COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2019

CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO

Dedicated to Excellence
Cherry Creek Schools

Cherry Creek Schools
Dedicated to Excellence

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2019

Dr. Scott A. Siegfried
Superintendent

Prepared by:

Fiscal Services Division

David D. Hart
Chief Financial Officer/COO

Bradley S. Arnold
Controller

Kristine A. Githara
Manager of Accounting

Cherry Creek Schools
Dedicated to Excellence

CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2019

FINANCIAL SECTION (Continued)

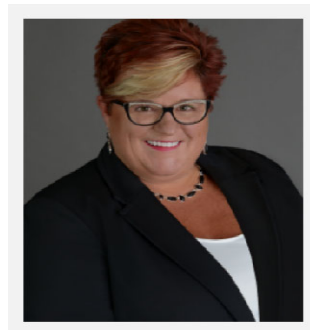
STATISTICAL SECTION

SINGLE AUDIT REPORTS SECTION

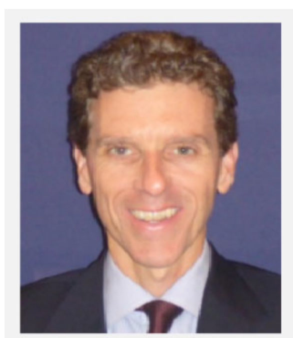
INTRODUCTORY SECTION

CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO
BOARD OF EDUCATION
2018-2019

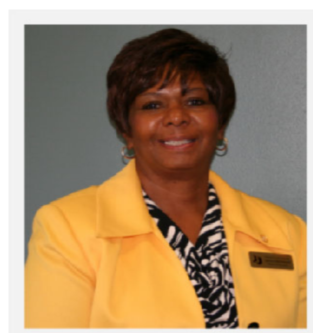
Karen Fisher, President



Kelly Bates, Vice President



Eric Parish, Treasurer



Janice McDonald, Secretary

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

Cherry Creek Schools

Dedicated to Excellence

Cherry Creek Schools

Dedicated to Excellence

Educational Services Center
4700 South Yosemite Street
Greenwood Village, Colorado 80111

Cherry Creek Schools
Dedicated to Excellence

November 4, 2019

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, 2019. 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, 2019, 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 on pages 25-41.

The CAFR is presented in four sections: Introductory, Financial, Statistical, and Single Audit Reports. The Introductory Section includes this letter of transmittal, a list of the Board of Education members for the District, an organization chart of the District, and the mission statement of the District. The Financial Section includes the Independent Auditors' Report, MD&A, the Basic Financial Statements, 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 Single Audit Reports Section contains the Schedule of Expenditures of Federal Awards and related Schedules on Findings and Recommendations, and the Independent Auditors' Reports on the internal control structure and compliance aspects. The District is required to undergo an annual single audit in conformity with the provisions of the U.S. Office of Management and Budget guidance outlined in *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

THE DISTRICT AND ITS SERVICES

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

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

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

On May 9, 2016, the District entered into an agreement with Heritage Heights Academy, as allowed under Colorado Charter Schools Act, for the educational instruction of children in grades K-8. The charter school began operations for the 2016-2017 school year. While the charter school is a public school funded through the District under the school finance act and under the general supervision of the local Board of Education, the school meets the requirements under Governmental Accounting Standards to be presented as a discrete component unit.

ECONOMIC CONDITION AND OUTLOOK

State and Local Economy

The District includes approximately 108 square miles and is located in the southeast portion of the Denver metropolitan area in Arapahoe County, approximately 10 miles southeast of downtown Denver. Included within the District are the cities of Cherry Hills Village and Glendale, and the Town of Foxfield, portions of the cities of Aurora, Centennial, Greenwood Village, Englewood, and certain unincorporated areas of Arapahoe County. The Denver Technological Center and other office complexes also located partially within the boundaries of the District include many office buildings as well as hotels, restaurants, and other facilities. Arapahoe County, with more than 651,000 residents, has the third largest population of the counties in Colorado. The District, with approximately 55,300 students projected for fiscal year 2019-2020, is currently the fourth largest of the 178 school districts in the state.

The following economic data was obtained from the September 2019 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 economy continues to grow at a slower pace than in recent years. Low unemployment, rising wages, and moderate consumer spending are sustaining the economic expansion. Weaker demand for U.S. exports of manufactured and agricultural goods has led to a contraction in manufacturing output and decreased exports in 2019. Business confidence has also waned in recent months with a tight labor market, rising tariffs, and continued global economic uncertainty hindering business investment and profits. Lower interest rates and higher wages are helping to maintain demand for housing along the Front Range, but a lack of construction workers, a shortage of affordable housing, and increased input costs pose challenges to the State's construction and real estate industries.

Unemployment rates in both the U.S. (3.7 percent in July 2019) and Colorado (2.9 percent in July 2019) remain at historic lows, as job creation continues.

Inflationary pressures are expected to remain subdued on relatively low energy prices and sluggish global demand. Consumer prices for the Denver-Aurora-Lakewood area are expected to increase 1.8 percent in 2019 and 1.9 percent in 2020. By comparison, the national measure for all urban areas is expected to rise 1.9 percent in 2019 and 2.1 percent in 2020.

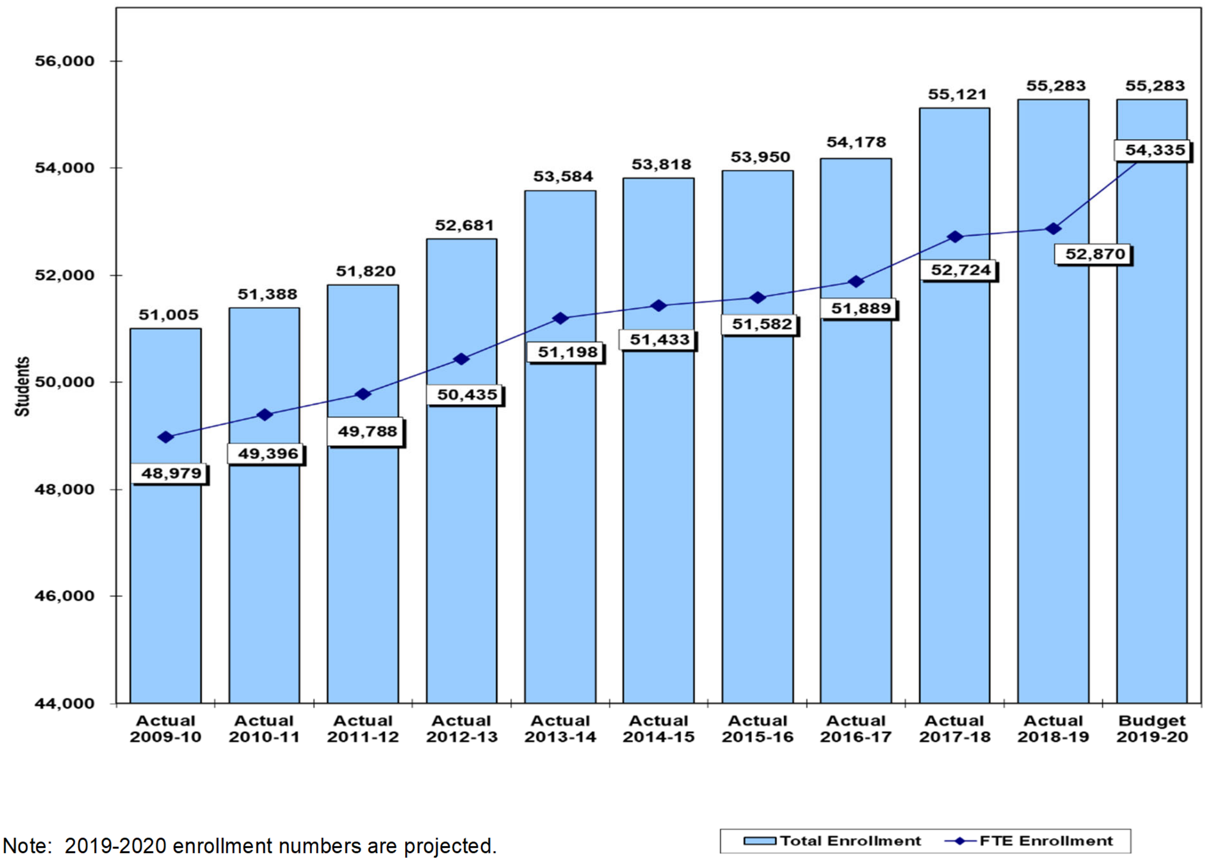
Economic growth in the U.S. and Colorado is expected to slow further in 2020 and 2021 on increasing headwinds from a tighter labor market, while several leading business and financial indicators highlight an elevated risk of recession.

Revenue to the State Education Fund is expected to grow 3.4 percent in fiscal year 2019-2020 and 5.6 percent in fiscal year 2020-2021. The Colorado Constitution requires that 1/3 of 1 percent of taxable income from Colorado taxpayers be credited to the State Education Fund. In fiscal year 2018-2019, the State Education Fund's year-end balance is projected to have fallen from its fiscal year 2017-2018 level of $208.7 million to $176.0 million. This decrease is the result of a higher level of State Education Fund expenditures in fiscal year 2018-2019, which reduced the need for State General Fund appropriations for funding K-12 public education. The fund balance is projected to rise to $210.3 million in fiscal year 2019-2020. The budget for fiscal year 2019-2020 includes a transfer from the State General Fund to the State Education Fund of $40.3 million.

Under Article X, Section 20 of the State Constitution, the Taxpayer's Bill of Rights (TABOR), revenue received from certain sources is subject to an annual limit determined by the prior year's limit after adjustments for inflation and population growth. Any TABOR revenue received above the cap is to be refunded to taxpayers in the subsequent fiscal year. Revenue subject to TABOR exceeded the revenue cap by $428.3 million in fiscal year 2018-2019 and is projected to be above the cap by $348.1 million in fiscal year 2019-2020. Current law specifies three mechanisms by which revenue in excess of the cap is to be refunded to taxpayers: the senior homestead and disabled veterans property tax exemptions, a temporary income tax rate reduction (from 4.63% to 4.50%), and a sales tax refund. The size of the refund determines which refund mechanisms are used.

A total of $270.5 million of the $428.3 million refund obligation from fiscal year 2018-2019 will be paid out as an income tax rate reduction, while $3.7 million will be distributed as a sales tax refund, and $154.2 million will be refunded via the senior homestead and disabled veterans property tax exemption expenditures in fiscal year 2019-2020. In fiscal year 2019-2020, refunds in excess of the homestead exemption will be refunded via a sales tax refund. In fiscal year 2020-2021 and fiscal year 2021-2022, projected refunds will again exceed homestead exemption refund expenditures by an amount sufficient to fund the temporary income tax rate reduction.

CHERRY CREEK SCHOOLS
Enrollment Growth For Ten Years



Note: 2019-2020 enrollment numbers are projected.

Enrollment

District total enrollment increased last fall by 162 students to put the District at 55,283 students for the 2018-2019 school year. The breakdown of those students includes 22,945 in elementary schools; 12,586 in middle schools; 17,112 in high schools; 889 in the District's charter schools; 1,092 pre-school students and 58 special program students, and 601 Options students.

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

Kindergarten students are counted as a partial student in the State funding formula, therefore, on a Full Time Equivalent Basis (FTE), enrollment increased last fall by 145.6 FTE students to 52,869.7 for the 2018-2019 school year. While the District continues to be a growing school district, the rate of growth has slowed. Prior to the 2008-2009 school year, enrollment growth in the District was in the range of about 900 students per year. From the 2008-2009 school year to the 2013-2014 school year, the average growth was closer to 650 students, then slight increases for three years, then a larger increase for the 2017-2018 school year, and a small increase for the 2018-2019 school year. Enrollment for the 2019-2020 school year is budgeted to hold steady at current enrollment.

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 of $118.1 million. These funding sources are approximately 93% of the District's General Fund revenues for fiscal year 2018-2019.

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. While the State still faces budget constraints, the economy has improved since then.

The economic conditions remained strong for the 2018-2019 fiscal year and included a 6.1% increase in per pupil funding and included funding for enrollment growth. Per pupil funding for fiscal year 2018-2019 was $8,092, which is an increase of $462 per pupil over the prior fiscal year. This increase includes both 3.4% for inflation and a reduction in the Statewide negative factor.

The State did continue to provide partial funding of full day kindergarten for the 2018-2019 fiscal year at an additional .08 FTE for each kindergartener enrolled. The District provided full day kindergarten at six schools.

The actual results for fiscal year 2018-2019 are discussed more fully in the MD&A found on pages 25-41.

The District will maintain adequate reserves consistent with Board policy and a fiscally sound approach to District financial management including maintaining very strong credit ratings. The District has planned for an adequate level of Unassigned General Fund reserves to provide protection from possible reductions in District funding such as State legislative action, lower than anticipated property tax collections, lower than projected enrollment, or other factors.

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

Additional discussion of Economic Factors and Next Year's Budget can be found in the MD&A on pages 39-41.

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 provides $33.5 million in operating funds during fiscal year 2018-2019 to:

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

The bond election provides $250 million for:

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

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

New Facilities and Major Renovations ($90.8 million): New facilities to support continued student growth and class sizes and provide a healthy learning environment to all students and teachers.

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

Safety and Security ($1.9 million): The number one priority is the safety and security of students and staff. Students and school staff must be as prepared as they possibly can be, at all times, for the unexpected.

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

Maintaining Community Investment ($79.7 million): It is important that the school foundation (buildings and equipment), where students attend school, is maintained for current and future generations.

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

Among other factors, the committee considers the age and condition of all the District buildings in determining projects to include in the bond issue. All of the District's buildings are of new construction or have had maintenance and renovations to maintain the buildings. A detail of each school's size, capacity, enrollment and year of opening is included in Schedule 19 of the Statistical Section on pages 150-154.

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.

<u>Single Audit</u>

As a recipient of federal financial assistance, the District is also responsible for ensuring that an adequate internal control structure is in place, including that portion related to federal financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations. The results of the District's single audit for the fiscal year ended June 30, 2019, noted an internal control deficiency related to compliance with verification of suspension and debarment requirements but noted no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

Budgetary Controls

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

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

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

Accounting Policies

Detailed descriptions of the District's accounting policies are contained in the Notes to Basic Financial Statements on pages 51-97, 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 2018-2019 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, 2019. In addition to meeting the requirements of the Colorado statutes, the audit was also designed to meet the requirements of the provisions of the U.S. Office of Management and Budget guidance outlined in the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.* The Independent Auditors' Report on the basic financial statements, the combining and individual fund statements and schedules, and supplementary information included in the financial section is on pages 21-23 of the Financial Section. The Independent Auditors' Report related specifically to the single audit is included in the Single Audit Reports Section.

Awards

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting, and the Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2018. 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 six 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 2018-2019 budget document. In addition, the ASBO awarded its Meritorious Budget Award to the District for the fiscal year 2018-2019 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

David D. Hart
Chief of Operations and Finance

ASBO International Certificate of Excellence in Financial Reporting

ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

Cherry Creek School District #5

for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2018.

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

CERTIFICATE OF EXCELLENCE IN FINANCIAL REPORTING

Tom Wohlleber, CSRM
President

Siobhán McMahon, CAE
Chief Operating Officer

GFOA Certificate of Achievement for Excellence in Financial Reporting

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, 2018

Christopher P. Morrill

Executive Director/CEO

GOVERNMENT FINANCE OFFICERS ASSOCIATION OF THE UNITED STATES AND CANADA CORPORATION SEAL CHICAGO

List of Elected and Appointed Officials
as of July 1, 2019

Elected Officials

Board of Education

District A	Eric Parish
District B	Janice McDonald
District C	vacant
District D	Kelly Bates
District E	Karen Fisher

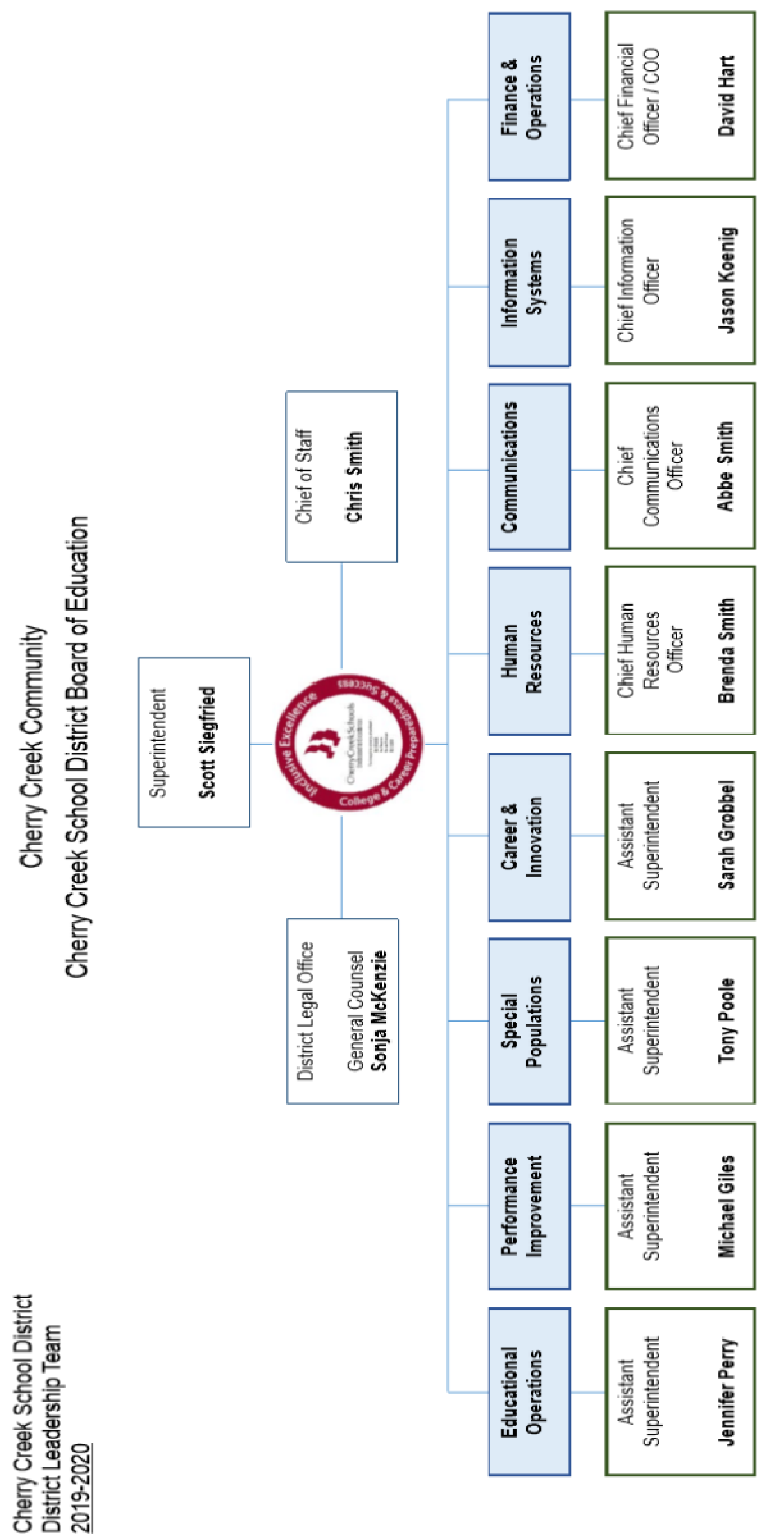
Appointed Officials

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 of Operations and Finance	David Hart
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, 2019



FINANCIAL SECTION

CliftonLarsonAllen LLP
CLAconnect.com

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, 2019, 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 and Heritage Heights 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 and Heritage Heights 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 and Heritage Heights 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, 2019, 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 25-41 and pension and other postemployment benefit information and budgetary comparison for the Designated Purpose Grants Fund on pages 99-106 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 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 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 November 4, 2019, 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

CliftonLarsonAllen LLP

Greenwood Village, Colorado
November 4, 2019

Cherry Creek Schools
Dedicated to Excellence

Management's

Discussion

and

Analysis

Cherry Creek
Schools
Dedicated to Excellence

Cherry Creek Schools
Dedicated to Excellence

Management's Discussion and Analysis
Cherry Creek School District No. 5
Arapahoe County, Colorado
June 30, 2019

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, 2019. We encourage readers to consider the information presented here in conjunction with additional information that can be found in the Letter of Transmittal on pages 3-16.

Financial Highlights

Financial statements presented in the CAFR include both government-wide financial statements and fund financial statements. The differences in these two presentations are presented in more detail starting on page 27.

The District has a negative net position. The governmental liabilities and deferred inflows of resources exceed its assets and deferred outflows of resources by $1,553.3 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, 2019 is the fifth year that the District has been required to apply GASB 68 and the second year of GASB 75. These GASB pronouncements are discussed in more detail under Accounting Pronouncements on page 28.

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 $1,271.4 million as of June 30, 2019. 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 $63.5 million as of June 30, 2019.

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

The net position of the District's governmental activities includes $185.3 million net investment in capital assets; net position of $82.9 million restricted for debt service payments, required emergency reserves, restricted cash and food service operations; and an unrestricted net position deficit balance of $1,821.5 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. Under governmental fund accounting, long term compensated absences are not recorded in governmental funds as a liability because they are not payable with current funds.

