uses):</b>				
Transfers in	14,540,447	5,163,573	9,270,877	7,717,284
Transfers out	(14,643,898)	(5,163,573)	(9,546,437)	(8,652,157)
General obligation bonds issued	-	48,855,000	125,000,000	31,215,000
Certificates of participation issuance	-	-	-	-
Bond premium	-	4,870,000	4,411,897	4,319,741
Discount on certificates of participation	-	-	-	-
Refunding bonds issued	-	-	-	-
Bond refunding escrow agent	-	(53,567,932)	-	(35,345,000)
Capital lease proceeds	-	-	-	9,923,605
Sale of assets	-	-	-	-
Total other financing sources (uses)	<u>(103,451)</u>	<u>157,068</u>	<u>129,136,337</u>	<u>9,178,473</u>
Net change in fund balances	<u>\$ (71,286,002)</u>	<u>\$ (24,016,710)</u>	<u>\$ 116,512,475</u>	<u>\$ (44,635,638)</u>
Debt service as a percentage of noncapital expenditures	10.1%	10.3%	9.7%	9.5%

Schedule 4

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 248,177,323	\$ 256,605,009	\$ 277,344,251	\$ 297,808,137	\$ 304,672,455	\$ 326,587,240
19,097,032	19,635,073	21,153,791	23,957,474	22,548,623	23,426,947
17,816,277	18,521,156	18,624,812	19,340,147	19,953,169	11,295,868
330,635	346,212	1,236,883	3,183,624	6,706,746	3,799,981
12,529,479	12,541,753	13,216,520	12,944,412	12,869,793	10,968,052
8,833,988	9,446,817	9,578,059	8,956,515	9,503,290	7,375,075
8,064,853	7,599,774	7,834,210	8,418,257	8,628,105	6,899,588
232,119,104	245,160,665	250,235,290	263,158,611	285,450,978	310,509,239
1,944,188	2,043,704	2,431,091	1,802,713	2,003,771	1,843,278
10,674,340	11,071,983	11,151,827	11,592,726	11,978,290	13,997,033
4,444,837	4,684,076	4,492,509	4,418,001	4,586,204	4,642,221
4,735,947	4,999,123	5,360,279	6,268,014	20,142,636	17,898,554
26,476,985	27,801,765	27,956,821	27,271,404	28,807,001	29,456,245
595,244,988	620,457,110	650,616,343	689,120,035	737,851,061	768,699,321
349,682,286	366,199,694	374,748,063	394,019,983	431,880,802	449,687,708
30,254,589	31,767,642	33,562,591	34,941,677	39,996,241	43,719,487
19,204,994	19,642,608	22,446,007	21,506,846	25,070,708	26,040,846
24,455,161	25,900,069	26,422,832	27,384,920	29,802,165	31,917,867
4,184,892	4,340,758	4,475,734	5,102,034	4,961,101	5,570,880
3,920,947	4,143,531	4,323,638	4,288,608	5,154,590	5,467,180
35,301,454	37,484,456	37,361,730	37,827,687	44,627,315	47,105,148
20,228,156	20,356,802	19,914,808	21,902,643	22,968,443	23,214,409
12,381,765	13,321,003	12,348,282	22,598,036	13,947,248	15,675,242
1,116,255	1,207,504	1,384,536	1,436,898	1,624,734	1,548,945
12,352,432	12,240,209	13,049,338	12,436,368	12,509,696	10,525,244
16,051,226	17,107,553	17,077,316	17,777,932	18,631,588	17,085,905
51,721,532	31,868,670	44,522,303	150,628,523	113,312,188	59,693,641
20,394,811	19,106,212	38,710,794	27,271,087	36,602,115	26,973,806
32,551,624	35,938,282	21,346,551	30,787,471	28,128,513	38,806,078
633,802,124	640,624,993	671,694,523	809,910,713	829,217,447	803,032,386
(38,557,136)	(20,167,883)	(21,078,180)	(120,790,678)	(91,366,386)	(34,333,065)
12,660,230	19,178,703	12,063,214	16,134,818	24,479,539	18,940,000
(12,660,230)	(19,178,703)	(12,063,214)	(16,134,818)	(24,479,539)	(18,940,000)
-	-	150,000,000	100,000,000	-	-
-	-	-	15,465,000	7,000,000	-
7,077,043	4,809,202	18,854,635	29,178,061	-	16,995,852
-	-	-	(263,010)	-	-
37,585,000	46,855,000	-	75,510,000	-	70,020,000
(44,431,763)	(52,452,915)	-	(83,182,725)	-	(86,742,480)
5,873,383	3,368,378	15,552,683	7,262,050	-	-
642,594	53,144	82,486	42,028	691,056	-
6,746,257	2,632,809	184,489,804	144,011,404	7,691,056	273,372
\$ (31,810,879)	\$ (17,535,074)	\$ 163,411,624	\$ 23,220,726	\$ (83,675,330)	\$ (34,059,693)
9.0%	8.9%	9.5%	8.5%	8.8%	10.1%

**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**

**Schedule 5**

*(in thousands of dollars)*

<u>Fiscal Year Ended June 30,</u>	<u>Residential Property</u>	<u>Commercial Property</u>	<u>Other Property</u>	<u>Less: Tax-Exempt Property</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Taxable Value</u>	<u>Assessed Value as a Percentage of Actual Value</u>
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%
2017	2,767,089	2,233,480	1,036,653	732,410	5,304,812	53.2320	42,337,369	12.53%
2018	3,094,044	2,689,938	1,084,409	758,806	6,109,585	49.6870	53,370,942	11.45%
2019	3,151,090	2,722,576	1,077,503	760,334	6,190,835	49.9950	54,246,718	11.41%
2020	3,702,858	3,054,703	1,154,568	800,468	7,111,661	46.9970	63,523,773	11.20%

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>
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
2017	7.96	29.0	2015
2018	7.20	29.0	2016
2019	7.20	29.0	2017
2020	7.15	29.0	2018

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

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

**Schedule 6**

Collection Year	Cherry Creek School District Number 5			Total Cities and Towns	Total County	Total Special Districts (1)	Total (2)
	General Fund	Debt Service Fund	Total District				
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
2017	43.563	9.669	53.232	69.192	15.039	1,449.486	1,586.949
2018	39.476	10.211	49.687	53.754	13.817	1,181.355	1,298.613
2019	39.849	10.146	49.995	54.005	14.301	1,181.269	1,299.570
2020	36.851	10.146	46.997	54.913	12.685	1,147.513	1,262.108

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 0.80 to 73.00 mills. The total is not representative of the mill levy assessed to an individual taxpayer.