The total net position of the District's governmental activities increased by $135.8 million during fiscal year 2018-2019. This increase in net position on a government-wide basis is in contrast to an 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 page 49. The last two reconciling items on page 49 shows the effect of GASB 68 and GASB 75 on net position. The District's share of the NPL of PERA decreased by $1,325.5 million (from $2,596.9 million at June 30, 2018 to $1,271.4 million at June 30, 2019). The impact of that decrease in NPL is an 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 $63.5 million at June 30, 2019, compared to $59.3 million at June 30, 2018.

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 $59.1 million increase in net position and the net effect of debt related activity is an increase of $33.3 million in net position on a government-wide basis compared to the impact on changes in fund balance on a governmental fund basis.

Fund balance of the District's governmental funds decreased by $83.7 million resulting in an ending fund balance of $254.7 million.

The General Fund had an decrease in fund balance of $2.3 million. This use of fund balance was contemplated in the budget process. The General Fund is discussed more fully on page 36.

The Capital Projects - Building Fund had a decrease in fund balance of $82.7 million. On November 8, 2016, the District voters approved a $250.0 million bond along with a mill levy budget override. Details of this bond election are discussed in more detail in the Letter of Transmittal on pages 13 and 14. 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 an increase of $4.5 million in fund balance due to property tax and other revenues in excess of required payments on outstanding debt. The Special Revenue- Designated Purpose Grants Fund did not have a change in fund balance. The nonmajor governmental funds had a decrease of $3.3 million in fund balance from operations primarily from decreased fund balance in the Special Revenue Fund - Capital Reserve Fund.

The District's long-term obligations decreased by $33.5 million to $719.1 million. The decrease is the net result of issuing $7.0 million in a Certificate of Participation and by the scheduled current year payments on existing debt. Further discussion of long-term debt is also found on page 38.

Overview of the Financial Statements

Management's Discussion and Analysis is intended to serve as an introduction to the District's basic financial statements. This document also provides a comparison to the prior year's activity. The basic financial statements presented on pages 43-97 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 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.

The Government-Wide Financial Statements can be found on pages 43-45 of this report.

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 on pages 76-84 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 on pages 85-93 in the Notes to Basic Financial Statements for the full disclosure related to PERA HCTF under GASB 75.

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 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 is included in the Basic Financial Statements to demonstrate compliance with the adopted budget. The remaining governmental funds budgetary comparisons are reported as Supplementary Information.

The Basic Governmental Fund Financial Statements can be found on pages 46-50 of this report.

Notes to the Basic Financial Statements

The Notes to the Basic Financial Statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes can be found on pages 51-97 of this report.

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. Combining and individual fund statements and schedules can be found on pages 106 and 108-115 of this report. The additional schedule required as part of the Colorado Public School Finance Act can be found on pages 119 of this report. The GASB 68 and GASB 75 schedules can be found on pages 99-105 of this report. The combining statements for the discretely presented component units can be found on pages 117-118.

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 2019-2020. 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 2019-2020.

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 $1,553.3 million. Total net position of the primary government does not include internal balances.

A net investment of $185.3 million in land, improvements, buildings, equipment, and vehicles, provide services to the District's 55,283 public school students. Net position of $58.3 million, accumulated due to voter approved bonded debt mill levy assessments, have been restricted to provide resources to liquidate the current general obligation bond principal and related interest payments. The net position of Food Services operations of $4.7 million is restricted for that fund's use only. The required emergency reserves of $19.9 million have also been restricted.

As mentioned earlier, unrestricted net position is different than what would be reflected on a governmental fund accounting basis. This is due to GASB 68 and GASB 75 along with the accounting treatment in the Government-Wide Statements of accrued salaries and benefits earned but unpaid and compensated absences payable. The $37.8 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 $1,271.4 million. The GASB 75 OPEB liability is reported in the same manner and is $63.5 million.

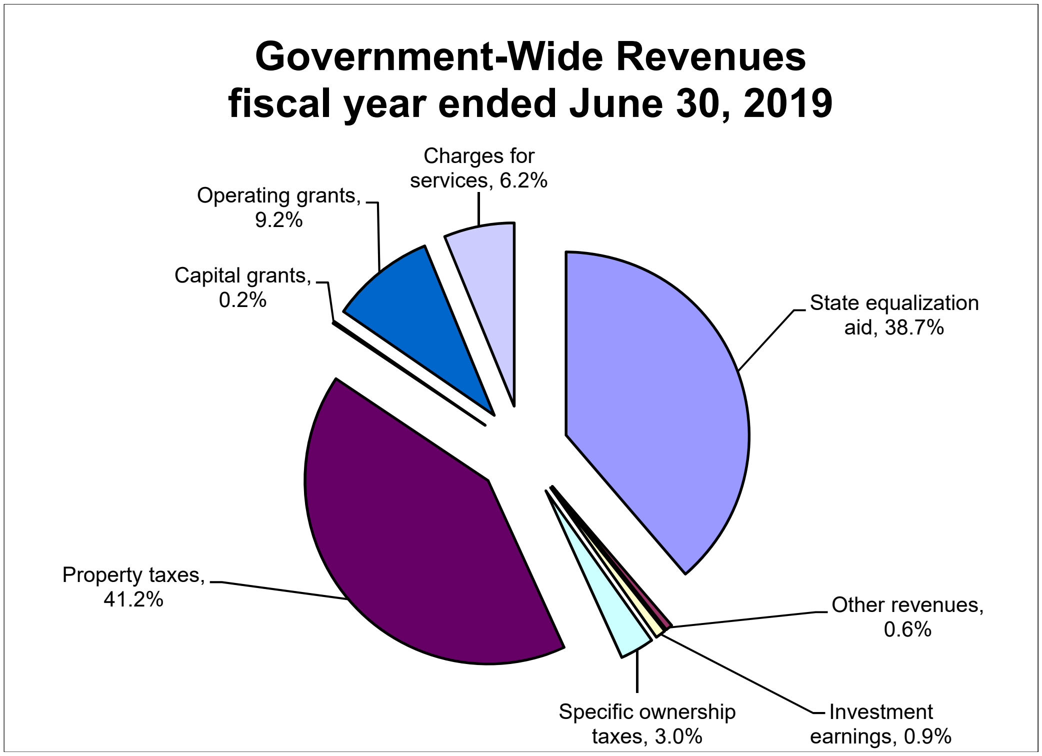
Cherry Creek School District No. 5
Comparative Summary of Net Position
as of June 30, 2019 and 2018
(in millions)

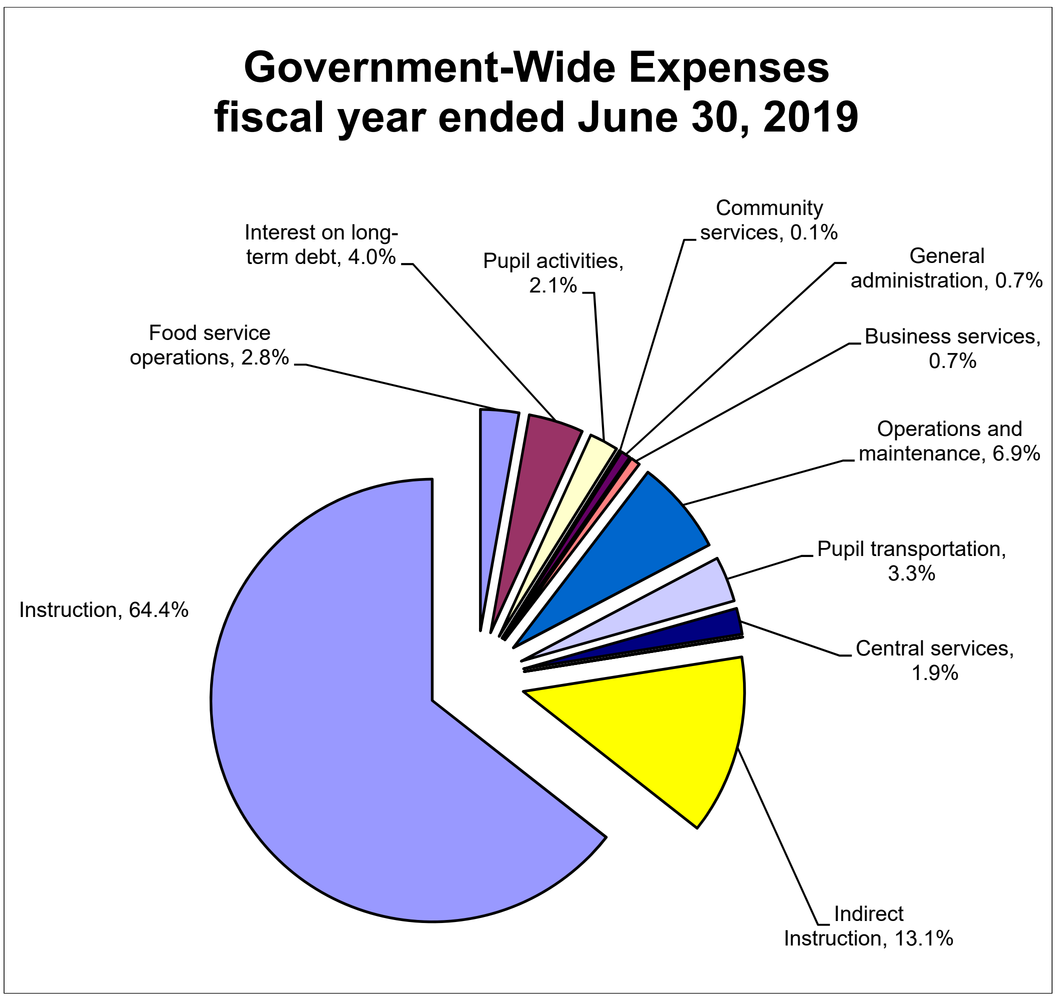
	Primary Government Governmental Activities	
	2019	2018
Assets:		
Capital assets	$ 832.4	$ 773.4
Other assets	337.2	431.0
Total assets	1,169.6	1,204.4
Deferred outflows of resources:	401.6	771.6
Liabilities:		
Current liabilities	122.0	129.8
Noncurrent liabilities	718.1	752.0
Net OPEB liability	63.5	59.3
Net pension liability	1,271.4	2,596.9
Total liabilities	2,175.0	3,538.0
Deferred inflows of resources:	949.5	127.1
Net position:		
Net investment in capital assets	185.3	175.6
Restricted	82.9	82.0
Unrestricted	(1,821.5)	(1,946.7)
Total Net position	$ (1,553.3)	$ (1,689.1)

Government-Wide Activities

Governmental Activities increased the net position of the District by $135.8 million.

Cherry Creek School District No. 5 Comparative Schedule of Changes in Net Position as of and for the fiscal year ended June 30, 2019 and 2018 (in millions)		
	Primary Government	
	Governmental Activities	
	2019	2018
Revenues:		
Program revenues		
Charges for services	$ 45.9	$ 44.7
Operating grants and contributions	67.9	52.0
Capital grants and contributions	1.3	0.8
General unrestricted revenues		
Property taxes	304.5	297.2
Specific ownership taxes	22.5	23.9
Investment earnings	6.7	3.2
Other revenues	4.1	3.6
State equalization aid	285.5	263.2
Total revenues	738.4	688.6
Expenses:		
Governmental activities		
Instruction	387.8	804.8
Indirect instruction	78.9	151.9
Supporting services	81.1	141.1
Community services	0.9	1.5
Pupil activities	12.5	12.4
Interest on long-term debt	24.4	25.3
Food services operations	17.0	25.9
Total expenses	602.6	1,162.9
Increase (decrease) in net position	135.8	(474.3)
Net position, beginning of year	(1,689.1)	(1,214.8)
Net position, end of year	$ (1,553.3)	$ (1,689.1)


Government-Wide Revenues
fiscal year ended June 30, 2019
Charges for services, 6.2%
Operating grants, 9.2%
Capital grants, 0.2%
State equalization aid, 38.7%
Property taxes, 41.2%
Other revenues, 0.6%
Specific ownership taxes, 3.0%
Investment earnings, 0.9%


Government-Wide Expenses
fiscal year ended June 30, 2019
Community services, 0.1%
Interest on long-term debt, 4.0%
Pupil activities, 2.1%
General administration, 0.7%
Food service operations, 2.8%
Business services, 0.7%
Operations and maintenance, 6.9%
Pupil transportation, 3.3%
Instruction, 64.4%
Central services, 1.9%
Indirect Instruction, 13.1%

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 $22.3 million during the fiscal year, while property taxes increased by $7.3 million during the year. The State's economic conditions remained strong for the 2018-2019 fiscal year and included a 6.1% increase in per pupil funding and included funding for enrollment growth. Per pupil funding for fiscal year 2018-2019 was $8,092, which is an increase of $462 per pupil over the prior fiscal year. This increase includes both 3.4% for inflation and a reduction in the Statewide negative factor. State equalization aid also increased from increased enrollment of 146 FTE.

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 $33.5 million for fiscal year 2018-2019. This increase in the mill levy override amount accounts for the majority of the increase in property tax revenue.

Specific ownership taxes declined slightly as new car sales have slowed from a recent peak in the prior fiscal year. Interest income increased from both a higher rate environment and more active investing of available funds by the District.

The majority of the increase in operating grants and contributions relates to a $10.3 million pass through entry related to PERA. Included in SB18-200 discussed on pages 39-40, 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 (page 50).

The State did continue to provide partial funding of full day kindergarten for the 2018-2019 school year at an additional .08 FTE for each kindergartener enrolled. Effective for fiscal year 2019-2020, the State is funding full day kindergarten and the District has established full day programs at all elementary schools.

School financial issues are discussed in more detail in the Letter of Transmittal on pages 7-8.

Total governmental activities expenses decreased by $560.3 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 decreased by $1,274.4 million, the pension expense recorded in fiscal year 2018-2019 was actually a negative expense of almost $120 million. Compared to the prior year expense of over $481 million, that is a decrease of over $601 million. Excluding the effect of the pension expense decrease, other expenses increased approximately $40 million. The majority of this increase relates to increased salary of approximately $25.7 million in the General Fund based on increased staffing and average pay increases of 3.4%. Another $7 million of the increase in expenses relates to higher actual PERA payments made by the District related to a higher salary base and an increase in the blended employer contribution rate from 19.9% for fiscal year 2017-2018 to 20.2% for fiscal year 2018-2019. Instructional expenses also increased as a result of increased enrollment. Capital projects completed during the fiscal year with funding provided from the $250.0 million bond election resulted in increased depreciation expense of $3.7 million.

The District completed the final year of a three year Memorandum of Understanding with the teachers, mental health professionals and nurses. For the 2018-2019 fiscal year, the District provided teachers with a 3.4% increase to the salary schedule along with providing experience step. Other employee groups received a 3.4% salary increase, with a 3.4% increase for administrators. Recurring monthly health insurance contributions were maintained at existing levels, with some increases for certain employee work groups.

Cost increases for PERA continue to impact the District as discussed further on pages 39-40 following along with note 13) Defined Benefit Pension Plan of the Notes to the Basic Financial Statements found on pages 76-84.

Financial Analysis of the Governmental Funds

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

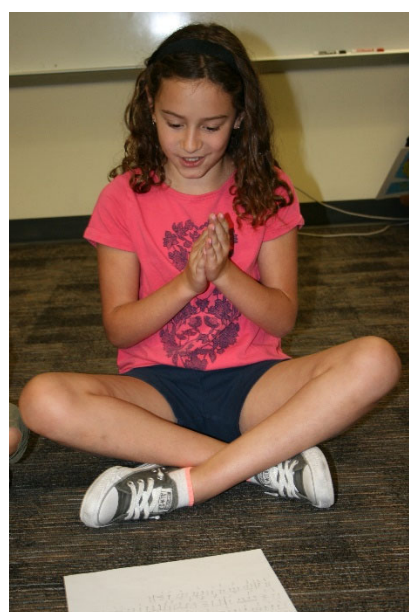
The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's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

As of the end of the current fiscal year, the District's governmental funds reported a combined ending fund balance of $254.7 million, an decrease of $83.7 million in comparison with the prior year. Activity related to the Capital Projects – Building Fund with a decrease to fund balance from the capital outlays associated with Building Fund projects accounts for an decrease in governmental fund balance of $82.7 million. The General Fund had an decrease in fund balance of $2.3 million discussed more fully on page 36. 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 $4.5 million. Long Term Debt is also discussed on page 38. The Special Revenue- Designated Purpose Grants Fund did not have a change in fund balance.

Other governmental funds show a decrease of $3.2 million in fund balance primarily in the Special Revenue Fund - Capital Reserve Fund. That decrease in fund balance 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 increased slightly in the Special Revenue Funds - Pupil Activities while the Food Services Fund and Extended Child Services Fund had a slight decrease.

The unassigned fund balance for the District at the end of the fiscal year includes $14.1 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, $7.2 million; 2) restricted for construction, $71.2 million; restricted to pay debt service, $59.6 million; restricted for food service operations, $4.7 million; and restricted for emergency reserves, $19.9 million; 3) committed to specific Extended Child Services activities, $2.9 million; committed to Pupil Activity activities, $6.3 million; and committed to multiple year commitments and future year expenditures of $24.0 million and 4) for a variety of other assigned purposes, $44.7 million.

The Debt Service - Bond Redemption Fund has adequate resources accumulated to make the December 2019 principal and interest payments. The mill levy to accumulate resources for the June 2020 and December 2020 principal and interest payments will be certified in December 2019.



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, $33.5 million for fiscal year 2018-2019, to provide additional funding to the District.

The budget was also increased to include encumbrances at June 30, 2018 in the amount of $463,732 for supplies ordered but not yet received by the end of the prior fiscal year. This amount was reflected as an assignment of fund balance as of June 30, 2018.

During the current fiscal year the fund balance in the General Fund decreased by $2.3 million which was contemplated in the budget process. Property taxes were above projections due to strong current year collections of taxes levied compared to prior years. Specific ownership taxes were a little lower than anticipated as new car sales decreased in the later part of the fiscal year. Other revenue items were in line with projections. Per pupil funding increased during the fiscal year by $462 compared to the prior fiscal year and student enrollment increased by 146 FTE.

The District was also able to keep actual expenditures $6.4 million below budget. The positive expenditure variances is primarily from lower general supplies spending and savings in budgeted benefits. The positive results allowed the District to fund additional projects in the Special Revenue -Capital Reserve Fund.

As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Actual expenditures of the General Fund including other financing uses amounted to $586.4million. Unassigned fund balance represents 2.4% of expenditures while total fund balance represents 14.6% of budget-based expenditures.

The components of the fund balance are as follows:

Cherry Creek School District No. 5
Fund Balance Components: General Fund
June 30, 2019 and 2018
(in millions)

	General Fund 2019	General Fund 2018
Nonspendable for:		
Prepayments and deposits	$ 3,376,813	$ 181,837
Inventories	1,564,239	1,576,812
Restricted for:		
Emergency reserve	17,591,000	16,388,000
Committed for:		
Multiple year commitments	1,005,309	950,470
Future year expenditures	22,966,761	2,550,106
Assigned for:		
Future year purchases and curriculum	554,410	463,732
Budget carryforward for future year expenditures	6,920,055	5,784,741
Board reserve	17,591,000	16,388,000
Unassigned	14,128,466	43,680,217
Total fund balance	$ 85,698,053	$ 87,963,915

Capital Assets and Long-term Debt

Capital Assets

The District's investment in capital assets for its governmental activities as of June 30, 2019, amounts to $832.4 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 $59.0 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, including Cherry Creek Innovation Campus, and administration sites with projects in progress as of the close of the fiscal year at $122.9 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, 2019 and 2018
(in millions)

	Primary Government Governmental Activities 2019	Primary Government Governmental Activities 2018
Land	$ 29.7	$ 29.7
Improvements	9.7	7.5
Buildings	647.4	604.7
Projects in progress	122.9	109.7
Equipment and vehicles	22.7	21.8
Total capital assets	$ 832.4	$ 773.4

Additional information on the District's capital assets can be found in Note 6 on pages 66-68.

Long-term Debt

At June 30, 2019, the District had total bonded debt outstanding of $673.7 million backed by the full faith and credit of the District.

The District's general obligation bonds decreased by $35.2 million which is the result of the scheduled current year payments on existing debt.

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.

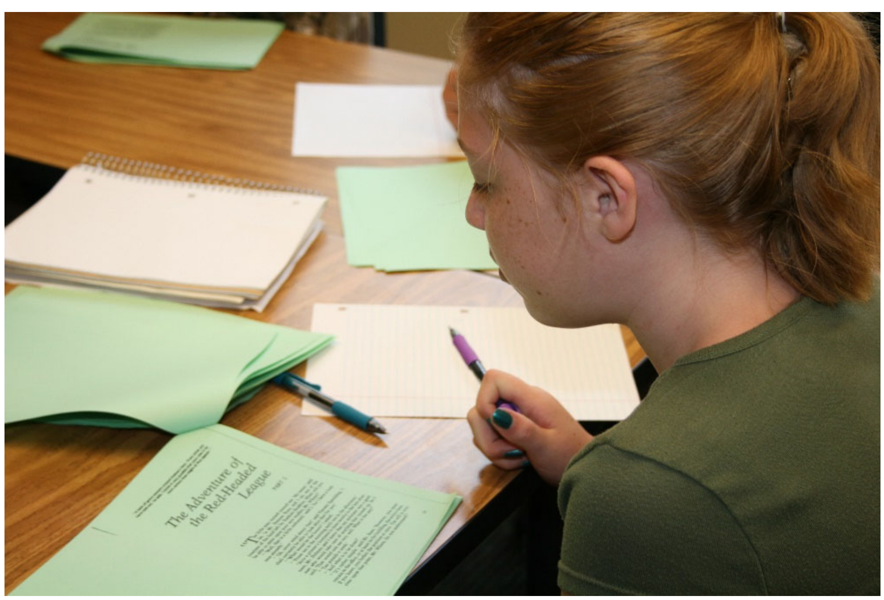
The District continues to maintain its Aa1 rating from Moody's Investors Service and raised its long-term rating from Standard & Poor's Corporation to AA+ from AA.

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 $1,238.2 million and the legal debt margin was $687.2 million.

Cherry Creek School District No. 5
Long Term Debt
June 30, 2019 and 2018
(in millions)

	Primary Government	
	Governmental Activities	
	2019	2018
General obligation bonds	$ 673.7	$ 708.9
Certificates of particpation	22.2	15.2
Capital leases	23.2	28.5
Total	$ 719.1	$ 752.6

Additional information on the District's long-term debt can be found in Notes 9 and 10 on pages 69-75 of this report.



Economic Factors and Next Year's Budget and Rates

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

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

Recent State economic forecasts indicate an increase in State revenues for the 2019-2020 fiscal year. Information from the September 2019 Economic Forecasts prepared by the Governor's Office of State Planning and Budgeting and the Colorado Legislative Staff is included in the Letter of Transmittal on page 7.

While the economy in Colorado remains strong, the State is limited to the amount of revenue that can be retained due to TABOR which limits the growth in a large portion of State revenue to the sum of inflation plus population growth in the previous calendar year. Revenue collected above the TABOR limit must be returned to taxpayers, unless voters decide the State can retain the revenue. TABOR revenue is projected to be above the cap as detailed on page 7, which will limit funds available for school funding.

Cherry Creek School District FY2019-2020 Budget Commentary

The School Finance Act generally outlines a plan for funding K-12 Education in the State of Colorado. On May 3, 2019, the Legislature approved the School Finance Act SB19-246 and HB19-1262 which funds Full-Day Kindergarten statewide. Included in SB19-246 is a provision to reduce the Budget Stabilization Factor statewide by $100 million for FY2019-2020. The Statewide Budget Stabilization Factor would change from $672.4 million in FY2018-19 to $572.4 million in FY2019-2020. The average increase in per pupil funding for school districts would be approximately 4.3% statewide, from $8,123 in FY2018-2019 to $8,476 in FY2019-2020.

District funding for FY2019-2020 as confirmed by the School Finance Act will include funding for a 2.7% increase in base per pupil funding reflective of the 2018 calendar year inflation for Denver/Aurora/Lakewood Consumer Price Index increase for Urban Consumers. Funding is also projected to increase for a 1,465 full-time equivalent (FTE) students, resulting from implementation of Full-Day Kindergarten. As a result of the Statewide decrease in the Budget Stabilization Factor, the District's estimated funding increases for the $5.2 million proportionate share reduction of the Budget Stabilization Factor from $40.8 million in FY2018-2019 to $35.6 Million in FY2019-2020. The District's estimated per pupil funding increases 4.3%, or $349 from $8,092 in FY2018-2019 to $8,441 in FY2019-2020.

Enrollment

Although the average funded enrollment growth over the past five years equates to 335 FTE per year, there are signs of the enrollment growth pattern changing in the FY2020-2021 through FY2022-2023 period. During that three year period, traditional projected growth is anticipated to slow considerably. Specifically, in the FY2020-2021 year, enrollment is expected to flatten out, a result of a continual slowing trend in birth rates, less in-migration of students, and lower average household sizes for families moving into the community.

PERA

In September 2017, the PERA Board voted in favor of changes to their current funding structure in order to strengthen their fiscal status in recognition of longer life expectancies for members and a current benefit structure that is not deemed to be sustainable over the long term. In November 2017, the PERA Board substantiated their proposal as part of a formal request for legislation. A PERA reform bill (SB18-200) was passed by the Senate and House on May 9, 2018.

Included in the PERA Bill is a PERA increase of 1/4 % for PERA employer contributions that is to be effective July 1, 2019. This increases the PERA rate from the current 20.15% to 20.4% in FY2019-2020. In addition, a change in methodology occurs for calculation of the PERA cost. For new employees as of July 1, 2019, PERA contributions are calculated on gross pay, instead of a net base exclusive of tax preference items.

SB18-200 also authorizes an increase in the PERA employer rate of ½% for an automatic adjustment in the event market performance on PERA investments is short of target levels to meet the 30-year funding requirements. This automatic trigger has been activated by the PERA Board in June 2019 to take effect July 1, 2020. Employee PERA rates also increase by ½% effective July 1, 2020 as part of this action.

SB18-200 also states that employee PERA rates are adjusted beginning July 1, 2019 to increase from 8% to 8.75% in FY2019-2020 followed by increases to 9.5% in FY2020-2021 and 10% in FY2021-2022.

More information on this legislation can be found in Note 13) Defined Benefit Pension Plan of the Notes to the Basic Financial Statements found on pages 76-84.

FY2019-2020 General Fund Budget Balancing Plan

Cherry Creek's proposed budget is balanced through a combination of a revenue increase and a measured use of General Fund reserves that provides a fiscal plan for FY2019-2020. Expenditure increases are proposed to provide instructional support that is focused on student achievement. Staffing is planned using a 18.75:1 student teacher ratio for instructional staff across elementary and secondary schools. The ratio was changed from 18.5:1 to 18.75:1 to address specific needs in affected populations, where most schools required additional teaching support. Teacher and mental health support is provided for affected student populations that experienced unusual growth in FY2018-2019. Specifically English Language Learners populations and Special Education populations grew by 6% and 4%, respectively in the 2018-2019 school year. The budget will position the District well for the start of the 2019-2020 school year, including for the opening of the Cherry Creek Innovation Campus and Cherry Creek Elevation Online High School.

General Fund Revenue Budget

Net Total Program funding from the School Finance Act (SB 19-246 and HB19-1262) is estimated to increase $30.8 million from $427.8 million in FY2018-2019 to $458.6 million in FY2019-2020. Of this increase, $13.2 million is an inflationary increase of 2.7%, $5.2 million is for the District's share of the Statewide reduction in the Budget Stabilization Factor, and $12.4 million is for revenue from projected enrollment increase of 1,465 student FTE for Full-Day Kindergarten statutory change.

Included in the General Fund Revenue Budget are inflationary increases in State revenue for categorical programs of $0.3 million and $1.6 million increase in ECEA Special Education Tier B funding for Special Education students. The Tier B supplemental funding is based on the District's Tier B Special Education count in FY2018-2019 of 1,733 students. Also included are estimated increases in Property Tax Abatements of $1.4 Million and increment in the Property Tax override of $6.4 Million, along with Specific Ownership Tax increases of $0.2 Million.

The total FY2019-2020 General Fund revenue increase of $40.7 million less the Operating Margin of Expenditures over Revenue in FY2018-2019 of $3.5 million, and the use of $23.0 million of Reserves in the Beginning Fund Balance of the General Fund provides for a $60.2 million increase in Expenditures in the FY2019-2020 Budget Plan. Total Revenue Budget of $631.3 million plus use of Reserves of $23.0 million results in an Expenditure Budget of $654.3 million in the Budget Balancing Plan.

General Fund Expenditures Budget

General Fund Expenditures in the budget are concentrated on the resources to serve our student population, maintain class sizes in our schools, and provide for estimated increases under negotiated compensation policies for teaching and non-teaching staff.

Staffing Structure

Further consideration of staffing ratio changes to be phased in over time, or alternative targeted achievement funding aligned to future strategic District educational initiatives may need to be considered in a study of adjustments to the existing 18.75:1 standard ratio across the District. As funding projections are confirmed over the next year, these areas will need to be evaluated for feasibility and alignment with the strategic mission of Cherry Creek School District. This is an essential element of a fiscally sound budget plan to close the gap between revenue and expenditures that is expected to grow over time.

For fiscal year 2019-2020, most employee groups received a 2.7% increase to base pay. The District entered a three year agreement with the teachers during the 2017-2018 fiscal year to provide an increase yearly to the salary schedule equal to the change in District per pupil funding unless there is a decrease in funding whereby the salary schedule would not change. For the 2019-2020 fiscal year, the District will provide teachers with a 2.7% increase to the salary schedule along with providing experience step increases and additional education attainment increases. Recurring monthly health insurance contributions were maintained at existing levels. Cost increases for the PERA continue to impact the District.

The Use of General Fund Beginning Fund Balance

The FY2019-2020 General Fund Budget includes planned use of up to $22,970,000 in General Fund resources that are included in the beginning fund balance. These resources enable a balanced General Fund budget in FY2019-2020 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.

A review of actual General Fund Reserve levels will be necessary in FY2019-2020 and FY2020-2021, as part of a sustainable budget plan that meets the needs of students with purposeful intent of balancing the budget by preserving resources and minimizing use of reserves in the out years.

C.R.S. 22-32-108.5 - Sharing of Mill Levy Override Funds with Charter Schools

Based on HB17-1375, adjustments in the per pupil share of mill levy override funds will increase the charter school share from 50% to 95% in FY2019-2020. The District FY2019-2020 budget is modified in the amount of $1.4 Million for the approximate effect of this change, subject to verification of funded student counts and resulting proportionate revenue calculations. Board Resolution 212-18 on June 11, 2018 authorized this change in accordance with the requirements of the legislation. Districts may make adjustments to the plan, as future circumstances warrant.

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

Cherry Creek Schools

Dedicated to Excellence

Basic

Financial

Statements

Cherry Creek Schools
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CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO
STATEMENT OF NET POSITION
June 30, 2019

	Primary Government		Component Unit	
	Governmental Activities		Charter Schools	
ASSETS				
Cash and investments	$	316,751,572	$	3,072,521
Receivables, net				
Property taxes		7,233,293		-
Other governments		2,951,143		-
Other		2,982,820		38,704
Prepayments and deposits		5,229,965		49,667
Inventories		2,004,321		-
Capital Assets				
Land		29,659,837		744,711
Improvements		32,687,636		359,917
Buildings		1,074,298,693		11,558,469
Equipment and vehicles		88,652,511		729,673
Projects in progress		122,892,272		-
Less accumulated depreciation		(515,751,391)		(2,087,267)
Total Capital assets		832,439,558		11,305,503
Total Assets		1,169,592,672		14,466,395
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources related to pensions		396,164,402		5,469,010
Deferred outflows of resources related to OPEBs		4,706,871		89,858
Deferred outflows on refunding		708,473		69,672
Total Deferred outflows of resources		401,579,746		5,628,540
LIABILITIES				
Current liabilities				
Accounts and other current payables		27,912,689		156,842
Accrued interest payable		1,324,645		28,572
Accrued salaries and benefits		34,716,265		194,727
Unearned revenues		12,706,888		250
General obligation bonds		33,665,000		160,000
Capital lease obligations		5,141,078		-
Compensated absences payable		6,533,623		-
Total Current liabilities		122,000,188		540,391
Noncurrent liabilities				
General obligation bonds		640,009,062		2,312,003
Certificates of participation		22,220,776		-
Capital lease payable		18,075,397		-
Compensated absences payable		37,808,863		-
Total Noncurrent liabilities		718,114,098		14,688,878
Net OPEB liability		63,498,158		588,744
Net pension liability		1,271,389,622		11,788,131
Total Liabilities		2,175,002,066		2,175,002,066
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources related to OPEBs		96,656		897
Deferred inflows of resources related to pensions		949,444,503		8,377,648
Total Deferred inflows of resources		949,541,159		8,378,545
NET POSITION				
Net investment in capital assets		185,281,019		8,903,172
Restricted for:				
Debt service		58,258,318		370,048
Emergency reserve		19,877,000		261,000
Food service		4,737,914		-
Repair and replacement		-		51,162
Unrestricted		(1,821,525,058)		(13,098,261)
Total Net position	$	(1,553,370,807)	$	(3,512,879)

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, 2019

		Program Revenues		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES:				
Instruction	$ 387,772,766	$ 21,593,931	$ 47,438,155	$ 1,284,983
Indirect instruction	78,907,988	334,248	7,379,005	-
Support services				
General administration	4,089,304	-	-	-
Business services	4,309,307	194,953	-	-
Operations and maintenance	41,450,783	655,136	-	-
Pupil transportation	19,618,143	142,003	4,586,204	-
Central services	11,606,476	-	-	-
Community services	880,782	587,266	-	-
Pupil activities	12,509,696	12,869,793	-	-
Food service operations	17,024,052	9,503,290	8,498,828	-
Interest on long-term debt, unallocated	24,447,812	-	-	-
Total Governmental activities	602,617,109	45,880,620	67,902,192	1,284,983
Total Primary government	$ 602,617,109	$ 45,880,620	$ 67,902,192	$ 1,284,983
Component unit - Charter schools	$ 8,198,230	$ 434,576	$ 240,626	$ 368,838

GENERAL UNRESTRICTED REVENUES:

Taxes:

Property taxes

Specific ownership taxes

Investment earnings

Other revenues

State equalization aid

Sale of assets

Total General unrestricted revenues

Changes in net position

Net position, Beginning

Net position, Ending

See accompanying notes to basic financial statements.

Net (Expenses) Revenue and Changes in Net Position	
Primary Government	Component Unit
Governmental Activities	Charter Schools
$ (317,455,697)	$ (4,655,486)
(71,194,735)	-
(4,089,304)	(2,372,060)
(4,114,354)	-
(40,795,647)	-
(14,889,936)	-
(11,606,476)	-
(293,516)	-
360,097	-
978,066	-
(24,447,812)	(126,644)
(487,549,314)	(7,154,190)
$ (487,549,314)	-
-	(7,154,190)
304,510,324	932,135
22,548,623	-
6,706,746	46,133
3,404,462	19,755
285,450,978	6,681,416
691,056	-
623,312,189	7,679,439
135,762,875	525,249
(1,689,133,682)	(4,038,128)
$ (1,553,370,807)	$ (3,512,879)

CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2019

	General Fund	Debt Service - Bond Redemption Fund	Capital Projects - Building Fund	Special Revenue - Designated Purpose Grants Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and investments	$ 117,675,141	$ 58,730,341	$ 88,748,353	$ 12,230,429	$ 39,367,308	$ 316,751,572
Receivables, net						
Property taxes	4,927,694	2,305,599	-	-	-	7,233,293
Other governments	-	-	-	2,922,395	28,748	2,951,143
Other	2,760,808	21,935	43,742	9,633	146,702	2,982,820
Interfund receivables	220,806	-	-	-	-	220,806
Prepayments and deposits	3,376,813	-	-	-	1,853,152	5,229,965
Inventories	1,564,239	-	-	-	440,082	2,004,321
Total Assets	$ 130,525,501	$ 61,057,875	$ 88,792,095	$ 15,162,457	$ 41,835,992	$ 337,373,920
LIABILITIES						
Accounts payable and retainage payable	$ 7,270,424	$ -	$ 17,547,794	$ 2,273,284	$ 740,521	$ 27,832,023
Other payables	80,666	-	-	-	-	80,666
Interfund payables	-	-	-	-	220,806	220,806
Accrued salaries and benefits	32,172,165	-	-	998,921	1,545,179	34,716,265
Unearned revenues	-	-	-	11,890,252	816,636	12,706,888
Compensated absences	3,634,900	-	-	-	348,723	3,983,623
Total Liabilities	43,158,155	-	17,547,794	15,162,457	3,671,865	79,540,271
DEFERRED INFLOWS OF RESOURCES						
Unavailable property tax revenues	1,669,293	1,474,912	-	-	-	3,144,205
FUND BALANCES						
Nonspendable for:						
Prepayments and deposits	3,376,813	-	-	-	1,853,152	5,229,965
Inventories	1,564,239	-	-	-	440,082	2,004,321
Restricted for:						
Construction	-	-	71,244,301	-	-	71,244,301
Debt service	-	59,582,963	-	-	-	59,582,963
Emergency reserve	17,591,000	-	-	-	2,286,000	19,877,000
Food service operations	-	-	-	-	4,737,914	4,737,914
Committed for:						
Multiple year commitments	1,005,309	-	-	-	-	1,005,309
Future year expenditures	22,966,761	-	-	-	-	22,966,761
Extended Child Services Fund activities	-	-	-	-	2,881,161	2,881,161
Pupil Activities Fund activities	-	-	-	-	6,323,016	6,323,016
Assigned for:						
Future year purchases and curriculum	554,410	-	-	-	-	554,410
Budget carryforward for future year expenditures	6,920,055	-	-	-	-	6,920,055
Board reserve	17,591,000	-	-	-	-	17,591,000
Future year transfers	-	-	-	-	2,303,084	2,303,084
Capital Reserve Fund activities	-	-	-	-	17,339,718	17,339,718
Unassigned	14,128,466	-	-	-	-	14,128,466
Total Fund balances	85,698,053	59,582,963	71,244,301	-	38,164,127	254,689,444
Total Liabilities, Deferred inflows of resources and Fund balances	$ 130,525,501	$ 61,057,875	$ 88,792,095	$ 15,162,457	$ 41,835,992	$ 337,373,920

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, 2019

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

Total fund balance - governmental funds		$ 254,689,444
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	$ 1,348,190,949	
Accumulated depreciation is	(515,751,391)	
		832,439,558
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.		3,144,205
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	673,674,062	
Capital leases payable	23,216,475	
Certificates of participation	22,220,776	
Compensated absences payable	40,358,863	
Net OPEB liability	63,498,158	
Net pension liability	1,271,389,622	
		(2,094,357,956)
Deferred outflows from refunding debt are not considered current financial resources and not reported in the governmental funds		708,473
Deferred outflows related to pensions are applicable to future periods and, therefore, are not reported in the funds.		396,164,402
Deferred outflows related to OPEBs are applicable to future periods and, therefore, are not reported in the funds.		4,706,871
Deferred inflows related to pensions are applicable to future periods and, therefore, are not reported in the funds.		(949,444,503)
Deferred inflows related to OPEBs are applicable to future periods and, therefore, are not reported in the funds.		(96,656)
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.		(1,324,645)
Total Net Position - governmental activities		$ (1,553,370,807)

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, 2019

	General Fund	Debt Service - Bond Redemption Fund	Capital Projects - Building Fund	Special Revenue - Designated Purpose Grants Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Taxes						
Property taxes	$ 242,747,179	$ 61,925,276	$ -	$ -	$ -	$ 304,672,455
Specific ownership taxes	22,548,623	-	-	-	-	22,548,623
Intergovernmental						
Federal - grants	1,474,997	-	-	19,148,686	8,183,318	28,807,001
State equalization aid	285,450,978	-	-	-	-	285,450,978
State transportation	4,586,204	-	-	-	-	4,586,204
State education of handicapped	11,978,290	-	-	-	-	11,978,290
State vocational education	2,003,771	-	-	-	-	2,003,771
Other state	14,074,590	-	-	5,752,536	315,510	20,142,636
Earnings on investments	2,252,577	986,011	3,190,503	-	277,655	6,706,746
Other						
Tuition	716,361	-	-	-	19,236,808	19,953,169
Fees and fines	1,167,162	-	-	-	-	1,167,162
Pupil activities	-	-	-	-	12,869,793	12,869,793
Donations	-	-	-	3,086,930	57,340	3,144,270
Food services sales	-	-	-	-	9,503,290	9,503,290
Miscellaneous	3,901,292	-	409,339	-	6,042	4,316,673
Total revenues	592,902,024	62,911,287	3,599,842	27,988,152	50,449,756	737,851,061
EXPENDITURES						
Current						
Instruction	394,400,141	-	-	20,609,147	16,871,514	431,880,802
Indirect instructional						
Pupil services	36,152,135	-	-	3,844,106	-	39,996,241
Instructional staff services	20,647,940	-	-	3,326,421	1,096,347	25,070,708
School administration	29,593,687	-	-	208,478	-	29,802,165
Support services						
General administration	4,961,101	-	-	-	-	4,961,101
Business services	4,789,681	-	-	-	364,909	5,154,590
Operations and maintenance	44,627,315	-	-	-	-	44,627,315
Pupil transportation	22,968,443	-	-	-	-	22,968,443
Central services	13,947,248	-	-	-	-	13,947,248
Community services	608,421	-	-	-	408,074	1,016,495
Pupil activities	-	-	-	-	12,509,696	12,509,696
Food service operations	-	-	-	-	18,631,588	18,631,588
Non-departmental	608,239	-	-	-	-	608,239
Capital outlay	430,636	-	86,267,848	-	26,613,704	113,312,188
Debt service						
Principal	-	31,345,000	-	-	5,257,115	36,602,115
Interest and fiscal charges	-	27,052,955	-	-	1,075,558	28,128,513
Total expenditures	573,734,987	58,397,955	86,267,848	27,988,152	82,828,505	829,217,447
Excess of revenues over (under) expenditures	19,167,037	4,513,332	(82,668,006)	-	(32,378,749)	(91,366,386)
OTHER FINANCING SOURCES (USES)						
Transfers in	1,523,320	-	-	-	22,956,219	24,479,539
Transfers out	(22,956,219)	-	-	-	(1,523,320)	(24,479,539)
Certificates of participation issuance	-	-	-	-	7,000,000	7,000,000
Sale of assets	-	-	-	-	691,056	691,056
Total other financing sources (uses)	(21,432,899)	-	-	-	29,123,955	7,691,056
Net change in fund balances	(2,265,862)	4,513,332	(82,668,006)		(3,254,794)	(83,675,330)
Fund balances, Beginning	87,963,915	55,069,631	153,912,307	-	41,418,921	338,364,774
Fund balances, Ending	$ 85,698,053	$ 59,582,963	$ 71,244,301	$ -	$ 38,164,127	$ 254,689,444

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, 2019

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

Total net change in fund balances - governmental funds		$ (83,675,330)
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	$ 94,489,895	
Depreciation expense	(35,431,059)	
		59,058,836
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.		3,144,205
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.		(3,306,336)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds - changes in long-term compensated absences payable.		(1,736,552)
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.		36,602,115
Governmental funds report the issuance of debt, including premiums and discounts, as an other financing source. In the governmental activities, however, the issuance of debt is reflected as a liability instead. This amount is shown net of payments made to the bond refunding escrow agent.		(7,000,000)
Premiums, discounts and deferred outflows on refunding are amortized in the governmental activities, but are recognized as expenditures in the governmental funds.		3,667,807
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.		12,892
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, 2017 and not reflected as expenses on the statement of activities. These consist of:		
PERA		130,299,806
OPEB		(1,304,568)
Total change in net position - governmental activities		$ 135,762,875

See accompanying notes to basic financial statements.

CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For The Year Ended June 30, 2019

	Budgeted Amounts			Variance with Final Budget Positive
	Original	**Final**	**Actual**	**(Negative)**
REVENUES				
Taxes				
Property taxes	$ 241,012,034	$ 240,708,781	$ 242,747,179	$ 2,038,398
Specific ownership taxes	21,578,953	23,050,119	22,548,623	(501,496)
Intergovernmental - State				
State equalization aid	288,923,688	285,669,366	285,450,978	(218,388)
Transportation	4,703,900	4,530,700	4,586,204	55,504
Education of handicapped	11,872,700	11,976,778	11,978,290	1,512
Vocational education	2,545,400	1,848,700	2,003,771	155,071
Other state	5,415,935	3,642,438	3,749,384	106,946
Intergovernmental - Federal	1,463,989	1,463,989	1,474,997	11,008
Earnings on investments	139,100	2,238,500	2,252,577	14,077
Other				
Tuition	532,800	630,634	716,361	85,727
Fees and fines	1,796,250	1,583,050	1,167,162	(415,888)
Miscellaneous	2,286,145	3,577,945	3,901,292	323,347
Total revenues	582,270,894	580,921,000	582,576,818	1,655,818
EXPENDITURES				
Current				
Instruction	395,385,479	389,330,334	386,746,719	2,583,615
Indirect instructional				
Pupil services	34,923,974	35,668,751	35,446,799	221,952
Instructional staff services	19,088,625	20,747,659	20,326,943	420,716
School administration	29,209,915	29,435,378	29,049,988	385,390
Support services				
General administration	4,723,706	4,884,902	4,882,164	2,738
Business services	4,312,463	4,933,173	4,707,523	225,650
Operations and maintenance	43,314,482	45,610,041	44,282,551	1,327,490
Pupil transportation	23,204,906	23,054,752	22,596,056	458,696
Central services	14,247,335	14,505,593	13,742,150	763,443
Community services	535,959	610,049	598,395	11,654
County treasury fees	585,250	609,882	608,239	1,643
Facilities construction services	418,106	433,523	422,254	11,269
Total expenditures	569,950,200	569,824,037	563,409,781	6,414,256
Excess of revenues over (under) expenditures	12,320,694	11,096,963	19,167,037	8,070,074
OTHER FINANCING SOURCES (USES)				
Transfers in	1,545,000	1,545,000	1,523,320	(21,680)
Transfers out	(16,415,800)	(16,541,963)	(22,956,219)	(6,414,256)
Total other financing sources (uses)	(14,870,800)	(14,996,963)	(21,432,899)	(6,435,936)
Net change in fund balance	(2,550,106)	(3,900,000)	(2,265,862)	1,634,138
Fund balance, Beginning	94,236,683	87,963,915	87,963,915	-
Fund balance, Ending	$ 91,686,577	$ 84,063,915	$ 85,698,053	$ 1,634,138
Less effect of on-behalf payments to PERA			(10,325,206)	
Plus effect of on-behalf contributions from PERA			10,325,206	
Fund Balance (GAAP Basis), Ending			$ 85,698,053	

See accompanying notes to basic financial statements.

Notes to

Basic

Financial

Statements

Cherry Creek Schools
Dedicated to Excellence

Cherry Creek Schools
Dedicated to Excellence

Notes to Basic Financial Statements

Cherry Creek School District No. 5
Arapahoe County, Colorado
June 30, 2019

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, seven high schools, three K-8 schools (the Challenge School, Cherry Creek Academy Charter School and Heritage Heights Academy, discretely presented component units), four alternative school programs (Options Program, Foote Youth Services Center, Intensive Treatment Program, and The I-Team Program), Institute of Science and Technology, two stadiums, three central administrative facilities, and seven support facilities providing educational services to approximately 55,300 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 two Charter Schools in operation, Cherry Creek Academy and Heritage Heights 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 Charter School 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, 2019. 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

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 2018 but not yet collected in 2019 are identified as property taxes receivable and deferred inflows of resources in the governmental funds balance sheet at June 30, 2019, and are presented in the amount of $3,144,205. Intergovernmental receivable of $2,922,395 in the Designated Purpose Grants Fund includes amounts due from grantors for specific program grants. Intergovernmental receivable of $28,748 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 $2,004,321.

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 $3,376,813 in the General Fund, $1,777,724 in the Capital Reserve Fund, $45,792 in the Food Services Fund, $3,240 in the Pupil Activities Fund and $26,396 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 $708,473 for governmental activities and $69,672 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 2019 is as follows:

Tax Year

Beginning of fiscal year for taxes
- January 1

Assessed valuation initially certified by County Assessor
- August 25

Property tax levy by Board of Education for ensuing calendar year
- December 10

Tax levy certified to County Commissioners
- December 15

County Commissioners certify levy to County Treasurer
- January 10

Collection Year

Mailing of tax bills (lien date)
- January 1

First installment due
- February 28

Taxes due in full (unless installments elected by taxpayer)
- April 30

Second installment due
- June 15

Property taxes are recorded initially at the budgeted collection rate as deferred inflows in the year they are levied and measurable. The deferred inflow property tax revenues are recorded as revenue in the year they are available or collected. The District has deferred inflows from property tax collection at June 30, 2019, in the amount of $3,144,205. Property taxes are remitted to the District by the Arapahoe County Treasurer by the tenth of the month following collections by the county, except for the months of March, May, and June in which the District receives an additional remittance from the Arapahoe County Treasurer for collections through the twentieth of such months.

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

M) State Equalization Aid

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

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

N) Long-term Liabilities

In the government-wide financial statements 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, 2019.

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, 2019, was $12,410,393 with a current portion due within one year of $1,289,327. 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, 2019, fund balances of the governmental funds are classified as follows:

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

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

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

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

Unassigned – all other spendable amounts. 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 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	$	7,819,130
Equity in pooled cash		2,029,954
Cash held by county treasurer		2,884,796
Investments held by the District		284,440,609
Investments held by an escrow agent		19,577,083
Total Cash and Investments	$	316,751,572

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, 2019, 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, 2019, the District had bank deposits of $15,627,094 and a carrying balance of $9,849,084, the difference is checks issued but not yet cashed. The District had cash of $2,884,796 held by the county treasurer.

Component Units:

As of June 30, 2019, the charter schools had bank deposits of $521,833 at Cherry Creek Academy and $332,101 at Heritage Heights Academy and a carrying balance of $416,950 at Cherry Creek Academy and $294,107 at Heritage Heights Academy. At June 30, 2019, 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.

			Rating as of Year End						
Investment Type	Total	% of Total	A1	Aaa	Aa1	Aa2	Aa3	AAA+	AAAM
Corporate Note	$ 18,099,042	5.95%	$ 2,028,870	$ 4,010,642	$ 1,998,932	$ 6,061,038	$ 3,989,560	$ -	$ -
CSIP Fixed Term	106,235,970	34.94%	-	-	-	-	-	106,235,970	-
CSIP LGIP	156,113,848	51.35%	-	-	-	-	-	-	156,113,848
Federal Agency	11,405,241	3.75%	-	11,405,241	-	-	-	-	-
US Treasury	12,163,591	4.00%	-	12,163,591	-	-	-	-	-
Total	**$ 304,017,692**	**100.00%**	**$ 2,028,870**	**$ 27,579,474**	**$ 1,998,932**	**$ 6,061,038**	**$ 3,989,560**	**$ 106,235,970**	**$ 156,113,848**

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:

		Remaining Maturity (in Months)	
Investment Type		12 Months Or Less	13 to 24 Months
Corporate note	$ 18,099,042	$ 1,996,160	$ 16,102,882
CSIP Fixed Term	106,235,970	106,235,970	-
CSIP LGIP	156,113,848	156,113,848	-
Federal Agency	11,405,241	8,497,933	2,907,308
US Treasury	12,163,591	4,834,321	7,329,270
Total	$ 304,017,692	$ 277,678,232	$ 26,339,460

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, 2019:

Investments by fair value levels	Balance June 30, 2019	Amortized Cost	Fair Value Measurement Using Level 2
Corporate Note	$ 18,099,042	$ -	$ 18,099,042
CSIP Fixed Term Holdings	106,235,970	106,235,970	-
CSIP LGIP	156,113,848	156,113,848	-
Federal Agency	11,405,241	-	11,405,241
US Treasury	12,163,591	-	12,163,591
Total	$ 304,017,692	$ 262,349,818	$ 41,667,874

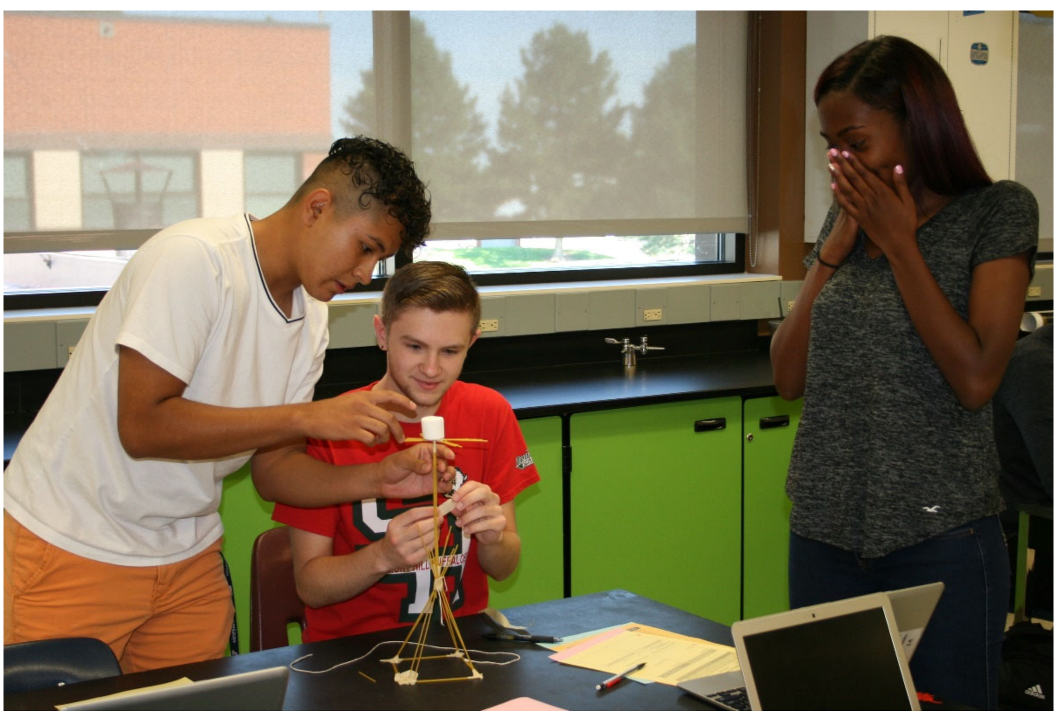
Component Units:

At June 30, 2019, Cherry Creek Academy had invested $1,856,056 and Heritage Heights Academy had $505,058 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, 2019 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:

Governmental activities	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Non-depreciable assets:				
Land	$ 29,659,837	$ -	$ -	$ 29,659,837
Projects in progress	109,707,664	88,001,667	74,817,059	122,892,272
Total non-depreciable assets	139,367,501	88,001,667	74,817,059	152,552,109
Depreciable assets:				
Land improvements	29,819,536	2,868,100	-	32,687,636
Buildings	1,002,469,376	71,829,317	-	1,074,298,693
Equipment & vehicles	87,098,253	6,607,870	5,053,612	88,652,511
Total depreciable assets	1,119,387,165	81,305,287	5,053,612	1,195,638,840
Less accumulated depreciation for:				
Land improvements	22,259,911	761,676	-	23,021,587
Buildings	397,772,438	29,066,709	-	426,839,147
Equipment & vehicles	65,341,595	5,602,674	5,053,612	65,890,657
Total accumulated depreciation	485,373,944	35,431,059	5,053,612	515,751,391
Total capital assets being depreciated, net	634,013,221	45,874,228	-	679,887,449
Net capital assets	$ 773,380,722	$ 133,875,895	$ 74,817,059	$ 832,439,558



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

Governmental activities:	
Instruction	$ 30,576,240
Indirect instruction	3,390,233
General administration	14,004
School administration	33,593
Business services	29,110
Operations and maintenance	467,847
Pupil transportation	538,140
Central services	31,621
Community services	223
Food service operations	335,737
Other support services	14,311
Total depreciation expense - governmental activities	$ 35,431,059

Component unit activities

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Governmental activities:				
Land	$ 744,711	$ -	$ -	$ 744,711
Land improvements	283,886	-	-	283,886
Projects in progress	5,585,892	62,487	5,648,379	-
Buildings	5,310,869	5,648,379	-	10,959,248
Building improvements	630,092	45,160	-	675,252
Furniture and equipment	698,027	31,646	-	729,673
Accumulated depreciation	(1,771,852)	(315,415)	-	(2,087,267)
Total Capital Assets, net	$ 11,481,625	$ 5,472,257	$ 5,648,379	$ 11,305,503

Construction commitments: The District has active construction projects as of June 30, 2019. The projects include renovation, new construction, and site improvements.

6) CAPITAL ASSETS (Continued)

A list of significant commitments as of June 30, 2019, is as follows:

	Commitment Total	Completed to Date	Remaining Commitment
Cherry Creek Innovation Campus	$ 55,308,778	$ 43,775,252	$ 11,533,526
Fremont Building	5,635,496	288,924	5,346,572
SARC	485,835	23,135	462,700
Estate/Preschool Renovation	1,099,830	131,279	968,551
Transportation Central	677,359	390,982	286,377
Elementary/Middle School Innovations	21,668,712	10,001,125	11,667,587
Mechanical renovations	17,630,880	9,716,806	7,914,074
Maintenance renovations	4,056,577	2,138,783	1,917,794
Master Plan	990,967	12,465	978,502
School Café renovations	1,717,138	418,681	1,298,457
Roofing renovations	1,852,752	706,621	1,146,131
			$ 43,520,271

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 2018 – 2019 fiscal year were as follows:

	Transfers In			
		Nonmajor Funds		
Transfers Out	General Fund	Extended Child Services Fund	Food Service Fund	Capital Reserve Fund
General Fund	$ -	$ 126,163	$ 19,655	$ 22,810,401
Nonmajor Funds:				
Extended Child Services Fund	1,523,320	-	-	-
Total	$ 1,523,320	$ 126,163	$ 19,655	$ 22,810,401

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:

Receivable Fund	Payable Fund	
General Fund	Nonmajor Fund: Pupil Activities Fund	$ 220,806
Total		$ 220,806

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, 2019, are estimated to be $32,172,165 for the General Fund and $998,921 for the Designated Purpose Grants Fund. Additional accrued salaries and benefits earned by non-contracted employees, including other hourly employees, are $1,545,179 at June 30, 2019.

9) COMPENSATED ABSENCES PAYABLE

As of June 30, 2019, compensated absences payable are as follows:

	Current	Long-term	Total
Governmental activities	$ 6,533,623	$ 37,808,863	$ 44,342,486
Total	$ 6,533,623	$ 37,808,863	$ 44,342,486

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 $3,983,623. 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.

9) COMPENSATED ABSENCES PAYABLE (Continued)

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

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Governmental funds	$ 42,663,034	$ 8,270,175	$ 6,590,723	$ 44,342,486

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, 2019, are as follows:

Description, Interest Rates, and Maturity Dates	Principal Balance
School building bonds in the original amount of $100,000,000 (Series 2004) due in varying installments through December 15, 2023, interest at 2.0% - 5.0%	$ 13,525,000
School building bonds in the original amount of $15,045,000 (Series 2010A) due in varying installments through December 15, 2019, interest at 2.0% - 5.0%	5,880,000
School building bonds in the original amount of $86,730,000 (Series 2010B) due in varying installments through December 15, 2029, interest at 4.6% - 5.6%	86,730,000
Refunding bonds in the original amount of $48,855,000 (Series 2012) due in varying installments through December 15, 2023, interest at 2.0% - 3.5%	23,545,000
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%	107,545,000
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%	16,660,000
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%	24,720,000
Refunding building bonds in the original amount of $46,855,000 (Series 2015) due in varying installments through December 15, 2019, interest at 5.0%	8,805,000
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%	75,510,000
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%	100,000,000
Total general obligation bonds payable	$ 610,545,000

10) LONG-TERM DEBT (Continued)

Long-term debt maturities for all general obligation bonds outstanding at June 30, 2019, including interest, are as follows:

Fiscal year ended June 30,	Principal	Interest	Total
2020	$ 33,665,000	$ 25,499,171	$ 59,164,171
2021	35,330,000	23,822,245	59,152,245
2022	30,270,000	22,349,048	52,619,048
2023	31,525,000	21,102,749	52,627,749
2024	32,765,000	19,908,385	52,673,385
2025-2029	173,350,000	77,205,194	250,555,194
2030-2034	160,960,000	39,578,885	200,538,885
2035-2037	112,680,000	9,697,875	122,377,875
Total	$ 610,545,000	$ 239,163,552	$ 849,708,552

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.

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

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 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, 2019 are as follows:

Fiscal year ended June 30,	Principal	Interest	Total
2020	$ -	$ 711,573	$ 711,573
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
2025-2029	7,015,000	2,293,944	9,308,944
2030-2034	6,545,000	1,251,995	7,796,995
2035-2039	5,120,000	420,902	5,540,902
Total	$ 22,465,000	$ 7,113,790	$ 29,578,790

Capital Lease Obligations

Capital lease obligations at June 30, 2019, are as follows:

Description, Interest Rates, and Maturity Dates	Balance
Bus lease in the original amount of $4,178,500 (2015) due in varying installments through March 24, 2025, interest at 2.090%	$ 2,610,541
Bus lease in the original amount of $3,368,178 (2016) due in varying installments through January 25, 2026, interest at 1.990%	2,426,783
Bus lease in the original amount of $3,552,683 (2017) due in varying installments through March 3, 2027, interest at 2.296%	2,905,506
Technology lease in the original amount of $12,000,000 (2017) due in varying installments through July 15, 2021, interest at 1.781%	8,647,078
Bus lease in the original amount of $7,262,050 (2018) due in varying installments through January 31, 2028, interest at 2.910%	6,626,567
Total capital lease obligations payable	$ 23,216,475

The total amount of assets acquired with the technology and bus leases noted above amount to $24,607,299; less $14,224,176 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:

Fiscal year ended June 30,	
2020	$ 5,631,954
2021	5,631,953
2022	3,856,064
2023	2,080,174
2024	2,080,174
2025-2028	5,779,219
Total minimum lease payments	25,059,538
Less: amount representing interest	(1,843,063)
Present value of minimum lease payments	$ 23,216,475

10) LONG-TERM DEBT (Continued)

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, 2019, are $1,238,167,092 and $687,205,055, respectively. As of June 30, 2019, the management of the District is of the opinion that it is in compliance with all significant limitations and restrictions in the bond indentures.