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

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

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

**Schedule 7**

Taxpayer	2020			2011		
	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	\$ 164,142,670	1	2.31%	\$ 86,711,840	2	1.84%
CenturyLink (Qwest Corp.)	61,994,200	2	0.87%	101,167,800	1	2.14%
Verizon Wireless	56,142,100	3	0.79%	63,223,000	3	1.34%
Columbia HealthOne LLC	42,960,753	4	0.60%	40,600,000	4	0.86%
Granit Place LLC	36,830,000	5	0.52%	-	-	-
Greenwood Property Corporation	32,948,060	6	0.46%	30,450,000	5	0.65%
Denver CB Center 2 LLC	28,502,940	7	0.40%	-	-	-
GPI Plaza Tower LP	25,370,940	8	0.36%	-	-	-
DCS Owner LLC	21,460,000	9	0.30%	-	-	-
Comcast Cable Communications	20,179,398	10	0.28%	-	-	-
Property Colorado OBJLW One	-	-	-	27,550,000	6	0.58%
Legacy III Centennial LLC	-	-	-	16,965,000	7	0.36%
CSHV Denver Tech Center LLC	-	-	-	15,080,010	8	0.32%
National Digital Television	-	-	-	14,819,210	9	0.31%
5251 DTC Parkway LLC	-	-	-	14,500,010	10	0.31%
	<u>\$ 490,531,061</u>		<u>6.90%</u>	<u>\$ 411,066,870</u>		<u>8.71%</u>

Source: Arapahoe County Assessor's Office

Notes:

(1) The total net assessed valuation upon which the 2019 tax levy is based for collection in 2020 is \$7,111,661,236. The total assessed valuation upon which the 2010 tax levy is based for collection in 2011 is \$4,720,753,465.

**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
2011	238,383,887	229,597,846	96.31%	9,267,910	238,865,756	100.20%
2012	233,311,851	227,541,817	97.53%	5,689,384	233,231,201	99.97%
2013	248,885,279	240,722,903	96.72%	8,145,744	248,868,647	99.99%
2014	254,202,850	252,258,135	99.23%	1,922,559	254,180,694	99.99%
2015	250,707,346	247,276,192	98.63%	3,362,281	250,638,473	99.97%
2016	258,565,499	254,777,590	98.54%	1,776,589	256,554,179	99.22%
2017	277,667,139	275,530,435	99.23%	2,043,982	277,574,417	99.97%
2018	301,466,945	298,914,361	99.15%	2,050,969	300,965,330	99.83%
2019	307,244,550	305,032,765	99.28%	1,987,874	305,032,765	99.28%
2020	331,840,397	327,462,082	98.68%	-	327,462,082	98.68%

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 2020 collection year include actual collections through June 30, 2020, only.

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

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

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

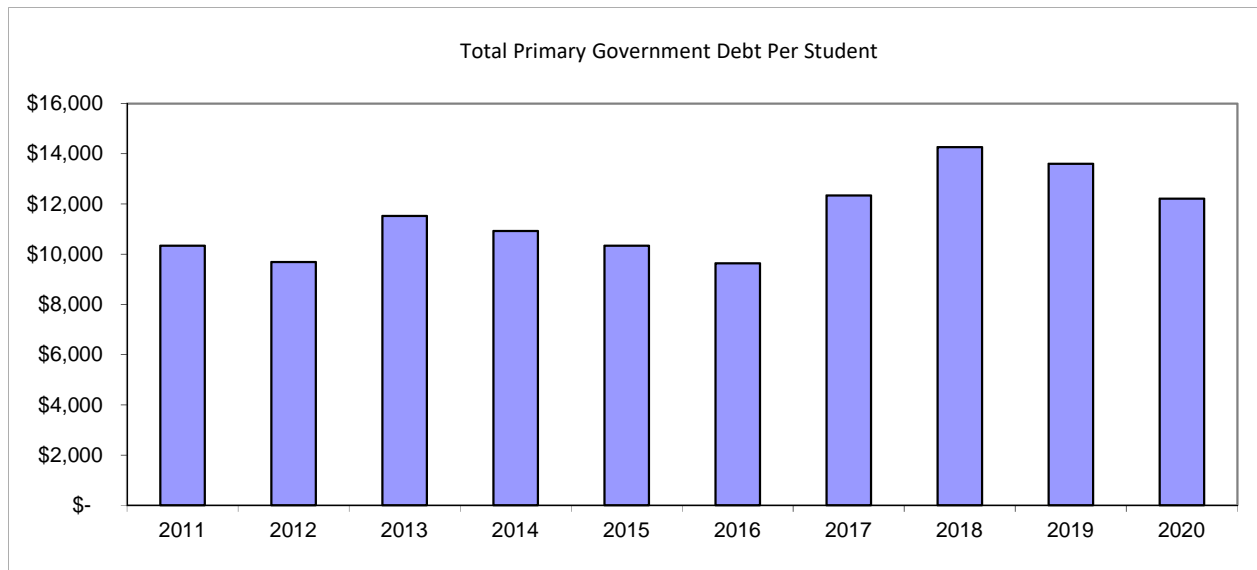
**Schedule 9**

*(dollars in thousands, except per student)*

Fiscal Year	Governmental Activities			Total Primary Government	Percentage of Estimated Actual Value of Taxable Property	Percentage of Arapahoe County Personal Income	Per Capita	Per Student
	General Obligation Bonds	Certificates of Participation	Capital Leases					
2011	\$ 508,008	\$ 2,700	\$ -	\$ 510,708	1.37%	1.86%	\$ 1,830	\$ 10,339
2012	480,762	1,815	-	482,577	1.40%	1.68%	1,699	9,693
2013	581,065	-	-	581,065	1.68%	1.91%	2,009	11,521
2014	550,913	-	8,705	559,618	1.60%	1.76%	1,900	10,931
2015	519,834	-	11,917	531,751	1.51%	1.53%	1,803	10,339
2016	485,191	-	12,007	497,198	1.16%	1.50%	1,654	9,639
2017	616,813	-	23,934	640,747	1.51%	1.85%	2,117	12,348
2018	708,859	15,208	28,474	752,541	1.41%	2.07%	2,462	14,273
2019	673,674	22,221	23,216	719,111	1.33%	1.83%	2,329	13,601
2020	625,622	22,233	18,075	665,930	1.05%		2,023	12,210

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 2020.