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 $1,474,997 from the United States Treasury for the fiscal year ended June 30, 2019, 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, 2019, the following changes occurred in long-term debt:

	Balance July 1, 2018	Additions	Deletions	Outstanding June 30, 2019
Governmental Activities:				
General obligation bonds payable	$ 641,890,000	$ -	$ 31,345,000	$ 610,545,000
Unamortized premiums	66,968,705	-	3,839,643	63,129,062
Total bonds payable	708,858,705	-	35,184,643	673,674,062
Capital lease	28,473,590	-	5,257,115	23,216,475
Certificates of participation	15,465,000	7,000,000	-	22,465,000
Unamortized discounts	(256,748)	-	(12,524)	(244,224)
Compensated absences	42,663,034	8,270,175	6,590,723	44,342,486
Total	$ 795,203,581	$ 15,270,175	$ 47,019,957	$ 763,453,799

Due within one year:	
Governmental activities:	
General obligation bonds payable	$ 33,665,000
Capital lease	5,141,078
Compensated absences	6,533,623
Total	$ 45,339,701

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:

Fiscal year ended June 30,	Principal	Interest	Total
2020	$ 160,000	$ 114,288	$ 274,288
2021	165,000	107,888	272,888
2022	175,000	101,288	276,288
2023	180,000	94,288	274,288
2024	190,000	85,738	275,738
2025-2029	1,085,000	285,238	1,370,238
2030	530,000	25,157	555,157
Totals	$ 2,485,000	$ 813,885	$ 3,298,885

During the year ended June 30, 2019, the following changes occurred in the charter school's long-term debt:

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Building Lease, Series 2012	$ 2,640,000	$ -	$ 155,000	$ 2,485,000
Lease Discount	(14,206)	-	(1,209)	(12,997)
Total	$ 2,625,794	$ -	$ 153,791	$ 2,472,003
Due within one year:				
Building Lease				$ 160,000

11) SHORT-TERM DEBT

During the year ended June 30, 2019, the District borrowed $0 from the State Treasurer's interest-free loan program. The borrowing was unnecessary to finance seasonal cash flow requirements of the District during the fiscal year ended June 30, 2019 due to higher cash on hand throughout the fiscal year.

12) OPERATING LEASE

The District has entered into an operating lease for GPS equipment installed in District transportation vehicles. Payments made during fiscal year 2019 totaled $122,400.

Future payments on the operating lease are as follows:

Fiscal year ended June 30,	Annual lease payments
2020	$ 81,600
Total	$ 81,600

13) DEFINED BENEFIT PENSION PLAN

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, benfit 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. A brief description of some of the major changes to plan provisions required by SB 18-200 for the SCHDTF are listed below. A full copy of the bill can be found online at www.leg.colorado.gov.

- Increases employer contribution rates for the SCHDTF by 0.25 percent on July 1, 2019.
- Increases employee contribution rates for the SCHDTF by a total of 2 percent (to be phased in over a period of 3 years starting on July 1, 2019).
- As specified in C.R.S. § 24-51-413, 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.
- Modifies the retirement benefits, including temporarily suspending and reducing the annual increase for all current and future retirees, increases the highest average salary for employees with less than five years of service credit on December 31, 2019 and raises the retirement age for new employees.
- Member contributions, employer contributions, the direct distribution from the State, and the annual increases will be adjusted based on certain statutory parameters beginning July 1, 2020, and then each year thereafter, to help keep PERA on path to full funding in 30 years.

General Information about the Pension Plan

Plan Description: Eligible employees of the District are provided with pensions through the District Division Trust Fund (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 are 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 that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits Provided: PERA provides retirement, disability, and survivor benefits. Retirements are determined by the amount of service credit earned and/or purchases, highest average salary, the benefit structure under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. §24-51-602, 604, 1713, and 1714.

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

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

In all cases, the service retirement benefit is limited to 100% 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 five years of service credit has been obtained and the benefit structure under which contributions were made.

As of December 31, 2018, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments in certain years, referred to as annual increases in the C.R.S. Pursuant to SB 18-200, there are no annual increases (AI) for 2018 and 2019 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, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 1.5 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 will receive the lessor of an annual increase of 1.5 percent or the average CPI-W for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the SCHDTF. The automatic adjustment provision may raise or lower the aforementioned AI for a given year by up to one-quarter of 1 percent based on the parameters specified 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 retirement benefit formula shown above considering a minimum 20 years of service credit, if deemed disabled.

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

13) DEFINED BENEFIT PENSION PLAN (Continued)

Contributions: Eligible employees of the District are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, *et seq*. Eligible employees are required to contribute 8% of their PERA-includable salary. The employer contribution requirements are summarized in the table below:

The employer contribution requirements are summarized in the table below:

	January 1, 2018 Through December 31, 2018	January 1, 2019 Through June 30, 2019
Employer Contribution Rate[1]	10.15 %	10.15 %
Amount of Employer Contribution Apportioned to the health Care Trust Fund as Specified in C.R.S. § 24-51-208(1)(f)[1]	(1.02)%	(1.02)%
Amount Apportioned to the SCHDTF[1]	9.13 %	9.13 %
Amortization Equalization Disbursement (AED) as Specified in C.R.S. § 24-51-411[1]	4.50 %	4.50 %
Supplemental Amortization Equalization Disbursement (SAED) as Specified in C.R.S. § 24-51-411[1]	5.50 %	5.50 %
Total Employer Contribution Rate to the SCHDTF[1]	19.13 %	19.13 %

[1] Rates are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

As specified in C.R.S. § 24-51-413, 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

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 for the District for the year ended June 30, 2019 were $78,396,192.

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, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. Standard update procedures were used to roll forward the total pension liability to December 31, 2018. The District's proportion of the net pension liability was based on the District's contributions to the SCHDTF for the calendar year 2018 relative to the total contributions of participating employers and the State to the SCHDTF.

At June 30, 2019, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District under the direct distribution provision to allocate funds from the State of Colorado budget to PERA on an annual basis beginning in July 2018. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, 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	1,271,389,622
State's Proportionate Share of the Net Pension Liability Associated with the District	173,844,874
Total	1,445,234,496

At December 31, 2018, the District's proportion was 7.1801307103%, which was a decrease of 0.8505980217 % from its proportion measured as of December 31, 2017.

For the year ended June 30, 2019, the District recognized pension expense of $126,608,973 and revenue of $893,109 for the support provided by the State as a nonemployer contributing entity. At June 30, 2019, 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	$ 43,126,953	$ -
Changes of Assumptions or other Inputs	237,310,428	790,667,593
Net Difference between Projected and Actual Earnings on Pension Plan Investments	69,298,673	-
Changes in Proportion and Differences between Contributions Recognized and Proportionate Share Share of Contributions	6,254,458	158,776,910
Contributions Subsequent to the Measurement Date	40,173,890	-
Total	$ 396,164,402	$ 949,444,503

$40,173,890 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, 2020. 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
2020	$ (110,409,122)
2021	(312,237,058)
2022	(208,715,528)
2023	37,907,717
2024	-
Thereafter	-

13) DEFINED BENEFIT PENSION PLAN (Continued)

Actuarial Assumptions: The December 31, 2017 actuarial valuation used 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	4.78%
Future Post Retirement Benefit Increases:	
PERA Benefit Structure Hired Prior to January 1, 2007; and DPS Benefit Structure (Automatic)	2.00% Compounded Annually
PERA Benefit Structure hired after December 31, 2006 (Ad Hoc, Substantively Automatic)	Financed by the Annual Increase Reserve

The revised assumptions shown below were reflected in the roll-forward calculation of the total pension liability from December 31, 2017 to December 31, 2018:

Discount rate	7.25%
Future Post Retirement Benefit Increases:	
PERA Benefit Structure Hired Prior to January 1, 2007; and DPS Benefit Structure (Automatic)	0% through 2019 and 1.5% Compounded Annually, Thereafter
PERA Benefit Structure hired after December 31, 2006 (Ad Hoc, Substantively Automatic)	Financed by the Annual Increase Reserve

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.

Healthy, post-retirement mortality assumptions reflect 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 percent of the RP-2014 Disabled Retiree Mortality Table.

The actuarial assumptions used in the December 31, 2017 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 PERA's Board during the November 18, 2016 Board meeting.

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 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 by the investment consultant 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%	0.01%
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%
Total	100.00%	

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. 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. Employer contributions also include 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 0.5% every year until they are zero. Additionally, estimated employer contributions included reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.

- As specified in law, the State of Colorado, as a nonemployer contributing entity, will provide an annual direct distribution of $225,000,000, commencing July 1, 2018, and is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon 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 used by the plan 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.

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

Based on the above assumptions and methods, the GASB Statement No. 67 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 index rate, and therefore, the discount rate is 7.25%.

As of the prior measurement date, the long-term expected rate of return on plan investments of 7.25% and the municipal bond index rate of 3.43% were used in the discount rate determination resulting in a discount rate of 4.78%.

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 one percentage-point lower (6.25%) or one 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 (in thousands)	$ 1,616,354,407	$ 1,271,389,622	$ 981,905,995

Pension Plan Fiduciary Net Position: Detailed information about the SCHDTF's fiduciary net position is available in PERA's comprehensive annual financial report, which can be obtained at www.copera.org/investments/pera-financial-reports.

Component 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 $762,435 for the year ended June 30, 2019.

At June 30, 2019, the charter schools reported a liability of $11,788,131for their proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. Standard update procedures were used to roll forward the total pension liability to December 31, 2018. The charter school's proportion of the net pension liability was based on charter school's contributions to the SCHDTF for the calendar year 2018 relative to the total contributions of participating employers to the SCHDTF.

At December 31, 2018, the charter schools' proportion was .0665695493%, which was an increase of .0081920067% from their proportion measured as of December 31, 2017.

13) DEFINED BENEFIT PENSION PLAN (Continued)

For the year ended June 30, 2019, the charter schools recognized pension expense of $751,664. At June 30, 2019, 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	$	399,860	$	-
Changes of assumptions or other inputs		2,200,134		7,330,963
Net difference between projected and actual earnings on pension plan investments		642,527		-
Changes in proportion and differences between contributions recognized and proportionate share of contributions		1,827,578		1,046,685
Contributions subsequent to the measurement date		398,911		-
Total	$	5,469,010	$	8,377,648

$398,911 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, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal year ended June 30,		Total
2020	$	155,132
2021		(2,094,224)
2022		(1,719,931)
2023		351,475
Totals	$	(3,307,548)

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	$	14,986,588	$	11,788,131	$	9,104,081

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 Health Care Trust Fund (HCTF) - a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan administered by the Public Employees' Retirement Association of Colorado (PERA). The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended. 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.

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 Division, School Division, Local Government Division and Judicial Division Trust Funds), 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.

Eligibility to enroll in PERACare is voluntary and includes, among others, benefit recipients and their eligible dependents, as well as certain surviving spouses, divorced spouses and guardians. 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 percent 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 percent 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 $4,180,037 for the year ended June 30, 2019.

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

At June 30, 2019, the District reported a liability of $63,498,158 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2017. Standard update procedures were used to roll forward the total OPEB liability to December 31, 2018. The District's proportion of the net OPEB liability was based on the District's contributions to the HCTF for the calendar year 2018 relative to the total contributions of participating employers to the HCTF.

At December 31, 2018, the District's proportion was 4.6671222155%, which was an increase of 0.1040740665% from its proportion measured as of December 31, 2017.

For the year ended June 30, 2019, the District recognized OPEB expense of $1,491,884. At June 30, 2019, 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	$ 230,462	$ 96,656
Changes of Assumptions or other Inputs	445,430	-
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	365,156	-
Changes in Proportion and Differences between Contributions Recognized and Proportionate Share Share of Contributions	1,523,775	-
Contributions Subsequent to the Measurement Date	2,142,048	-
Total	$ 4,706,871	$ 96,656

$2,142,048 reported as deferred outflows of resources related to OPEB resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction in the net OPEB liability in the year ended June 30, 2020. 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
2020	$ 473,378
2021	473,378
2022	473,471
2023	726,989
2024	309,177
Thereafter	11,774

Actuarial assumptions

The total OPEB liability in the December 31, 2017 actuarial valuation was determined using the following 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	5.00%
Medicare Part A Premiums	3.25% for 2018, gradually rising to 5.00% in 2025

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, 2017, valuations 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 2018 for the PERA Benefit Structure:

Medicare Plan	Cost for Members Without Medicare Part A	Premiums for Members Without Medicare Part A
Self-Funded Medicare Supplement Plans	$ 736	$ 367
Kaiser Permanente Medicare Advantage HMO	602	236
Rocky Mountain Health Plans Medicare HMO	611	251
UnitedHealthcare Medicare HMO	686	213

The 2018 Medicare Part A premium is $422 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:

Medicare Plan	Cost for Members Without Medicare Part A
Self-Funded Medicare Supplement Plans	$ 289
Kaiser Permanente Medicare Advantage HMO	300
Rocky Mountain Health Plans Medicare HMO	270
UnitedHealthcare Medicare HMO	400

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 heuristics developed by health plan actuaries and administrators, and projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services. Effective December 31, 2017, 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:

Year	PERACare Medicare Plans	Medicare Part A Premiums
2018	5.00%	3.25%
2019	5.00%	3.50%
2020	5.00%	3.75%
2021	5.00%	4.00%
2022	5.00%	4.25%
2023	5.00%	4.50%
2024	5.00%	4.75%
2025+	5.00%	5.00%

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.

Healthy, post-retirement 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.

Healthy, post-retirement 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.

The mortality assumption for disabled retirees was based on 90 percent 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 2018 plan year.
- 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 of 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 by the investment consultant 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
Total	100.00	

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 percent.

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

The following presents the District's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
PERACare Medicare Trend Rate	4.00%	5.00%	6.00%
Initial Medicare Part A Trend Rate	2.25%	3.25%	4.25%
Ultimate Medicare Part A Trend Rate	4.00%	5.00%	6.00%
Proportionate Share of the Net OPEB Liability	$ 61,744,720	$ 63,498,158	$ 65,514,915

Discount Rate

The discount rate used to measure the total OPEB liability was 7.25 percent. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2018, 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.

- Transfers of a portion of purchase service agreements intended to cover the costs associated with OPEB benefits were estimated and included in the projections.

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

Based on the above assumptions and methods, the HCTF'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 percent 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. There was no change in the discount rate from the prior measurement date.

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 District's proportionate share of the net OPEB liability, as well as what the District'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	$ 71,048,908	$ 63,498,158	$ 57,042,968

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.

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 $40,595 for the year ended June 30, 2019.

At June 30, 2019, the charter schools reported a liability of $588,744 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2017. Standard update procedures were used to roll forward the total OPEB liability to December 31, 2018. 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 2018 relative to the total contributions of participating employers to the HCTF. At December 31, 2018, the charter school's proportion was 0.0432684360%, which was an increase of 0.0034364566% from its proportion measured as of December 31, 2017.

For the year ended June 30, 2019, the charter schools recognized OPEB expense of $61,452. At June 30, 2019, 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	$ 2,137	$ 897
Changes of assumptions or other inputs	4,130	-
Net difference between projected and actual earnings on pension plan investments	3,386	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	58,964	-
Contributions subsequent to the measurement date	21,241	-
Total	$ 89,858	$ 897

$21,241 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, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal year ended June 30,	Total
2020	$ 14,185
2021	14,185
2022	14,186
2023	16,537
2024	8,304
Thereafter	322
Total	$ 67,719

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	$ 658,754	$ 588,744	$ 528,893

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, 2019, the amount of workers compensation prepaid was $660,923. Changes in the reported prepaid/liability for the years ended June 30, 2019, and 2018, were as follows:

	2019	2018
Beginning of fiscal year liability	$ -	$ -
Current-year claims and changes in estimate	3,585,427	2,682,192
Claim payments	(2,924,504)	(2,682,192)
Balance at fiscal year-end prepaid	$ 660,923	$ -

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 $43,520,271 for capital projects at June 30, 2019, of which $43,520,271 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, 2019, the District has restricted 3 percent of its fiscal year 2018-2019 spending as follows:

Governmental Activities:		
General Fund	$	17,591,000
Capital Projects Fund: Capital Reserve Fund		982,000
Special Revenue Funds:		
Extended Child Services Fund		608,000
Food Services Fund		321,000
Pupil Activities Fund		375,000
Total	$	19,877,000

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, 2019, was $582,551.

19) SUBSEQUENT EVENTS

On February 11, 2019, the District entered into an agreement with Colorado Skies Academy, as allowed under Colorado Charter Schools Act, for the educational instruction of children in grades 6-8. The charter school is expected to be in operation for the 2019-2020 school year.

Cherry Creek Schools

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Required

Supplementary

Information

Defined Benefit

Pension Plan Schedules,

Other Post Employment Benefit
Plan Schedules,

and

Special Revenue - Designated Purpose Grant Fund

Budget to Actual Statement

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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)

	2014	2015	2016	2017	2018	2019
Plan measurement date	12/31/2013	12/31/2014	12/31/2015	12/31/2016	12/31/2017	12/31/2018
Proportion of the Net Pension Liability	7.829%	7.856%	8.287%	7.951%	8.031%	7.180%
Proportionate share of the Net Pension Liability	$ 998,604	$ 1,064,745	$ 1,267,410	$ 2,367,204	$ 2,596,852	$ 1,271,390
State's Proportionate Share of the Net Pension Liability Associated with the District **	-	-	-	-	-	173,845
Total	$ 998,604	$ 1,064,745	$ 1,267,410	$ 2,367,204	$ 2,596,852	$ 1,445,235
District's Covered payroll	$ 315,627	$ 328,886	$ 347,291	$ 357,027	$ 372,922	$ 391,443
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%
Plan Fiduciary Net Position as a percentage of Total Pension Liability	64.10%	62.80%	59.20%	43.10%	43.96%	57.01%

* The amounts presented for each fiscal year were determined as of 12/31
* Information for the prior four 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 2010	Fiscal Year 2011	Fiscal Year 2012	Fiscal Year 2013
Contractually required contribution	$ 38,489,687	$ 41,241,902	$ 43,955,795	$ 46,977,093
Contributions in relation to the contractually required contribution	38,489,687	41,241,902	43,955,795	46,977,093
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Covered payroll	$ 310,122,745	$ 310,340,201	$ 309,832,213	$ 311,487,289
Contributions as a percentage of covered payroll	12.41%	13.29%	14.19%	15.08%

Fiscal Year 2014	2015	2016	2017	2018	2019
$ 51,349,225	$ 57,048,749	$ 65,062,685	$ 66,439,413	$ 71,666,521	$ 78,396,192
51,349,225	57,048,749	65,062,685	66,439,413	71,666,521	78,396,192
$ -	$ -	$ -	$ -	$ -	$ -
$ 321,256,642	$ 337,867,964	$ 367,224,349	$ 361,430,140	$ 379,540,091	$ 409,807,588
15.98%	16.88%	17.72%	18.38%	18.88%	19.13%

Cherry Creek Schools
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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)

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

* The amounts presented for each fiscal year were determined as of 12/31
* Information for the prior seven years was not available to report

CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO

SCHEDULE OF CONTRIBUTIONS
PERA COLORADO HEALTH CARE TRUST FUND
Last Ten Fiscal Years

	Fiscal Year			
	2010	2011	2012	2013
Contractually required contribution	$ 3,163,252	$ 3,165,470	$ 3,160,289	$ 3,177,170
Contributions in relation to the contractually required contribution	3,163,252	3,165,470	3,160,289	3,177,170
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Covered payroll	$ 310,122,745	$ 310,340,201	$ 309,832,213	$ 311,487,289
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%

Fiscal Year					
2014	2015	2016	2017	2018	2019
$ 3,276,818	$ 3,446,253	$ 3,745,688	$ 3,686,587	$ 3,871,309	$ 4,180,037
3,276,818	3,446,253	3,745,688	3,686,587	3,871,309	4,180,037
$ -	$ -	$ -	$ -	$ -	$ -
$ 321,256,642	$ 337,867,964	$ 367,224,349	$ 361,430,140	$ 379,540,091	$ 409,807,588
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
SPECIAL REVENUE - DESIGNATED PURPOSE GRANTS FUND
For The Year Ended June 30, 2019

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	**Final**	**Actual**	**(Negative)**
REVENUES				
Intergovernmental				
Federal - Grants	$ 20,970,000	$ 20,970,000	$ 19,148,686	$ (1,821,314)
State - Grants	3,350,000	3,350,000	5,752,536	2,402,536
Donations	4,600,000	4,600,000	3,086,930	(1,513,070)
Total revenues	28,920,000	28,920,000	27,988,152	(931,848)
EXPENDITURES				
Current				
Instruction	21,531,363	21,531,363	20,609,147	922,216
Pupil services	2,939,469	2,939,469	3,844,106	(904,637)
Instructional staff services	4,114,841	4,114,841	3,326,421	788,420
School administration	334,327	334,327	208,478	125,849
Total expenditures	28,920,000	28,920,000	27,988,152	931,848
Net change in fund balance	-	-	-	-
Fund balance, Beginning	-	-	-	-
Fund balance, Ending	$ -	$ -	$ -	$ -

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.