**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)*

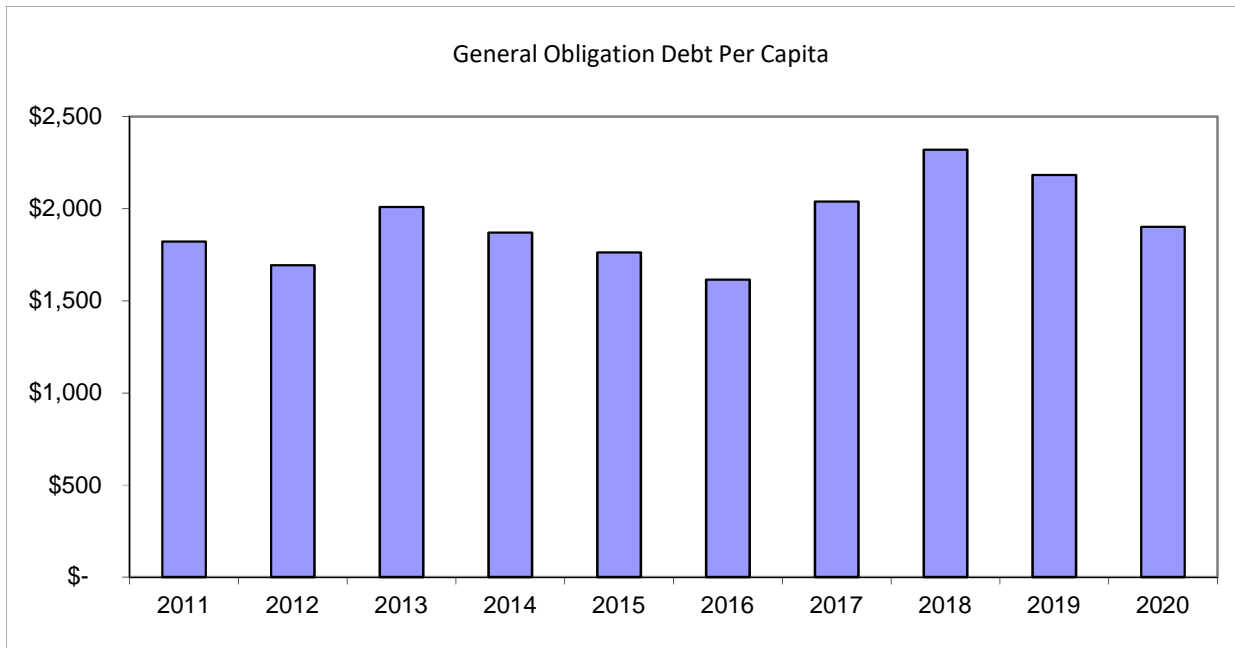
<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Percentage of Estimated Actual Value of Taxable Property</u>	<u>Per Capita</u>	<u>Per Student</u>
2011	\$ 508,008	1.37%	\$ 1,821	\$ 10,284
2012	480,762	1.40%	1,693	9,656
2013	581,065	1.68%	2,009	11,521
2014	550,913	1.57%	1,871	10,761
2015	519,834	1.47%	1,762	10,107
2016	485,191	1.13%	1,614	9,406
2017	616,813	1.46%	2,038	11,887
2018	708,859	1.33%	2,319	13,445
2019	673,674	1.24%	2,182	12,742
2020	625,622	0.98%	1,901	11,471

**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, 2019  
(dollars in thousands)**

**Schedule 11**

	Outstanding Debt	Percentage Applicable To District	Amount Applicable To District
Overlapping debt:			
Antelope Water System General Improvement District	\$ 2,100	100.00 %	\$ 2,100
Arapahoe Park & Recreation District	39,000	100.00	39,000
Arapahoe Water & Wastewater Public Improvement District	132,600	100.00	132,600
Beacon Point Metropolitan District	20,445	100.00	20,445
Cherry Creek Vista Metro Park & Rec District	2,100	100.00	2,100
City of Aurora	3,185	38.36	1,222
City of Englewood	37,955	3.63	1,378
Conservatory Metropolitan District	19,815	100.00	19,815
Country Homes Metropolitan District #A	107	100.00	107
Dove Valley Metropolitan District	40,625	100.00	40,625
Eagle Bend Metropolitan District #A	26,565	100.00	26,565
East Cherry Creek Valley Water & Sanitation	97,812	100.00	97,812
East Quincy Highlands Metro District No. 1	2,635	100.00	2,635
East Smoky Hill Metro District No. 1	3,080	100.00	3,080
East Smoky Hill Metro District No. 2	5,270	100.00	5,270
Fiddler's Green Business Improve. District	50,400	100.00	50,400
Galleria Metropolitan District	3,279	100.00	3,279
Heather Gardens Metropolitan District	8,025	40.16	3,223
High Plains Metropolitan District	27,380	100.00	27,380
Inverness Metropolitan Improvement District	1,850	71.10	1,315
Inverness Water & Sanitation District	5,885	69.32	4,079
Liverpool Metropolitan District	1,995	100.00	1,995
Panorama Metropolitan District	2,845	100.00	2,845
Parker Jordan Metropolitan District	12,818	100.00	12,818
Piney Creek Metropolitan District	5,355	100.00	5,355
Saddle Rock Metro District	7,360	100.00	7,360
Saddle Rock South Metropolitan District No. 4	12,820	100.00	12,820
Serenity Ridge Metropolitan District No. 2	16,608	100.00	16,608
Sorrel Ranch Metropolitan District	15,160	100.00	15,160
South Suburban Metropolitan Park & Recreation District	40,285	36.17	14,571
Southeast Public Improvement Metro District	2,535	57.70	1,463
Southlands Metropolitan District No. 1	47,685	100.00	47,685
Southlands Metropolitan District No. 2	5,173	100.00	5,173
Sundance Hills Metropolitan District	110	100.00	110
Tallgrass Metropolitan District	14,770	100.00	14,770
Tallyn's Ranch Metropolitan District No. 2	2,626	100.00	2,626
Tallyn's Ranch Metropolitan District No. 3	43,223	100.00	43,223
Tollgate Crossing Metropolitan District No. 2	12,079	100.00	12,079
Willow Trace Metropolitan District	7,785	100.00	7,785
Total overlapping debt	781,345		708,876
Direct debt:			
Cherry Creek School District No. 5	665,930	100.00	665,930
Total	<u>\$ 1,447,275</u>		<u>\$ 1,374,806</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 2019**

	Assessed Value
Assessed Value	\$ 7,111,661,236
Legal debt limit percentage	<u>20%</u>
Legal debt limit	<u>\$ 1,422,332,247</u>
Amount of debt applicable to debt limit:	
Total bonded debt	\$ 560,170,000
Less Debt Service Fund available	<u>72,265,371</u>
Total amount of debt applicable to debt limit	<u>487,904,629</u>
Legal debt margin	<u>\$ 934,427,618</u>

**Ten Year Summary**

<u>Fiscal Year</u>	<u>Debt Limit</u>	<u>Total Net Debt Applicable to Limit</u>	<u>Debt Margin</u>	<u>Total Net Debt Applicable to the Limit as a % of Debt Limit</u>
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%
2017	1,058,962,467	526,174,191	532,788,276	49.7%
2018	1,221,916,964	586,820,369	635,096,595	48.0%
2019	1,238,167,092	550,962,037	687,205,055	44.5%
2020	1,422,332,247	487,904,629	934,427,618	34.3%

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**

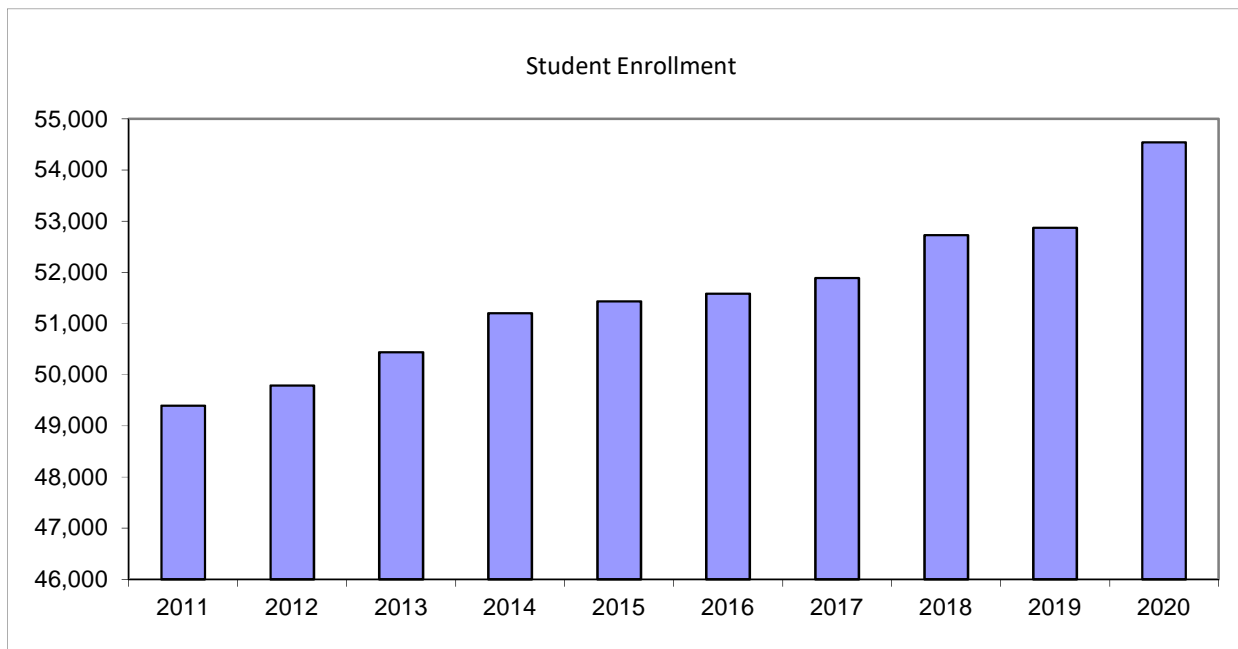
Fiscal Year	Arapahoe County				Cherry Creek School District	
	Population	Personal Income ( <i>millions of dollars</i> )	Per Capita Personal Income	Unemployment Rate	Population	FTE Student Enrollment
2011	574,929	\$ 27,426	\$ 47,704	8.8%	279,000	49,396
2012	584,703	28,656	48,989	7.9%	284,000	49,788
2013	593,589	30,470	51,163	7.5%	289,200	50,435
2014	604,398	31,833	46,897	6.4%	294,500	51,198
2015	607,070	34,836	56,294	4.9%	295,000	51,433
2016	618,341	33,161	52,545	4.1%	300,600	51,582
2017	637,254	34,690	54,452	3.1%	302,623	51,889
2018	646,725	36,424	56,642	2.9%	305,649	52,724
2019	649,703	39,190	60,180	3.8%	308,705	52,870
2020	658,060	-	-	2.3%	329,122	54,538

**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 2020.

(2) District population information is provided by the District's Department of Planning.

(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 .58 FTE for fiscal years 2011 to 2019. Starting with fiscal year 2020, kindergarten was calculated at 1 FTE as a result of the transition to full day kindergarten. 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>2020</u>			<u>2011</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	8,500	1	2.54%	7,800	1	2.88%
Aurora Public Schools	5,100	2	1.52%	4,700	2	1.73%
City of Aurora	4,000	3	0.12%	3,400	3	1.26%
Raytheon Company	2,500	4	0.75%	2,000	5	0.74%
Littleton School District	2,400	5	0.72%	2,400	4	0.89%
Arapahoe County	2,000	6	0.60%	2,000	6	0.74%
Columbia HCA Swedish	1,900	7	0.57%	1,500	8	0.55%
Arrow Electronics	1,700	8	0.51%	-	-	-
Centura Health	1,700	9	0.51%	-	-	-
Columbia HCA Medical Center of Aurora	1,600	10	0.48%	1,400	10	0.52%
EchoSphere	-	-	-	1,500	9	0.55%
CenturyLink (Qwest Corp.)	-	-	-	1,600	7	0.59%
<b>Total</b>	<u><u>31,400</u></u>		<u><u>8.32%</u></u>	<u><u>28,300</u></u>		<u><u>10.45%</u></u>

Source:

Employer data was obtained from Arapahoe County's 2019 Comprehensive Annual Financial Report.