Cherry Creek
Schools
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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, 2019

	Capital Reserve Fund	Extended Child Services Fund	Food Services Fund	Pupil Activities Fund	Total Nonmajor Governmental Funds
ASSETS					
Cash and investments	$ 18,843,237	$ 7,605,403	$ 5,998,896	$ 6,919,772	$ 39,367,308
Receivables, net					
Other governments	-	-	28,748	-	28,748
Other	6,042	50,970	89,690	-	146,702
Prepayments and deposits	1,777,724	26,396	45,792	3,240	1,853,152
Inventories	-	-	440,082	-	440,082
Total Assets	$ 20,627,003	$ 7,682,769	$ 6,603,208	$ 6,923,012	$ 41,835,992
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	$ 527,561	$ 116,613	$ 96,347	$ -	$ 740,521
Accrued salaries and benefits	-	1,344,812	199,417	950	1,545,179
Interfund payables	-	-	-	220,806	220,806
Unearned revenues	-	258,312	558,324	-	816,636
Compensated absences	-	144,391	204,332	-	348,723
Total Liabilities	527,561	1,864,128	1,058,420	221,756	3,671,865
Fund balances					
Nonspendable for:					
Prepayments and deposits	1,777,724	26,396	45,792	3,240	1,853,152
Inventories	-	-	440,082	-	440,082
Restricted for:					
Emergency reserve	982,000	608,000	321,000	375,000	2,286,000
Food service operations	-	-	4,737,914	-	4,737,914
Committed for:					
Extended Child Services Fund activities	-	2,881,161	-	-	2,881,161
Pupil Activities Fund activities	-	-	-	6,323,016	6,323,016
Assigned for:					
Future year transfers	-	2,303,084	-	-	2,303,084
Capital Reserve Fund activities	17,339,718	-	-	-	17,339,718
Total Fund balances	20,099,442	5,818,641	5,544,788	6,701,256	38,164,127
Total Liabilities and Fund balances	$ 20,627,003	$ 7,682,769	$ 6,603,208	$ 6,923,012	$ 41,835,992

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, 2019

	Capital Reserve Fund	Extended Child Services Fund	Food Services Fund	Pupil Activities Fund	Total Nonmajor Governmental Funds
REVENUES					
Intergovernmental					
Federal - grants	$ -	$ -	$ 8,183,318	$ -	$ 8,183,318
State - grants	-	-	315,510	-	315,510
Tuition	-	19,236,808	-	-	19,236,808
Earnings on investments	83,724	77,623	102,146	14,162	277,655
Pupil activities	-	-	-	12,869,793	12,869,793
Food services sales	-	-	9,503,290	-	9,503,290
Cash in lieu of land	57,340	-	-	-	57,340
Other	6,042	-	-	-	6,042
Total revenues	147,106	19,314,431	18,104,264	12,883,955	50,449,756
EXPENDITURES					
Current					
Instruction	-	16,871,514	-	-	16,871,514
Instructional staff services	-	1,096,347	-	-	1,096,347
Business services	-	364,909	-	-	364,909
Community services	-	408,074	-	-	408,074
Pupil activities	-	-	-	12,509,696	12,509,696
Food service operations	-	-	18,631,588	-	18,631,588
Capital outlay	26,371,671	-	242,033	-	26,613,704
Debt service					
Principal	5,257,115	-	-	-	5,257,115
Interest and fiscal charges	1,075,558	-	-	-	1,075,558
Total expenditures	32,704,344	18,740,844	18,873,621	12,509,696	82,828,505
Excess of revenues over (under) expenditures	(32,557,238)	573,587	(769,357)	374,259	(32,378,749)
OTHER FINANCING SOURCES (USES)					
Transfers in	22,810,401	126,163	19,655	-	22,956,219
Transfers out	-	(1,523,320)	-	-	(1,523,320)
Certificates of participation issuance	7,000,000	-	-	-	7,000,000
Sale of assets	691,056	-	-	-	691,056
Total other financing sources (uses)	30,501,457	(1,397,157)	19,655	-	29,123,955
Net change in fund balances	(2,055,781)	(823,570)	(749,702)	374,259	(3,254,794)
Fund balances, Beginning	22,155,223	6,642,211	6,294,490	6,326,997	41,418,921
Fund balances, Ending	$ 20,099,442	$ 5,818,641	$ 5,544,788	$ 6,701,256	$ 38,164,127

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, 2019

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
REVENUES				
Taxes				
Property	$ 61,653,300	$ 61,653,300	$ 61,925,276	$ 271,976
Earnings on investments	616,720	616,720	986,011	369,291
Total revenues	62,270,020	62,270,020	62,911,287	641,267
EXPENDITURES				
Debt service				
Principal	31,345,000	31,345,000	31,345,000	-
Interest	27,040,147	27,040,146	27,040,146	-
Fiscal charges	15,053	15,054	12,809	2,245
Total expenditures	58,400,200	58,400,200	58,397,955	2,245
Net change in fund balance	3,869,820	3,869,820	4,513,332	643,512
Fund balance, Beginning	53,246,537	55,069,631	55,069,631	-
Fund balance, Ending	$ 57,116,357	$ 58,939,451	$ 59,582,963	$ 643,512

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, 2019

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
REVENUES				
Earnings on investments	$ 1,748,452	$ 1,748,452	$ 3,190,503	$ 1,442,051
Other	-	-	409,339	409,339
Total revenues	1,748,452	1,748,452	3,599,842	1,851,390
EXPENDITURES				
Capital outlay				
Land, building and improvements	76,540,609	100,040,609	74,104,572	25,936,037
Furniture and equipment	12,877,686	12,877,686	10,773,198	2,104,488
Other	-	1,500,000	1,390,078	109,922
Total expenditures	89,418,295	114,418,295	86,267,848	28,150,447
Net change in fund balance	(87,669,843)	(112,669,843)	(82,668,006)	30,001,837
Fund balance, Beginning	129,853,672	153,912,307	153,912,307	-
Fund balance, Ending	$ 42,183,829	$ 41,242,464	$ 71,244,301	$ 30,001,837

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, 2019

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
REVENUES				
Earnings on investments	$ 23,954	$ 75,000	$ 83,724	$ 8,724
Cash in lieu of land	38,000	31,996	57,340	25,344
Other	-	-	6,042	6,042
Total revenues	61,954	106,996	147,106	40,110
EXPENDITURES				
Capital outlay				
Building and improvements	18,177,931	24,525,464	21,470,641	3,054,823
Furniture and equipment	2,288,563	5,288,563	4,901,030	387,533
Debt service				
Principal	5,257,115	5,257,115	5,257,115	-
Interest and fiscal charges	423,091	1,075,558	1,075,558	-
Total expenditures	26,146,700	36,146,700	32,704,344	3,442,356
Excess of revenues over (under) expenditures	(26,084,746)	(36,039,704)	(32,557,238)	3,482,466
OTHER FINANCING SOURCES				
Transfers in	16,415,800	16,415,800	22,810,401	6,394,601
Certificates of participation issuance	-	7,000,000	7,000,000	-
Sale of assets	-	700,000	691,056	(8,944)
Total other financing sources	16,415,800	24,115,800	30,501,457	6,385,657
Net change in fund balance	(9,668,946)	(11,923,904)	(2,055,781)	9,868,123
Fund balance, Beginning	16,418,602	22,155,223	22,155,223	-
Fund balance, Ending	$ 6,749,656	$ 10,231,319	$ 20,099,442	$ 9,868,123

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, 2019

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Tuition	$ 19,466,400	$ 19,866,400	$ 19,236,808	$ (629,592)
Earnings on investments	33,600	33,600	77,623	44,023
Total revenues	19,500,000	19,900,000	19,314,431	(585,569)
EXPENDITURES				
Current				
Instruction	16,187,562	16,949,562	16,871,514	78,048
Instructional staff services	262,673	1,112,673	1,096,347	16,326
Business services	1,744,071	444,071	364,909	79,162
Community services	342,694	442,694	408,074	34,620
Total expenditures	18,537,000	18,949,000	18,740,844	208,156
Excess of revenues over expenditures	963,000	951,000	573,587	(377,413)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	126,163	126,163
Transfers out	(1,545,000)	(1,545,000)	(1,523,320)	21,680
Total other financing sources (uses)	(1,545,000)	(1,545,000)	(1,397,157)	147,843
Net change in fund balance	(582,000)	(594,000)	(823,570)	(229,570)
Fund balance, Beginning	6,449,657	6,642,211	6,642,211	-
Fund balance, Ending	$ 5,867,657	$ 6,048,211	$ 5,818,641	$ (229,570)

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, 2019

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
REVENUES				
Intergovernmental				
Federal - Grants	$ 8,742,955	$ 8,742,955	$ 8,183,319	$ (559,636)
State - Grants	270,774	270,774	315,510	44,736
Food sales	10,006,271	10,206,271	9,236,745	(969,526)
Earnings on Investments	30,000	30,000	102,146	72,146
Other	150,000	250,000	266,544	16,544
Total revenues	19,200,000	19,500,000	18,104,264	(1,395,736)
EXPENDITURES				
Current				
Food service operations	18,928,508	19,228,508	18,631,588	596,920
Capital outlay	266,492	266,492	242,033	24,459
Total expenditures	19,195,000	19,495,000	18,873,621	621,379
Excess of revenues over (under) expenditures	5,000	5,000	(769,357)	(774,357)
OTHER FINANCING SOURCES				
Transfers in	-	-	19,655	19,655
Total other financing sources	-	-	19,655	19,655
Net change in fund balance	5,000	5,000	(749,702)	(754,702)
Fund balance, Beginning	6,516,902	6,294,490	6,294,490	-
Fund balance, Ending	$ 6,521,902	$ 6,299,490	$ 5,544,788	$ (754,702)

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, 2019

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
REVENUES				
Earnings on investments	$ -	$ -	$ 14,162	$ 14,162
Pupil activities	16,615,800	16,615,800	12,869,793	(3,746,007)
Total revenues	16,615,800	16,615,800	12,883,955	(3,731,845)
EXPENDITURES				
Current				
Pupil activities	16,615,800	16,615,800	12,509,696	4,106,104
Total expenditures	16,615,800	16,615,800	12,509,696	4,106,104
Net change in fund balance	-	-	374,259	374,259
Fund balance, Beginning	5,811,596	6,326,997	6,326,997	-
Fund balance, Ending	$ 5,811,596	$ 6,326,997	$ 6,701,256	$ 374,259

Cherry Creek Schools

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Component

Units -

Charter Schools

The component units consist of two charter schools:

Cherry Creek Academy and Heritage Heights Academy.

The schools have separate governing boards but are dependent

upon the District for the majority of their funding.

Cherry Creek Schools
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CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO
COMBINING STATEMENTS OF NET POSITION
COMPONENT UNITS
June 30, 2019

	Cherry Creek Academy	Heritage Heights Academy	Total Component Units
ASSETS			
Cash and investments	$ 2,273,006	$ 799,515	$ 3,072,521
Receivables, net			
Other	423	38,281	38,704
Prepayments and deposits	-	49,667	49,667
Capital Assets			
Land	744,711	-	744,711
Improvements	283,886	76,031	359,917
Buildings	11,558,469	-	11,558,469
Equipment and vehicles	724,322	5,351	729,673
Less accumulated depreciation	(2,063,851)	(23,416)	(2,087,267)
Total Capital assets	11,247,537	57,966	11,305,503
Total Assets	13,520,966	945,429	14,466,395
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pensions	2,941,269	2,527,741	5,469,010
Deferred outflows of resources related to OPEBs	42,703	47,155	89,858
Deferred outflows on refunding	69,672	-	69,672
Total Deferred outflows of resources	3,053,644	2,574,896	5,628,540
LIABILITIES			
Liabilities			
Accounts payable	113,854	42,988	156,842
Accrued salaries and benefits	187,800	6,927	194,727
Unearned revenues	-	250	250
General obligations payable	160,000	-	160,000
Accrued interest payable	28,572	-	28,572
Total Current liabilities	490,226	50,165	540,391
Noncurrent liabilities			
General obligations payable	2,312,003	-	2,312,003
Net OPEB liability	435,896	152,848	588,744
Net pension liability	8,727,727	3,060,404	11,788,131
Total Noncurrent liabilities	11,475,626	3,213,252	14,688,878
Total Liabilities	11,965,852	3,263,417	15,229,269
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pensions	6,474,393	1,903,255	8,377,648
Deferred inflows of resources related to OPEBs	664	233	897
	6,475,057	1,903,488	8,378,545
NET POSITION			
Net investment in capital assets	8,845,206	57,966	8,903,172
Restricted for:			
Debt service	370,048	-	370,048
Emergency reserve	172,000	89,000	261,000
Repair and replacement	51,162	-	51,162
Unrestricted	(11,304,715)	(1,793,546)	(13,098,261)
Total Net position	$ (1,866,299)	$ (1,646,580)	$ (3,512,879)

CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO
COMBINING STATEMENTS OF ACTIVITIES
COMPONENT UNITS
For The Year Ended June 30, 2019

	Cherry Creek Academy	Heritage Heights Academy	Total Component Units
REVENUES			
Intergovernmental			
State equalization aid	$ 4,368,549	$ 2,312,867	$ 6,681,416
Mill levy funding	612,912	319,223	932,135
Grants and contributions not restricted	7,380	-	7,380
Earnings on investments	46,133	-	46,133
Other	2,028	10,347	12,375
Program revenues			
Charges for services	351,696	82,880	434,576
Operating grants and contributions	130,088	110,538	240,626
Capital grants and contributions	215,139	153,699	368,838
Total revenues	5,733,925	2,989,554	8,723,479
EXPENSES			
Current			
Instruction	3,457,871	1,679,399	5,137,270
Supporting services	1,767,103	1,167,213	2,934,316
Debt			
Interest and fiscal charges	126,644	-	126,644
Total expenses	5,351,618	2,846,612	8,198,230
Change in net position	382,307	142,942	525,249
Net position, Beginning	(2,248,606)	(1,789,522)	(4,038,128)
Net position, Ending	$ (1,866,299)	$ (1,646,580)	$ (3,512,879)

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.

Cherry Creek Schools
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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, 2019

Fiscal year spending		
General Fund	$ 593,257,756	
Designated-Purpose Grants Fund	32,139,220	
Capital Reserve Fund	1,177,924	
Extended Child Services Fund	19,051,858	
Pupil Activities Fund	12,883,955	
Other Special Revenue Funds	N/A	
Building Fund	N/A	
Bond Redemption Fund	63,239,431	
Food Service Fund	18,778,925	
Total fiscal year spending		$ 740,529,069
Deduct the following expenditures included in totals above:		
Expenditures from Gifts/Foundations	3,086,930	
Expenditures from Federal Grants	32,958,069	
Amendment No. 23, November 2000	180,940,155	
Expenditures from Damage Awards	6,042	
Expenditures from Sale of Property	691,056	
Repayment of Voter-Approved Debt	63,239,431	
Post 1991 Voter-Approved Referendum	91,400,000	
Total Deductions		372,321,683
Total Spending Subject to TABOR for Current Year		368,207,386
Total Spending Subject to TABOR Prior Year		359,179,639
% Change in Denver/Boulder Consumer Price Index for Prior Year	3.40	
% Change in Student Enrollment	1.71	
Total % Change	5.11	
Change in Spending Permitted		18,354,080
Maximum Spending Subject to TABOR Allowed for Current Year		377,533,719
Spending Over (Under) Allowable Amount		$ (9,326,333)

Cherry Creek Schools
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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

Financial Trends:

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

Revenue Capacity:

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

Debt Capacity:

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

Demographic and Economic Information:

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

Operating Information:

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

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			
	2010	2011	2012	2013
Governmental activities:				
Net investment in capital assets	$ 187,845,000	$ 175,535,480	$ 172,640,583	$ 178,096,324
Restricted	54,983,140	56,639,073	60,204,062	59,368,003
Unrestricted	16,035,640	22,929,078	24,837,243	29,717,319
Total governmental activities net position	$ 258,863,780	$ 255,103,631	$ 257,681,888	$ 267,181,646
Business-type activities:				
Net investment in capital assets	$ 964,686	$ 1,113,297	$ 1,293,612	$ 1,905,120
Restricted	236,000	243,000	274,000	282,000
Unrestricted	5,623,665	5,977,288	4,849,788	3,455,122
Total business-type activities net position	$ 6,824,351	$ 7,333,585	$ 6,417,400	$ 5,642,242
Primary government:				
Net investment in capital assets	$ 188,809,686	$ 176,648,777	$ 173,934,195	$ 180,001,444
Restricted	55,219,140	56,882,073	60,478,062	59,650,003
Unrestricted	21,659,305	28,906,366	29,687,031	33,172,441
Total primary government net position	$ 265,688,131	$ 262,437,216	$ 264,099,288	$ 272,823,888

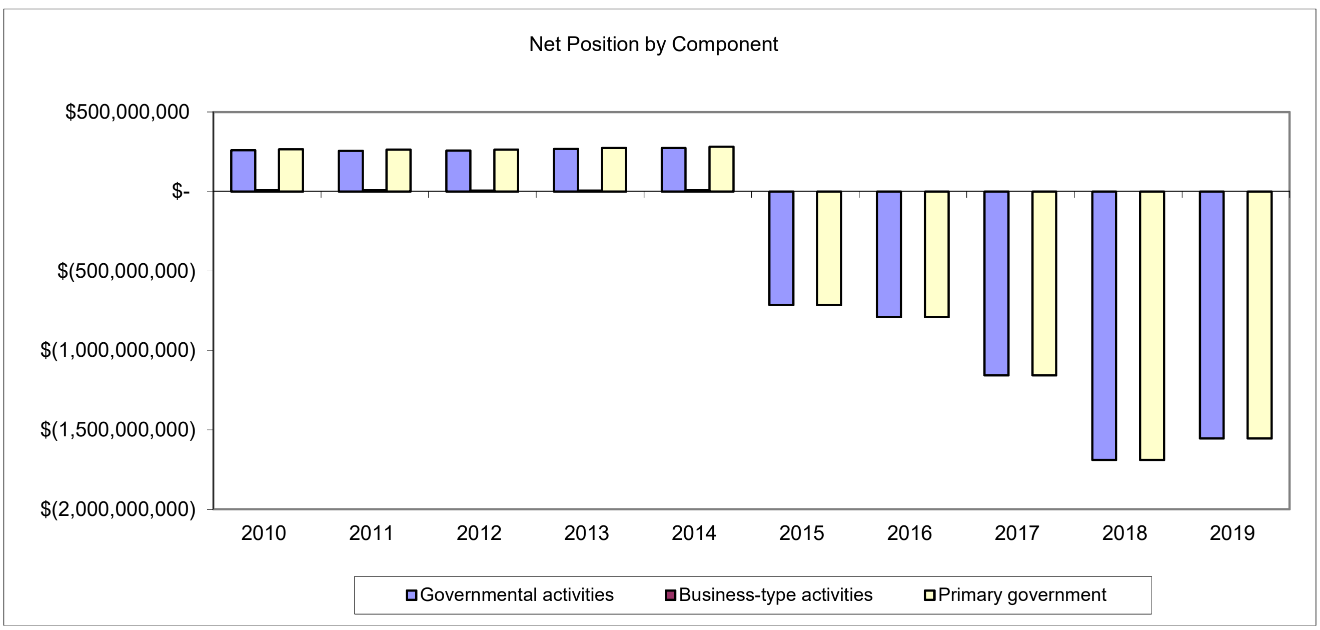
Notes:
(1) Includes all funds. (GAAP Basis)

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

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

Schedule 1

	Fiscal Year					
	2014	2015	2016	2017	2018	2019
	$ 173,658,780	$ 170,518,596	$ 180,082,824	$ 179,540,163	$ 175,620,267	$ 185,281,019
	60,360,003	73,886,697	73,268,418	83,842,108	81,909,083	82,873,232
	39,769,558	(959,050,922)	(1,043,493,821)	(1,421,475,863)	(1,946,663,034)	(1,821,525,058)
	$ 273,788,341	$ (714,645,629)	$ (790,142,579)	$ (1,158,093,592)	$ (1,689,133,684)	$ (1,553,370,807)
	$ 2,170,445	$ -	$ -	$ -	$ -	$ -
	229,000	-	-	-	-	-
	4,827,177	-	-	-	-	-
	$ 7,226,622	$ -	$ -	$ -	$ -	$ -
	$ 175,829,225	$ 170,518,596	$ 180,082,824	$ 179,540,163	$ 175,620,267	$ 185,281,019
	60,589,003	73,886,697	73,268,418	83,842,108	81,909,083	82,873,232
	44,596,735	(959,050,922)	(1,043,493,821)	(1,421,475,863)	(1,946,663,034)	(1,821,525,058)
	$ 281,014,963	$ (714,645,629)	$ (790,142,579)	$ (1,158,093,592)	$ (1,689,133,684)	$ (1,553,370,807)



CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO

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

	Fiscal Year			
	2010	2011	2012	2013
Expenses:				
Governmental activities:				
Instruction	$ 335,698,599	$ 344,545,552	$ 336,630,175	$ 346,453,219
Indirect instruction				
Pupil services	29,282,610	28,659,690	28,729,476	29,536,406
Instructional staff services	14,917,608	13,703,092	13,149,405	12,675,181
School administration	22,568,207	22,348,882	21,859,294	21,952,033
Support services				
General administration	3,247,376	2,745,940	3,226,398	3,620,491
Business services	3,933,573	4,177,634	3,773,499	3,947,340
Operations and maintenance	35,331,594	35,131,333	34,177,502	35,008,799
Pupil transportation	19,858,334	19,458,476	19,693,624	20,458,952
Central services	10,086,142	10,191,118	11,533,499	12,766,547
Community services	968,945	1,195,266	1,202,570	872,855
Pupil activities	10,983,274	10,665,631	10,807,898	11,751,012
Food services operations	-	-	-	-
Non-departmental	-	-	-	-
Assets conveyed to other governments	-	2,781,306	-	-
Interest on long-term debt	19,969,292	23,104,156	24,622,384	17,009,979
Total governmental activities expenses	506,845,554	518,708,076	509,405,724	516,052,814
Business-type activities:				
Food services operations	14,563,755	15,252,619	16,270,439	16,944,341
Total business-type activities expenses	14,563,755	15,252,619	16,270,439	16,944,341
Total primary government expenses	$ 521,409,309	$ 533,960,695	$ 525,676,163	$ 532,997,155

Notes:

(1) Includes all funds. (GAAP Basis)

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

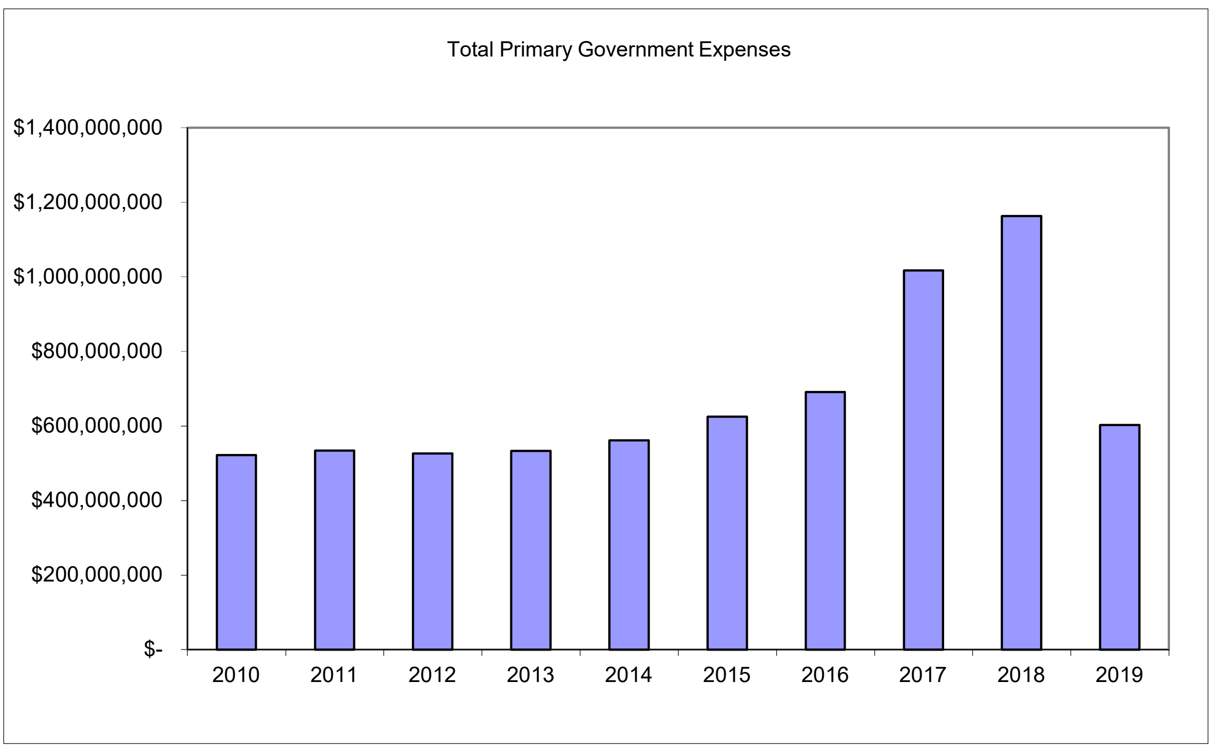
(3) Beginning with fiscal year 2010, Non-departmental expenses are allocated to other functional expenses.