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

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

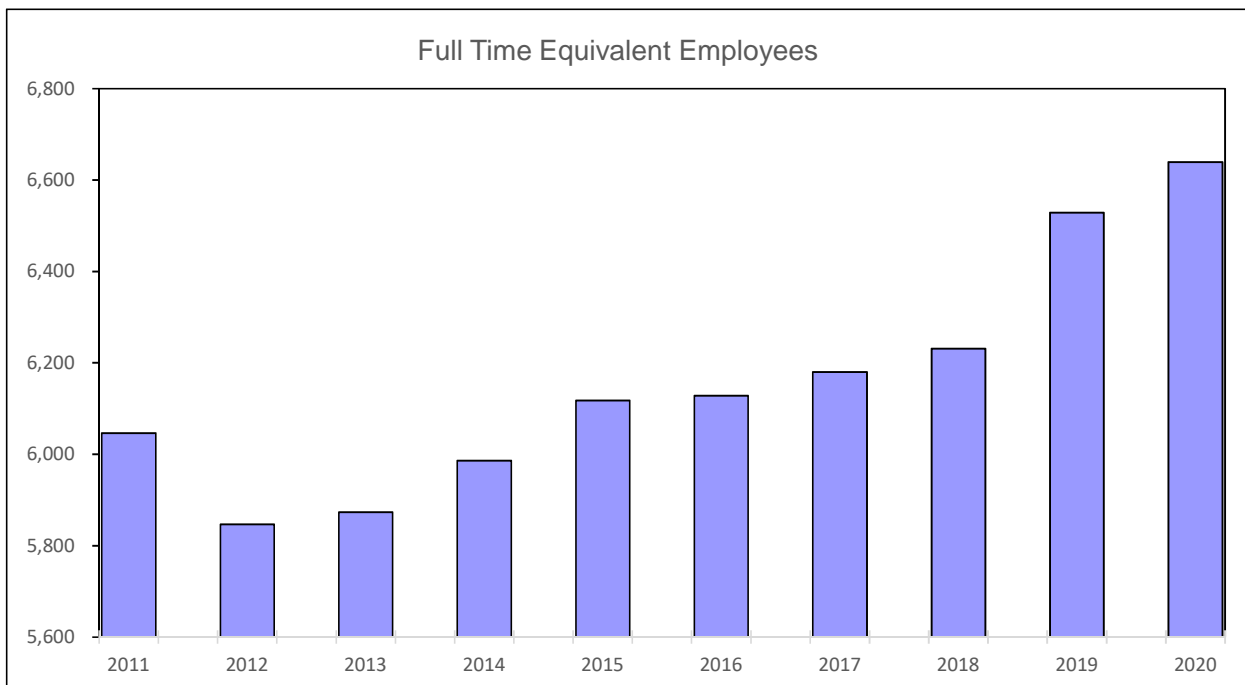
**Schedule 16**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>General Fund</b>										
Administrators	141	143	146	148	159	162	164	165	170	167
Teachers	3,285	3,188	3,219	3,285	3,335	3,332	3,345	3,377	3,571	3,685
Teacher Assistants & Aides	192	187	185	184	207	207	208	203	216	218
Staff Support	333	336	365	368	390	398	405	424	447	454
Secretarial	380	349	327	333	343	344	344	344	361	360
Maintenance	70	66	66	69	71	71	76	76	85	81
Custodians	90	89	93	94	86	86	88	89	94	95
Bus Drivers	222	222	222	243	245	233	235	236	241	241
Mechanics	22	22	22	22	22	22	22	22	22	21
Mental Health	96	95	98	106	109	112	114	114	118	124
Nurses	59	58	61	62	61	62	62	62	65	18
Bus Aides	88	87	88	89	118	118	118	119	119	127
Designated purpose grants	175	181	156	162	152	154	159	160	160	204
Extended child services	532	565	566	560	560	565	567	567	576	554
Other governmental funds	15	16	7	7	7	7	7	7	7	7
Food services operations	346	243	253	254	252	255	266	266	277	284
<b>Total</b>	<b>6,046</b>	<b>5,847</b>	<b>5,873</b>	<b>5,986</b>	<b>6,118</b>	<b>6,128</b>	<b>6,180</b>	<b>6,231</b>	<b>6,529</b>	<b>6,639</b>

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.
- (4) Nurse FTE moves from General Fund to Medicaid Grant within designated purpose grants.



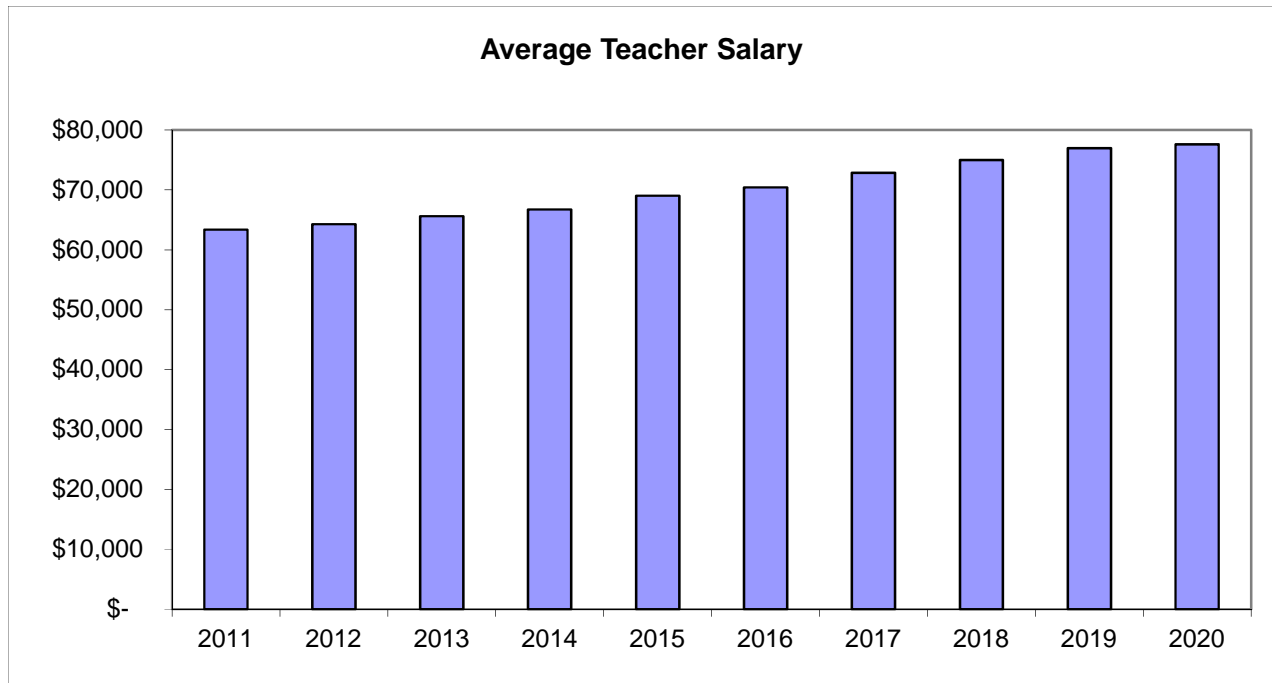
**CHERRY CREEK SCHOOL DISTRICT NO. 5  
ARAPAHOE COUNTY, COLORADO**

**Teacher Salary,  
Last Ten Fiscal Years**

**Schedule 17**

Fiscal Year	Contract Length	Salary		
		Beginning Teacher	Maximum Teacher	Average Teacher
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
2017	185	39,602	91,717	72,843
2018	185	40,948	94,836	74,962
2019	185	41,832	95,481	76,986
2020	185	41,832	95,481	77,599

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
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%	86.6%	1.5%
2015	624,775	51,433	12,147	13.90%	3,335	15.4	14,570	28.3%	87.2%	1.4%
2016	690,825	51,582	13,393	10.25%	3,332	15.5	15,646	30.3%	88.1%	1.0%
2017	1,017,288	51,889	19,605	46.38%	3,345	15.5	16,330	31.5%	90.0%	1.4%
2018	1,162,931	52,724	22,057	64.69%	3,377	15.6	16,611	31.5%	89.5%	1.2%
2019	602,617	52,870	11,398	-41.86%	3,571	14.8	17,598	33.3%	89.8%	1.1%
2020	569,720	54,538	10,446	-52.64%	3,685	14.8	16,449	30.2%	-	-

**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 .58 FTE for fiscal years 2011 to 2019. Starting with fiscal year 2020, kindergarten was calculated at 1 FTE as a result of the transition to full day kindergarten. 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.

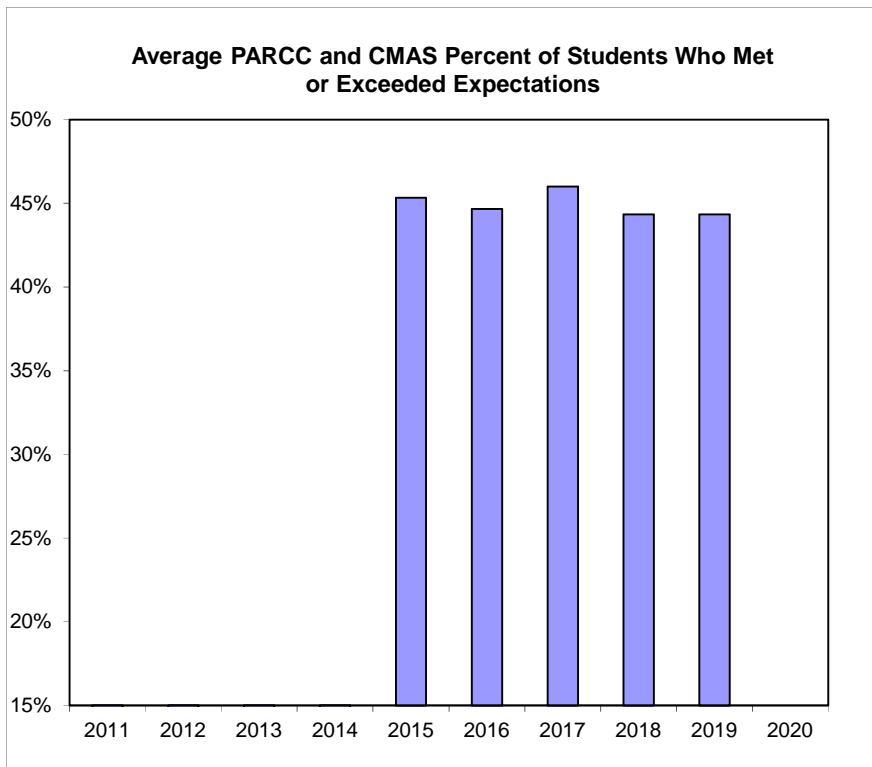
(4) Starting with fiscal year 2010, the Colorado Department of Education instituted the Colorado School Performance Framework (SPF). Results are released by the Colorado Department of Education annually for the prior fiscal year. The ratings are: Performance, Improvement, Priority Improvement, and Turnaround. 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 2020 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) Through fiscal year 2017 graduating seniors taking the American College Testing Program (ACT). Starting in fiscal year 2018 the State switched standardized college entrance exams from the ACT to the College Board SAT. Fiscal year 2018 and forward data represents high school juniors with data obtained from the Colorado Department of Education.

(7) Data is obtained from the Colorado Department of Education. Graduation and dropout rates for fiscal year 2020 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			ACT/ SAT Composite Score
Performance	Improvement	Priority		ELA	Math	Science	Score
		Improvement	Turnaround				
56	3	-	-	-	-	-	21.3
55	4	-	-	-	-	-	21.4
58	1	-	-	-	-	-	21.6
51	7	-	1	-	-	-	21.9
51	7	-	1	50%	40%	46%	21.8
56	3	1	0	51%	43%	40%	22.2
52	8	2	0	51%	45%	42%	21.5
46	13	4	0	50%	43%	40%	1082
50	10	3	0	51%	43%	39%	1065
-	-	-	-	-	-	-	-



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

School Building Information,  
Last Ten Fiscal Years

Schedule 19

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>High Schools</b>										
<b>Cherokee Trail (2004)</b>										
Square feet	362,000	362,000	362,000	362,000	362,000	391,000	391,000	391,000	391,000	391,000
Capacity (students)	2,347	2,347	2,347	2,647	2,647	2,880	3,211	3,211	3,211	3,211
Enrollment	2,354	2,414	2,499	2,588	2,676	2,797	2,978	2,940	2,823	2,806
<b>Cherry Creek (1956)</b>										
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	3,379	3,387	3,417	3,461	3,452	3,486	3,566	3,632	3,707	3,793
<b>Eaglecrest (1989)</b>										
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	2,833	2,833	3,083	3,083	3,083
Enrollment	2,311	2,256	2,341	2,450	2,479	2,590	2,655	2,811	3,020	3,049
<b>Grandview (1999)</b>										
Square feet	353,024	353,024	353,024	353,024	353,024	368,500	368,500	368,500	368,500	368,500
Capacity (students)	2,316	2,316	2,316	2,616	2,616	2,730	2,730	2,980	2,980	2,980
Enrollment	2,528	2,541	2,537	2,534	2,512	2,610	2,623	2,769	2,874	2,933
<b>Overland (1979)</b>										
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	2,423	2,423	2,423	2,423	2,423	2,423	2,423
Enrollment	2,139	2,193	2,139	2,235	2,279	2,222	2,301	2,367	2,403	2,351
<b>Smoky Hill (1976)</b>										
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	2,261	2,124	2,027	2,093	2,036	2,031	2,074	2,057	2,014	2,142
<b>Endeavor Academy (2001)</b>										
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	461	461	370	280	283	269	255	265	253	257
<b>Middle Schools</b>										
<b>Campus (1972)</b>										
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	1,421	1,400	1,434	1,409	1,420	1,441	1,392	1,480	1,489	1,515
<b>Falcon Creek (2000)</b>										
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	1,060	1,014	1,051	1,026	1,018	927	940	924	898	877
<b>Fox Ridge (2009)</b>										
Square feet	172,000	172,000	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	1,360	1,549	1,549	1,549	1,549
Enrollment	812	913	989	1,123	1,197	1,338	1,435	1,394	1,206	1,085
<b>Horizon Community (1983)</b>										
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	947	950	984	997	970	993	945	953	988	980
<b>Infinity (2019)</b>										
Square feet									146,000	146,000
Capacity (students)									1,200	1,200
Enrollment									474	769
<b>Laredo (1975)</b>										
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	1,163	1,155	1,128	1,118	1,124	1,136	1,118	1,068	1,088	1,052
<b>Liberty (2002)</b>										
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	1,332	1,332	1,332	1,332
Enrollment	1,046	1,055	1,082	1,073	1,088	1,119	1,144	1,135	1,155	1,052
<b>Prairie (1978)</b>										
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	1,740	1,740	1,740	1,990	1,990	1,990	1,990
Enrollment	1,552	1,692	1,687	1,697	1,693	1,718	1,763	1,739	1,642	1,622
<b>Sky Vista (2006)</b>										
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	820	830	867	886	876	851	824	817	847	929
<b>Thunder Ridge (1993)</b>										
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	1,172	1,214	1,258	1,291	1,316	1,316	1,291	1,313	1,284	1,250
<b>West (1967)</b>										
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	1,113	1,093	1,135	1,208	1,220	1,224	1,256	1,300	1,300	1,249

(continued)

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

School Building Information,  
Last Ten Fiscal Years

Schedule 19 (continued)