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

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

Schedule 2

Fiscal Year					
2014	2015	2016	2017	2018	2019
$ 365,185,697	$ 414,304,861	$ 467,537,058	$ 703,392,749	$ 804,844,158	$ 387,772,766
31,021,527	32,854,486	37,073,844	58,480,293	66,931,375	31,611,834
13,857,314	20,795,098	20,337,348	32,782,286	33,959,258	23,490,363
23,204,153	26,139,197	30,022,059	46,476,214	50,968,590	23,805,791
4,054,572	4,493,078	4,861,700	7,420,407	8,746,332	4,089,304
3,901,097	4,398,011	4,897,793	7,685,836	7,914,755	4,309,307
36,209,203	37,381,807	40,831,590	49,650,329	52,849,553	41,450,783
20,472,241	22,109,735	20,122,305	34,052,376	39,853,661	19,618,143
13,600,777	12,764,162	15,026,745	19,540,005	31,702,337	11,606,476
786,233	714,396	842,782	1,409,488	1,542,553	880,782
12,391,480	12,352,432	12,240,209	13,049,338	12,436,368	12,509,696
-	16,856,380	18,536,204	22,808,464	25,907,388	17,024,052
-	-	-	-	-	-
-	-	-	764,413	-	-
21,314,671	19,611,220	18,494,821	19,775,884	25,274,579	24,447,812
545,998,965	624,774,863	690,824,458	1,017,288,082	1,162,930,907	602,617,109
15,355,789	-	-	-	-	-
15,355,789	-	-	-	-	-
$ 561,354,754	$ 624,774,863	$ 690,824,458	$1,017,288,082	$1,162,930,907	$ 602,617,109



CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO

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

	Fiscal Year			
	2010	2011	2012	2013
Program Revenues				
Governmental activities:				
Charges for services:				
Instruction	$ 18,117,416	$ 17,306,277	$ 17,887,323	$ 17,907,531
Pupil activities	11,217,970	10,744,849	11,002,470	11,554,515
Food services operations	-	-	-	-
Other activities	1,576,975	1,466,473	1,334,298	1,058,037
Operating grants and contributions	35,984,390	50,919,702	35,338,499	34,657,536
Capital grants and contributions	575,230	866,172	1,212,331	460,861
Total governmental activities program revenues	67,471,981	81,303,473	66,774,921	65,638,480
Business-type activities:				
Charges for services:				
Food services operations	8,344,224	8,266,385	7,975,985	8,105,311
Operating grants and contributions	6,948,094	7,390,992	7,376,254	7,781,614
Total business-type activities program revenues	15,292,318	15,657,377	15,352,239	15,886,925
Total primary government program revenues	$ 82,764,299	$ 96,960,850	$ 82,127,160	$ 81,525,405
Net (Expense)/Revenue				
Governmental activities	$ (439,373,573)	$ (437,404,603)	$ (442,630,803)	$ (450,414,334)
Business-type activities	728,563	404,758	(918,200)	(1,057,416)
Total primary government net expense	$ (438,645,010)	$ (436,999,845)	$ (443,549,003)	$ (451,471,750)

Notes:
(1) Includes all funds. (GAAP Basis)

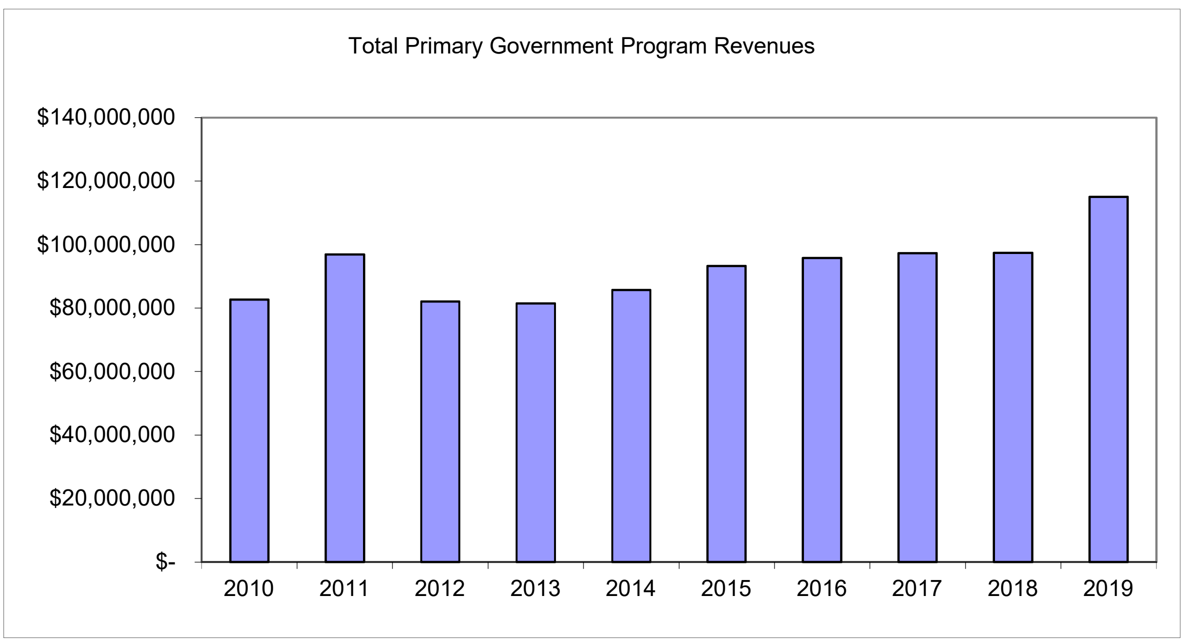
(2) Beginning with fiscal year 2015, the Food Services Fund is reported within governmental activities.

(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					
2014	2015	2016	2017	2018	2019
$ 18,256,500	$ 19,071,710	$ 20,493,121	$ 20,386,624	$ 20,906,239	$ 21,593,931
12,528,299	12,529,479	12,541,753	13,216,520	12,944,412	12,869,793
-	8,833,988	9,446,817	9,578,059	8,956,515	9,503,290
550,790	1,598,637	1,710,744	1,314,197	1,844,121	1,913,606
37,404,200	50,530,484	51,030,628	52,016,053	52,023,527	67,902,192
1,055,175	789,202	648,635	848,692	768,013	1,284,983
69,794,964	93,353,500	95,871,698	97,360,145	97,442,827	115,067,795
8,033,410	-	-	-	-	-
7,967,900	-	-	-	-	-
16,001,310	-	-	-	-	-
$ 85,796,274	$ 93,353,500	$ 95,871,698	$ 97,360,145	$ 97,442,827	$ 115,067,795
$ (476,204,001)	$ (531,421,363)	$ (594,952,760)	$ (919,927,937)	$ (1,065,488,080)	$ (487,549,314)
645,521	-	-	-	-	-
$ (475,558,480)	$ (531,421,363)	$ (594,952,760)	$ (919,927,937)	$ (1,065,488,080)	$ (487,549,314)



CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO

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

	Fiscal Year			
	2010	2011	2012	2013
General Revenues and				
Other Changes in Net Position				
Governmental activities:				
Taxes:				
Property taxes	$ 223,752,825	$ 229,323,293	$ 229,771,527	$ 244,443,241
Specific ownership taxes	15,360,501	14,449,208	14,509,101	16,057,777
Investment earnings	1,687,500	751,113	440,924	633,081
Other revenues	2,908,257	2,960,316	3,179,402	2,695,837
State equalization aid	209,183,996	186,263,975	197,308,106	201,778,792
Sale of assets	-	-	-	-
Transfers	-	(103,451)	-	(275,560)
Total governmental activities	452,893,079	433,644,454	445,209,060	465,333,168
Business-type activities:				
Investment earnings	600	1,025	2,015	6,698
Transfers	-	103,451	-	275,560
Total business-type activities	600	104,476	2,015	282,258
Total primary government	$ 452,893,679	$ 433,748,930	$ 445,211,075	$ 465,615,426
Change in Net Position				
Governmental activities	$ 13,519,506	$ (3,760,149)	$ 2,578,257	$ 14,918,834
Business-type activities	729,163	509,234	(916,185)	(775,158)
Total primary government	$ 14,248,669	$ (3,250,915)	$ 1,662,072	$ 14,143,676

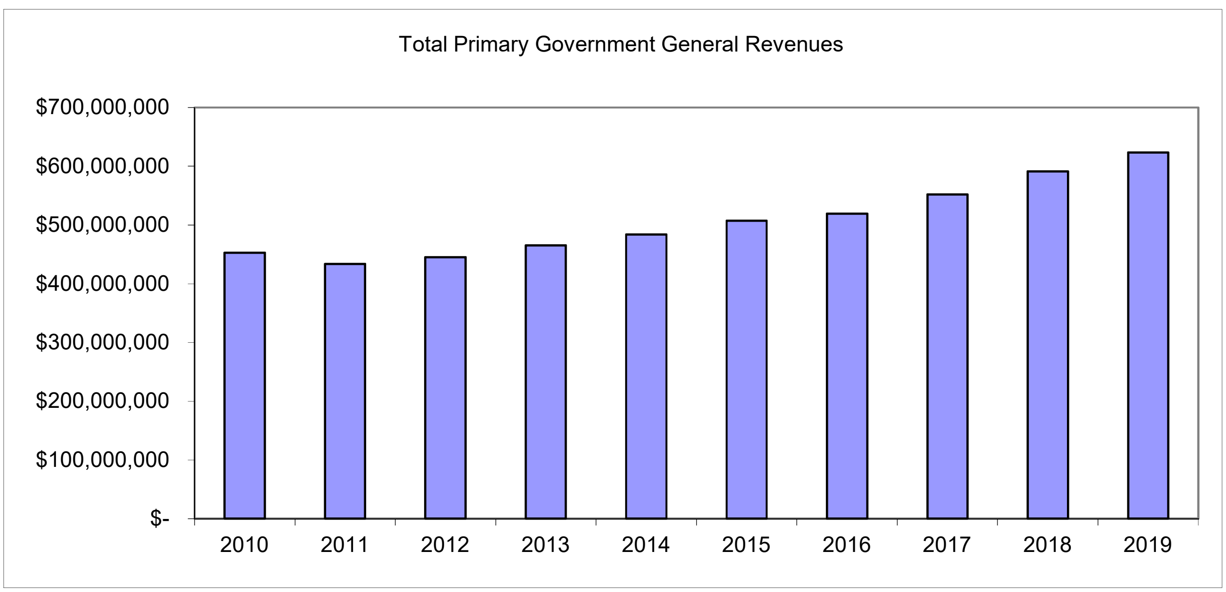
Notes:
(1) Includes all funds. (GAAP Basis)

(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					
2014	2015	2016	2017	2018	2019
$ 250,991,310	$ 252,956,067	$ 251,422,063	$ 275,982,491	$ 297,242,905	$ 304,510,324
17,605,225	19,097,032	19,635,073	21,153,791	23,957,474	22,548,623
825,024	330,635	346,212	1,236,883	3,183,624	6,706,746
2,690,670	2,167,466	2,838,653	3,285,983	3,569,362	3,404,462
211,633,340	232,119,104	245,160,665	250,235,290	263,158,611	285,450,978
-	642,594	53,144	82,486	42,028	691,056
(934,873)	-	-	-	-	-
482,810,696	507,312,898	519,455,810	551,976,924	591,154,004	623,312,189
3,986	-	-	-	-	-
934,873	-	-	-	-	-
938,859	-	-	-	-	-
$ 483,749,555	$ 507,312,898	$ 519,455,810	$ 551,976,924	$ 591,154,004	$ 623,312,189
$ 6,606,695	$ (24,108,465)	$ (75,496,950)	$ (367,951,013)	$ (474,334,076)	$ 135,762,875
1,584,380	-	-	-	-	-
$ 8,191,075	$ (24,108,465)	$ (75,496,950)	$ (367,951,013)	$ (474,334,076)	$ 135,762,875



CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO

Fund Balances, Governmental Funds, **Schedule 3**
Last Ten Fiscal Years
(modified accrual basis of accounting)

	General Fund					
Fiscal Year	Nonspendable	Restricted	Committed	Assigned	Unassigned	Total
2010	$ 1,463,538	$ 12,135,000	$ 522,624	$ 948,153	$ 23,449,751	$ 38,519,066
2011	1,642,672	12,017,000	11,190,705	984,656	19,793,634	45,628,667
2012	1,963,154	12,398,000	21,660,000	370,243	6,619,727	43,011,124
2013	2,007,472	12,823,000	936,548	1,888,666	36,792,731	54,448,417
2014	2,234,432	13,383,000	3,533,440	3,978,069	41,520,546	64,649,487
2015	1,796,577	14,148,000	11,919,211	594,664	41,231,173	69,689,625
2016	1,877,770	15,092,000	15,525,626	542,797	30,374,491	63,412,684
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

	All Other Governmental Funds					
Fiscal Year	Nonspendable	Restricted	Committed	Assigned	Unassigned	Total
2010	$ 10,899	$ 171,651,742	$ 6,506,221	$ 2,760,146	$ -	$ 180,929,008
2011	14,735	93,793,997	6,158,259	2,566,414	-	102,533,405
2012	33,525	71,766,314	7,262,750	2,071,649	-	81,134,238
2013	40,864	178,024,953	6,554,958	1,588,645	-	186,209,420
2014	279,553	121,063,049	8,068,867	1,961,243	-	131,372,712
2015	1,430,008	86,451,768	8,967,068	2,729,028	-	99,577,872
2016	1,482,770	66,492,373	9,204,715	11,139,881	-	88,319,739
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

Notes:
(1) Other governmental funds from fiscal year 2010 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.

Cherry Creek 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			
	2010	2011	2012	2013
Revenues				
Local sources				
Property taxes	$ 223,900,561	$ 230,897,870	$ 228,223,103	$ 244,241,017
Specific ownership taxes	15,360,501	14,449,208	14,509,101	16,057,777
Tuition	16,288,980	15,591,988	16,142,958	16,401,196
Earnings on investments	1,687,500	751,113	440,924	633,081
Pupil activities	11,217,970	10,744,849	11,002,470	11,554,515
Food service operations	-	-	-	-
Other	8,083,985	6,540,245	6,683,263	6,101,978
State sources				
Equalization aid	209,183,996	186,263,975	197,308,106	201,778,792
Vocational education	1,892,460	1,927,762	1,999,301	1,770,487
Education of handicapped	8,196,245	8,260,881	8,756,893	8,876,181
Transportation	3,921,767	3,986,143	3,893,457	3,976,050
Other	1,398,444	1,414,238	1,254,837	1,179,010
Federal sources	19,380,387	35,797,683	20,221,144	18,474,903
Total revenues	520,512,796	516,625,955	510,435,557	531,044,987
Expenditures				
Instruction	304,555,053	311,451,823	310,493,043	317,066,517
Pupil services	28,875,655	28,261,343	28,749,259	29,402,945
Instructional staff services	14,327,494	13,056,852	13,171,119	12,535,219
School administration	22,514,168	22,241,396	21,789,567	22,010,548
General administration	3,043,541	2,704,992	3,175,239	3,586,078
Business services	3,622,878	3,843,164	3,633,546	3,697,875
Operations & maintenance	33,606,542	33,299,583	32,933,622	33,742,097
Pupil transportation	17,352,382	16,586,304	18,380,112	19,179,400
Central supporting services	10,043,521	10,178,782	11,355,195	12,180,195
Non-departmental	1,348,519	1,582,783	1,566,324	1,275,301
Pupil activities	10,983,274	10,665,631	10,807,898	11,751,012
Food service operations	-	-	-	-
Capital outlay	98,698,111	80,911,468	25,393,161	26,531,263
Debt service				
Interest	21,797,565	23,974,385	31,340,000	21,770,399
Principal	27,600,000	29,050,000	21,821,250	28,940,000
Total expenditures	598,368,703	587,808,506	534,609,335	543,668,849
Excess of revenues over (under) expenditures	(77,855,907)	(71,182,551)	(24,173,778)	(12,623,862)
Other Financing Sources (Uses):				
Transfers in	8,648,452	14,540,447	5,163,573	9,270,877
Transfers out	(8,648,452)	(14,643,898)	(5,163,573)	(9,546,437)
General obligation bonds issued	101,775,000	-	48,855,000	125,000,000
Certificates of participation issuance	-	-	-	-
Bond premium	1,280,672	-	4,870,000	4,411,897
Discount on certificates of participation	-	-	-	-
Refunding bonds issued	-	-	-	-
Bond refunding escrow agent	-	-	(53,567,932)	-
Capital lease proceeds	-	-	-	-
Sale of assets	-	-	-	-
Total other financing sources (uses)	103,055,672	(103,451)	157,068	129,136,337
Net change in fund balances	$ 25,199,765	$ (71,286,002)	$ (24,016,710)	$ 116,512,475
Debt service as a percentage of noncapital expenditures	9.7%	10.1%	10.3%	9.7%