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Elementary Schools</b>										
<b>Altitude (2019)</b>										
Square feet									70,000	70,000
Capacity (students)									648	648
Enrollment									499	721
<b>Antelope Ridge (2000)</b>										
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	700	647	585	579	610	581	592	603	623	655
<b>Arrowhead (1978)</b>										
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	593	577	578	542	576	551	520	487	480	486
<b>Aspen Crossing (2006)</b>										
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	481	478	504	534	498	489	507	505	518	552
<b>Bellevue (1955)</b>										
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	880	880	880	880
Enrollment	537	543	506	516	546	562	596	572	592	584
<b>Black Forest Hills (2012)</b>										
Square feet			68,866	68,866	68,866	68,866	68,866	68,866	68,866	68,866
Capacity (students)			648	648	648	648	648	648	648	648
Enrollment			308	455	479	501	529	588	488	500
<b>Buffalo Trail (2008)</b>										
Square feet	66,380	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	648
Enrollment	420	501	529	578	609	605	632	662	620	661
<b>Canyon Creek (2003)</b>										
Square feet	60,930	60,930	60,930	60,930	60,930	60,930	60,930	60,930	60,930	60,930
Capacity (students)	648	648	648	648	648	648	648	648	648	648
Enrollment	604	583	303	587	536	539	499	492	457	493
<b>Cherry Hills Village (1984)</b>										
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	566	567	568	563	542	536	518	504	491	530
<b>Cimarron (1980)</b>										
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	465	451	439	477	449	453	451	463	430	460
<b>Cottonwood Creek (1977)</b>										
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	609	595	594	579	578	570	570	591	589	653
<b>Coyote Hills (2007)</b>										
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	718	781	572	595	620	616	627	672	552	565
<b>Creekside (1987)</b>										
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	701	701	701	701	701	701	701
Enrollment	652	656	677	673	650	600	605	600	565	600
<b>Dakota Valley (2000)</b>										
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	741	748	751	742	612	566	526	519	502	544
<b>Dry Creek (1973)</b>										
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	391	386	384	380	370	380	370	386	360	370
<b>Eastridge (1964)</b>										
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	716	720	723	736	733	688	700	634	607	657
<b>Fox Hollow (2002)</b>										
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	776	769	710	653	620	600	574	578	567	592
<b>Greenwood (1959)</b>										
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	364	390	388	394	403	408	405	398	402	406

(continued)

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

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

**Schedule 19 (continued)**

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Elementary Schools (cont.)</b>										
<b>Heritage (1977)</b>										
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	276	273	270	259	262	261	288	332	327	340
<b>High Plains (1979)</b>										
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	481	482	476	489	496	518	551	551	565	565
<b>Highline (1992)</b>										
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	550	564	567	593	555	525	494	491	464	492
<b>Holly Hills (1959)</b>										
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	236	324	276	286	272	273	252	213	240	281
<b>Holly Ridge (1963)</b>										
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	292	263	282	314	334	298	305	355	299	260
<b>Homestead (1978)</b>										
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	481	495	513	502	499	499	465	482	472	473
<b>Independence (1977)</b>										
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	440	429	447	440	461	473	469	458	471	499
<b>Indian Ridge (1986)</b>										
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	531	516	490	476	457	463	467	475	443	457
<b>Meadow Point (1983)</b>										
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	404	374	397	405	107	425	451	471	446	452
<b>Mission Viejo (1974)</b>										
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	584	579	623	598	574	556	514	490	486	516
<b>Mountain Vista (2014)</b>										
Square feet					68,866	68,866	68,866	68,866	68,866	68,866
Capacity (students)					704	704	704	704	704	704
Enrollment					248	339	390	458	549	623
<b>Peakview (1992)</b>										
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	535	518	549	525	526	509	514	515	491	513
<b>Pine Ridge (2011)</b>										
Square feet	68,866	68,866	68,866	68,866	68,866	68,866	68,866	68,866	68,866	68,866
Capacity (students)	648	648	648	758	758	758	758	758	758	758
Enrollment	451	575	726	744	708	751	722	798	735	771
<b>Polton (1973)</b>										
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	390	427	408	405	416	434	436	433	420	451
<b>Ponderosa (1978)</b>										
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	711	711	711	711	711	711	711
Enrollment	627	649	683	694	717	695	655	632	599	618
<b>Red Hawk Ridge (2006)</b>										
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	609	629	640	624	633	578	563	514	509	528
<b>Rolling Hills (1997)</b>										
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	625	619	615	603	607	590	564	553	529	551

**(continued)**

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

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

Schedule 19 (continued)

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Elementary Schools (cont.)</b>										
<b>Sagebrush (1978)</b>										
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	524	524	500	519	490	490	426	404	362	375
<b>Summit (1989)</b>										
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	428	421	370	352	312	312	319	321	339	366
<b>Sunrise (1985)</b>										
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	583	597	581	570	574	574	538	500	441	459
<b>Timberline (1987)</b>										
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	578	576	573	551	549	550	550	528	496	529
<b>Trails West (1981)</b>										
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	500	542	500	466	450	415	369	378	365	412
<b>Village East (1972)</b>										
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	755	733	714	763	722	671	676	710	694	769
<b>Walnut Hills (1970)</b>										
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	350	338	319	321	326	289	266	273	291	305
<b>Willow Creek (1978)</b>										
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	508	499	507	501	526	507	500	504	514	556
<b>Alternative Schools</b>										
<b>Challenge (1996)</b>										
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	524	523	525	522	522	522	521	523	516	528
<b>Cherry Creek Academy (1998)</b>										
Square feet	44,500	57,130	57,130	57,130	57,130	57,130	57,130	57,130	57,130	57,130
Capacity (students)	450	588	588	588	588	588	588	588	588	588
Enrollment	451	461	466	476	529	543	0	525	543	570
<b>Cherry Creek Innovation Campus (2020)</b>										
Square feet										117,000
Capacity (students)										600
<b>Fremont Learning Center (2019)</b>										
Square feet									90,816	90,816
<b>I-Teams - 2 facilities</b>										
Square feet	22,336	22,336	22,336	22,336	22,336	22,336	22,336	22,336	22,336	14,982
<b>Joliet (2002)</b>										
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	23	26	51	45	57	35	49	59	35	36
<b>Administrative and Support</b>										
10 Current Facilities										
Square feet	280,089	280,089	280,089	280,089	280,089	280,089	280,089	280,089	280,089	280,089
<b>Stadiums</b>										
<b>Legacy (2004)</b>										
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
<b>Stutler Bowl (1965)</b>										
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 Fremont Learning Center is home to Options, Transitions, and all three online schools.

(5) The District had three I-Team facilities associated with the high schools through 2019. Starting in 2020, the I-Team facilities were reduced to two, as one of the facilities was renovated and is now The Journey Preschool opening in 2021. Enrollment and capacity for these programs are included within the respective high school.

(6) 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, 2020**

<u>Insurer</u>	<u>Policy Number</u>	<u>Type of Policy</u>	<u>Policy Period</u>
Colorado School Districts Self Insurance Pool	0305-19-00003	"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) Newly Constructed or Acquired Buildings/Structures 5) Ordinance or Law 6) Demolition Cost & Debris Removal 7) Builder's Risk (B) Commercial Crime (Combined Limit) 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 Wrongful Act 3) Employment Wrongful Act 4) Defense Limits unlimited (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) Nuclear, Chemical, Biological & Biochemical Acts of Terrorism Coverage Insurance Pool Shared Annual Aggregate Limit  (H) Pollution & Remediation Legal Liability Insurance Pool Shared Annual Aggregate Limit (I) Cyber Enterprise Risk Management Insurance Pool Shared Annual Aggregate Limit	07-01-19 to 07-01-20
Joint School Districts Workers' Compensation Self Insurance Pool	34-C	Statutory Workers' Compensation Insurance	07-01-19 to 07-01-20
ACE American Insurance Co	PHFD38406097007	Foreign Liability Insurance	07-01-19 to 07-01-20
Philadelphia Insurance Company PHPA	039875	Travel Accident Insurance	07-01-19 to 07-01-20
STARR Indemnity & Liability Company	1000238367-02	Aviation Insurance	07-01-19 to 07-01-20

Limits		Deductible	
Per Occurrence	\$ 1,000,000,000	(Pool limit)	
		\$ 100,000	per occurrence
	\$ 1,388,936,817		
	\$ 188,368,546		
	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	\$ 100,000	per occurrence
	\$ 25,000,000	\$ 100,000	per occurrence
	\$ 25,000,000	\$ 100,000	per occurrence
	\$ 15,000,000	\$ 100,000	per occurrence
Reported value	\$ 1,000,000	\$ 100,000	per occurrence
	\$ 1,000,000	\$ 500	per loss
	\$ 1,000,000	\$ 500	per loss
	\$ 1,000,000	\$ 500	per loss
	\$ 1,000,000	\$ 500	per loss
	\$ 1,000,000	\$ 500	per loss
	\$ 1,000,000	\$ 500	per loss
Per occurrence	\$ 10,000,000	\$ 50,000	per occurrence
Aggregate	\$ 15,000,000		
Per occurrence	\$ 2,000,000	\$ 10,000	per occurrence
Self Insured			
	\$150,000	\$ 500	per vehicle
		\$ 1,000	maximum deductible per occurrence
	Actual cash value	\$ 1,000	per vehicle
		\$ 10,000	maximum deductible per occurrence
Per Person	\$ 5,000	\$ -	
	\$ 250,000,000	\$ 10,000	per occurrence deductible for damage to covered property
	Included		
	\$ 10,000,000		
	Included		
	Included		
Per occurrence	\$ 250,000		
Pool annual aggregate	\$ 250,000		
Per occurrence	\$ 10,000,000		
Pool annual aggregate	\$ 10,000,000	\$ 50,000	liability deductible per occurrence
		\$ 100,000	property deductible per occurrence
Per occurrence/annual aggregate	\$ 1,000,000/\$1,000,000	\$ 50,000	liability deductible per occurrence
Pool annual aggregate	\$ 10,000,000		
Per occurrence	\$ 1,000,000/\$1,000,000	\$ 50,000	per occurrence
Pool annual aggregate	\$ 10,000,000		
Statutory/ \$1,000,000 Employers Liability			Each Pool Member retains first \$100,000 of each loss, losses between \$100,000 - \$500,000 are pooled with other members, losses between \$500,000 and statutory limits are reinsured.
Each occurrence	\$ 1,000,000	\$ -	deductible
Aggregate	\$ 2,000,000		
Per accident	\$ 25,000	\$ -	deductible
Aggregate	\$ 500,000		
Aggregate	\$ 1,200,000	\$ 1,000	per occurrence



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# COMPLIANCE REPORT SECTION





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Independent Auditor's Report  
on Internal Control over  
Financial Reporting and on  
Compliance and Other Matters  
Based on an Audit of  
Financial Statements Performed  
in Accordance with  
Government Auditing Standards



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

Board of Education  
Cherry Creek School District No. 5  
Greenwood Village, 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 aggregate discretely presented component units, 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, 2020, 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 22, 2020. Our report includes a reference to other auditors who audited the financial statements of Cherry Creek Academy, Heritage Heights Academy, and Colorado Skies Academy, as described in our report on the District's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**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 results 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.



**CliftonLarsonAllen LLP**

Greenwood Village, Colorado  
October 22, 2020

# DATA INTEGRITY CHECK FIGURES SECTION





**Colorado Department of Education**  
**Auditors Integrity Report**  
 District: 0130 - Cherry Creek 5  
 Fiscal Year 2019-20  
 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
<b>Governmental</b>						
10 General Fund	85,698,058		610,316,624	609,240,056		86,774,626
18 Risk Mgmt Sub-Fund of General Fund	0		0	0		0
19 Colorado Preschool Program Fund	0		2,413,756	2,413,756		0
<b>Sub-Total</b>	<b>85,698,058</b>		<b>612,730,380</b>	<b>611,653,812</b>		<b>86,774,626</b>
11 Charter School Fund	2,387,863		13,184,204	11,874,824		3,697,243
20.26-29 Special Revenue Fund	5,818,643		10,874,390	11,941,287		4,751,747
06 Supplemental Cap Const, Tech, Main, Fund	0		0	0		0
07 Total Program Reserve Fund	0		0	0		0
21 Food Service Spec Revenue Fund	5,544,787		15,309,941	17,420,046		3,434,683
22 Govt Designated-Purpose Grants Fund	0		26,800,139	26,800,138		0
23 Pupil Activity Special Revenue Fund	6,701,256		10,980,214	10,525,244		7,156,225
24 Full Day Kindergarten Mill Levy Override	0		0	0		0
25 Transportation Fund	0		0	0		0
31 Bond Redemption Fund	59,582,962		158,862,625	146,180,218		72,265,369
39 Certificate of Participation (COP) Debt Service Fund	0		0	0		0
41 Building Fund	71,244,300		1,048,761	43,473,698		28,820,363
42 Special Building Fund	0		0	0		0
43 Capital Reserve Capital Projects Fund	20,520,650		30,161,568	29,665,255		21,016,963
46 Supplemental Cap Const, Tech, Main Fund	0		0	0		0
<b>Totals</b>	<b>257,498,518</b>		<b>879,953,323</b>	<b>909,534,522</b>		<b>227,917,220</b>
<b>Proprietary</b>						
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
<b>Totals</b>	<b>0</b>		<b>0</b>	<b>0</b>		<b>0</b>
<b>Fiduciary</b>						
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
<b>Totals</b>	<b>0</b>		<b>0</b>	<b>0</b>		<b>0</b>

FINAL



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