Schedule 4

Fiscal Year					
2014	2015	2016	2017	2018	2019
$ 253,798,699	$ 248,177,323	$ 256,605,009	$ 277,344,251	$ 297,808,137	$ 304,672,455
17,605,225	19,097,032	19,635,073	21,153,791	23,957,474	22,548,623
16,929,390	17,816,277	18,521,156	18,624,812	19,340,147	19,953,169
825,024	330,635	346,212	1,236,883	3,183,624	6,706,746
12,528,299	12,529,479	12,541,753	13,216,520	12,944,412	12,869,793
-	8,833,988	9,446,817	9,578,059	8,956,515	9,503,290
5,500,336	8,064,853	7,599,774	7,834,210	8,418,257	8,628,105
211,633,340	232,119,104	245,160,665	250,235,290	263,158,611	285,450,978
1,242,237	1,944,188	2,043,704	2,431,091	1,802,713	2,003,771
10,733,620	10,674,340	11,071,983	11,151,827	11,592,726	11,978,290
4,402,117	4,444,837	4,684,076	4,492,509	4,418,001	4,586,204
1,870,763	4,735,947	4,999,123	5,360,279	6,268,014	20,142,636
19,278,707	26,476,985	27,801,765	27,956,821	27,271,404	28,807,001
556,347,757	595,244,988	620,457,110	650,616,343	689,120,035	737,851,061
330,808,321	349,682,286	366,199,694	374,748,063	394,019,983	431,880,802
30,796,440	30,254,589	31,767,642	33,562,591	34,941,677	39,996,241
14,114,213	19,204,994	19,642,608	22,446,007	21,506,846	25,070,708
23,052,768	24,455,161	25,900,069	26,422,832	27,384,920	29,802,165
3,813,769	4,184,892	4,340,758	4,475,734	5,102,034	4,961,101
3,748,118	3,920,947	4,143,531	4,323,638	4,288,608	5,154,590
34,781,310	35,301,454	37,484,456	37,361,730	37,827,687	44,627,315
19,611,022	20,228,156	20,356,802	19,914,808	21,902,643	22,968,443
13,123,683	12,381,765	13,321,003	12,348,282	22,598,036	13,947,248
1,238,377	1,116,255	1,207,504	1,384,536	1,436,898	1,624,734
12,391,480	12,352,432	12,240,209	13,049,338	12,436,368	12,509,696
-	16,051,226	17,107,553	17,077,316	17,777,932	18,631,588
70,697,204	51,721,532	31,868,670	44,522,303	150,628,523	113,312,188
22,357,261	20,394,811	19,106,212	38,710,794	27,271,087	36,602,115
29,627,902	32,551,624	35,938,282	21,346,551	30,787,471	28,128,513
610,161,868	633,802,124	640,624,993	671,694,523	809,910,713	829,217,447
(53,814,111)	(38,557,136)	(20,167,883)	(21,078,180)	(120,790,678)	(91,366,386)
7,717,284	12,660,230	19,178,703	12,063,214	16,134,818	24,479,539
(8,652,157)	(12,660,230)	(19,178,703)	(12,063,214)	(16,134,818)	(24,479,539)
31,215,000	-	-	150,000,000	100,000,000	-
-	-	-	-	15,465,000	7,000,000
4,319,741	7,077,043	4,809,202	18,854,635	29,178,061	-
-	-	-	-	(263,010)	-
-	37,585,000	46,855,000	-	75,510,000	-
(35,345,000)	(44,431,763)	(52,452,915)	-	(83,182,725)	-
9,923,605	5,873,383	3,368,378	15,552,683	7,262,050	-
-	642,594	53,144	82,486	42,028	691,056
9,178,473	6,746,257	2,632,809	184,489,804	144,011,404	7,691,056
$ (44,635,638)	$ (31,810,879)	$ (17,535,074)	$ 163,411,624	$ 23,220,726	$ (83,675,330)
9.5%	9.0%	8.9%	9.5%	8.5%	8.8%

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)

Fiscal Year Ended June 30,	Residential Property	Commercial Property	Other Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2010	$2,270,778	$2,118,670	$ 910,743	$ 564,415	$ 4,735,776	48.8250	$37,037,726	12.79%
2011	2,292,978	2,094,183	896,936	563,344	4,720,753	50.4970	37,214,632	12.69%
2012	2,148,809	1,798,283	933,758	589,426	4,291,424	54.3670	34,422,583	12.47%
2013	2,163,219	1,792,924	934,811	602,564	4,288,390	58.0370	34,542,748	12.41%
2014	2,166,149	1,922,138	896,606	563,359	4,421,534	57.4920	35,057,805	12.61%
2015	2,191,344	1,931,911	919,042	596,160	4,446,137	56.7020	35,304,075	12.59%
2016	2,729,595	2,187,423	1,051,734	726,702	5,242,050	49.7030	42,954,365	12.20%
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%

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:

Year	Residential	Commercial	Base Year
2010	7.96	29.0	2008
2011	7.96	29.0	2009
2012	7.96	29.0	2010
2013	7.96	29.0	2011
2014	7.96	29.0	2012
2015	7.96	29.0	2013
2016	7.96	29.0	2014
2017	7.96	29.0	2015
2018	7.20	29.0	2016
2019	7.20	29.0	2017

CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO

Direct and Overlapping Property Tax Rates, Last Ten Tax Years

Schedule 6

(rate per $1,000 of assessed value)

	Cherry Creek School District Number 5						
Collection Year	General Fund	Debt Service Fund	Total District	Total Cities and Towns	Total County	Total Special Districts (1)	Total (2)
2010	38.924	9.901	48.825	72.410	15.672	1,262.792	1,399.699
2011	39.778	10.719	50.497	72.541	15.949	1,303.970	1,442.957
2012	41.667	12.700	54.367	73.908	17.316	1,371.749	1,517.340
2013	46.777	11.260	58.037	70.725	17.150	1,403.120	1,549.032
2014	46.041	11.451	57.492	70.739	17.130	1,397.365	1,542.726
2015	45.254	11.448	56.702	69.263	16.950	1,392.653	1,535.568
2016	39.264	10.439	49.703	69.158	14.856	1,292.463	1,426.180
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

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**

	2019			2010		
Taxpayer	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	$ 149,244,030	1	2.41%	$ 78,901,090	2	1.66%
Verizon Wireless	63,786,800	2	1.03%	63,603,200	1	1.34%
CenturyLink (Qwest Corp.)	63,383,600	3	1.02%	98,761,300	3	2.08%
Columbia HealthOne LLC	42,195,000	4	0.68%	39,150,010	4	0.83%
Greenwood Property Corporation	32,332,970	5	0.52%	30,450,000	5	0.64%
Denver CB Center 2 LLC	28,502,940	6	0.46%			-
GPI Plaza Tower LP	25,024,100	7	0.40%			-
Comcast Cable Communications	21,021,170	8	0.34%			
Granit Place LLC	17,514,675	9	0.28%			-
Galleria Acquisition Inc	16,823,190	10	0.27%			-
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	-		-	14,893,500	9	0.31%
5251 DTC Parkway LLC	-		-	14,500,010	10	0.31%
	$ 459,828,475		3.99%	$ 399,854,120		8.13%

Source: Arapahoe County Assessor's Office

Notes:
(1) The total net assessed valuation upon which the 2018 tax levy is based for collection in 2019 is $6,1090,835,462. The total assessed valuation upon which the 2009 tax levy is based for collection in 2010 is $4,739,400,930.

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
2010	$ 231,224,256	$ 223,701,797	96.75%	$ 7,650,694	$ 231,352,491	100.06%
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%	-	305,032,765	99.28%

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 2019 collection year include actual collections through June 30, 2019, 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, **Schedule 9**
Last Ten Fiscal Years
(dollars in thousands, except per student)

	Governmental Activities							
Fiscal Year	General Obligation Bonds	Certificates of Participation	Capital Leases	Total Primary Government	Percentage of Estimated Actual Value of Taxable Property	Percentage of Arapahoe County Personal Income	Per Capita	Per Student
2010	537,017	3,550	-	540,567	1.46%	1.97%	1,973	11,037
2011	508,008	2,700	-	510,708	1.37%	1.78%	1,830	10,339
2012	480,762	1,815	-	482,577	1.40%	1.58%	1,699	9,693
2013	581,065	-	-	581,065	1.68%	1.83%	2,009	11,521
2014	550,913	-	8,705	559,618	1.60%	1.61%	1,900	10,931
2015	519,834	-	11,917	531,751	1.51%	1.60%	1,803	10,339
2016	485,191	-	12,007	497,198	1.16%	1.43%	1,654	9,639
2017	616,813	-	23,934	640,747	1.51%	1.76%	2,117	12,348
2018	708,859	15,208	28,474	752,541	1.41%		2,462	14,273
2019	610,545	22,465	23,216	656,226	1.21%		2,126	12,412

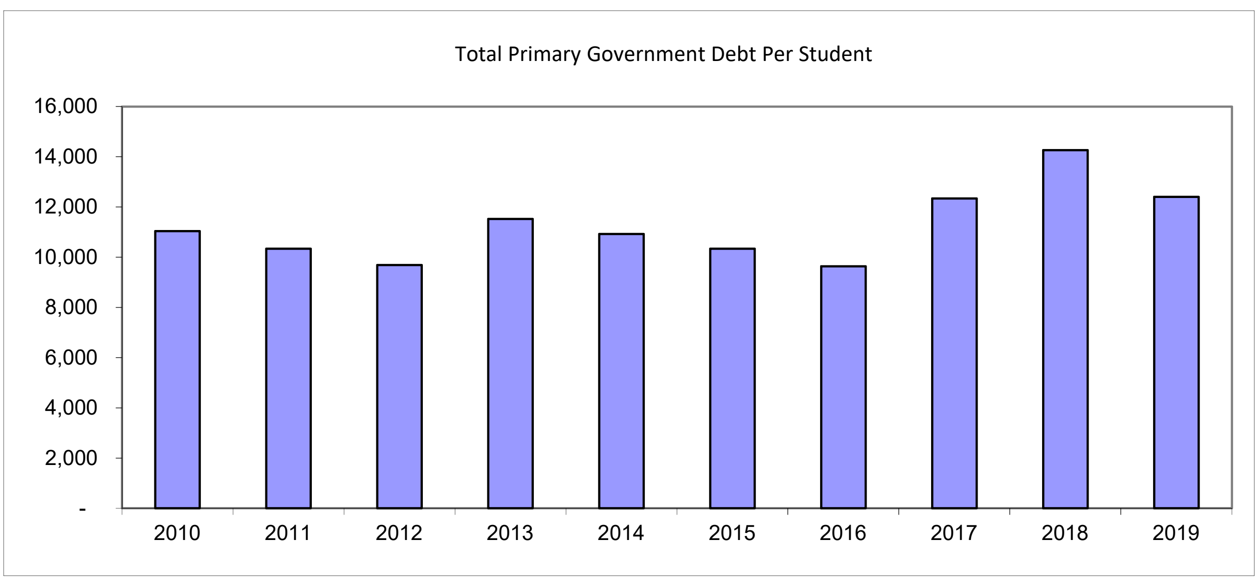
Notes:

(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 2018 and 2019.



CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO

Ratios of General Bonded Debt Outstanding, **Schedule 10**
Last Ten Fiscal Years
(dollars in thousands, except per capita and per student)

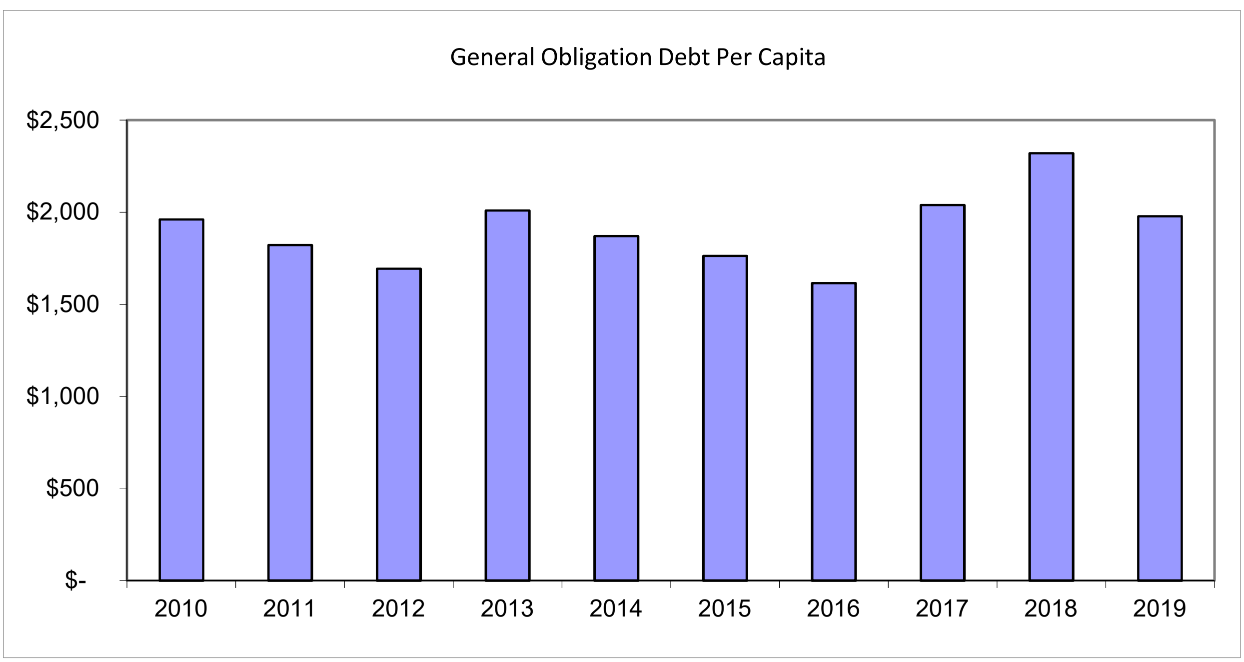
Fiscal Year	General Obligation Bonds	Percentage of Estimated Actual Value of Taxable Property	Per Capita	Per Student
2010	$ 537,017	1.45%	$ 1,960	$ 10,964
2011	508,008	1.37%	1,821	10,284
2012	480,762	1.40%	1,693	9,656
2013	581,065	1.68%	2,009	11,521
2014	550,913	1.57%	1,871	10,761
2015	519,834	1.47%	1,762	10,107
2016	485,191	1.13%	1,614	9,406
2017	616,813	1.46%	2,038	11,887
2018	708,859	1.33%	2,319	13,445
2019	610,545	1.13%	1,978	11,548

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 **Schedule 11**
As of June 30, 2019
(dollars in thousands)

Overlapping debt:	Outstanding Debt	Percentage Applicable To District	Amount Applicable To District
Antelope Water System General Improvement District	$ 2,195	100.00 %	$ 2,195
Arapahoe Park & Recreation District	5,100	100.00	5,100
Arapahoe Water & Wastewater Public Improvement District	138,709	100.00	138,709
Beacon Point Metropolitan District	20,445	100.00	20,445
Cherry Creek Vista Metro Park & Rec District	2,540	100.00	2,540
City of Aurora	2,936	38.36	1,126
City of Englewood	46,452	3.63	1,686
Conservatory Metropolitan District	20,205	100.00	20,205
Country Homes Metropolitan District #A	133	100.00	133
Dove Valley Metropolitan District	45,815	100.00	45,815
Eagle Bend Metropolitan District #A	29,080	100.00	29,080
East Quincy Highlands Metro District #1	2,740	100.00	2,740
East Smoky Hill Metro District #1	3,200	100.00	3,200
East Smoky Hill Metro District #2	5,270	100.00	5,270
Fiddler's Green Business Improve. District	52,370	100.00	52,370
Galleria Metropolitan District	3,662	100.00	3,662
Heather Gardens Metropolitan District	8,025	40.16	3,223
High Plains Metropolitan District	27,415	100.00	27,415
Inverness Metropolitan Improvement District	2,440	71.10	1,735
Inverness Water & Sanitation District	6,375	69.32	4,419
Liverpool Metropolitan District	2,225	100.00	2,225
Panorama Metropolitan District	3,445	100.00	3,445
Parker Jordan Metropolitan District	9,885	100.00	9,885
Piney Creek Metropolitan District	5,355	100.00	5,355
Saddle Rock Metro District	7,830	100.00	7,830
Saddle Rock South Metropolitan District #4	13,215	100.00	13,215
Serenity Ridge Metropolitan District No. 2	1,906	100.00	1,906
Sorrel Ranch Metropolitan District	10,505	100.00	10,505
South Suburban Metropolitan Park & Recreation District	3,440	36.17	1,244
Southeast Public Improvement Metro District	2,685	57.70	1,549
Southlands Metropolitan District No. 1	48,170	100.00	48,170
Southlands Metropolitan District No. 2	5,341	100.00	5,341
Sundance Hills Metropolitan District	145	100.00	145
Tallgrass Metropolitan District	15,375	100.00	15,375
Tallyn's Ranch Metropolitan District No. 2	3,246	100.00	3,246
Tallyn's Ranch Metropolitan District No. 3	46,636	100.00	46,636
Tollgate Crossing Metropolitan District No. 2	13,345	100.00	13,345
Willow Trace Metropolitan District	8,720	100.00	8,720
Total overlapping debt	626,576		569,205
Direct debt:			
Cherry Creek School District No. 5	656,226	100.00	656,226
Total	$ 1,282,802		$ 1,225,431

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	$	6,190,835,462
Legal debt limit percentage		20%
Legal debt limit	$	1,238,167,092
Amount of debt applicable to debt limit:		
Total bonded debt	$	610,545,000
Less Debt Service Fund available		59,582,963
Total amount of debt applicable to debt limit		550,962,037
Legal debt margin	$	687,205,055

Ten Year Summary

Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Debt Margin	Total Net Debt Applicable to the Limit as a % of Debt Limit
2010	$ 947,880,186	$ 482,459,664	$ 465,420,522	50.9%
2011	946,365,978	452,526,595	493,839,383	47.8%
2012	860,654,724	418,201,636	442,453,088	48.6%
2013	860,045,754	517,458,657	342,587,097	60.2%
2014	888,514,410	484,837,268	403,677,142	54.6%
2015	889,227,535	444,659,087	444,568,448	50.0%
2016	1,048,410,003	405,718,087	642,691,916	38.7%
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%

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**

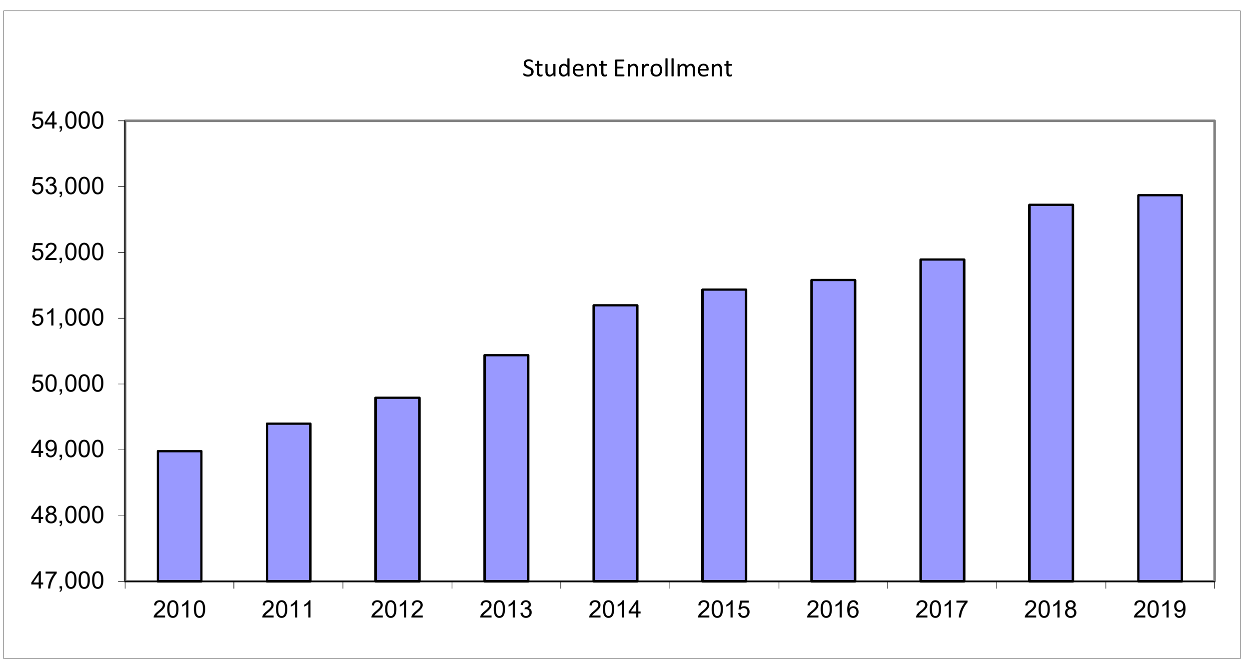
	Arapahoe County				Cherry Creek School District	
Fiscal Year	Population	Personal Income *(millions of dollars)*	Per Capita Personal Income	Unemployment Rate	Population	FTE Student Enrollment
2010	572,153	$ 27,426	$ 47,704	8.1%	274,000	48,979
2011	584,948	28,656	48,989	8.8%	279,000	49,396
2012	585,000	30,470	51,163	8.2%	284,000	49,788
2013	595,546	31,833	52,437	7.3%	289,200	50,435
2014	607,070	34,836	56,294	5.4%	294,500	51,198
2015	619,211	33,160	52,545	4.4%	295,000	51,433
2016	631,595	34,690	54,452	3.8%	300,600	51,582
2017	637,068	36,423	56,642	2.5%	302,623	51,889
2018	643,052	-	-	2.9%	305,649	52,724
2019	649,703	-	-	3.0%	308,705	52,870

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 2018 and 2019.

(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 2009 to 2019. 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**

	2019			2010		
Employer	Employees	Rank	Percentage of Metro Denver Employment	Employees	Rank	Percentage of Metro Denver Employment
Cherry Creek School District	8,300	1	2.50%	7,900	1	2.89%
Aurora Public Schools	5,100	2	1.53%	5,000	2	1.83%
Comcast	4,200	3	1.26%	-		-
City of Aurora	3,900	4	1.17%	3,600	3	1.32%
Raytheon Company	2,600	5	0.78%	2,100	5	0.77%
Littleton School District	2,400	6	0.72%	2,500	4	0.92%
Arapahoe County	2,000	7	0.60%	2,000	6	0.73%
Columbia HCA Swedish	1,900	8	0.57%	1,600	9	0.59%
Arrow Electronics	1,800	9	0.54%	-		-
Columbia HCA Medical Center of Aurora	1,600	10	0.48%	1,500	10	0.55%
EchoSphere	-		-	1,700	8	0.62%
CenturyLInk (Qwest Corp.)	-		-	1,800	7	0.66%
Total	33,800		10.15%	29,700		10.88%

Source:
Employer data was obtained from Arapahoe County's 2018 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**

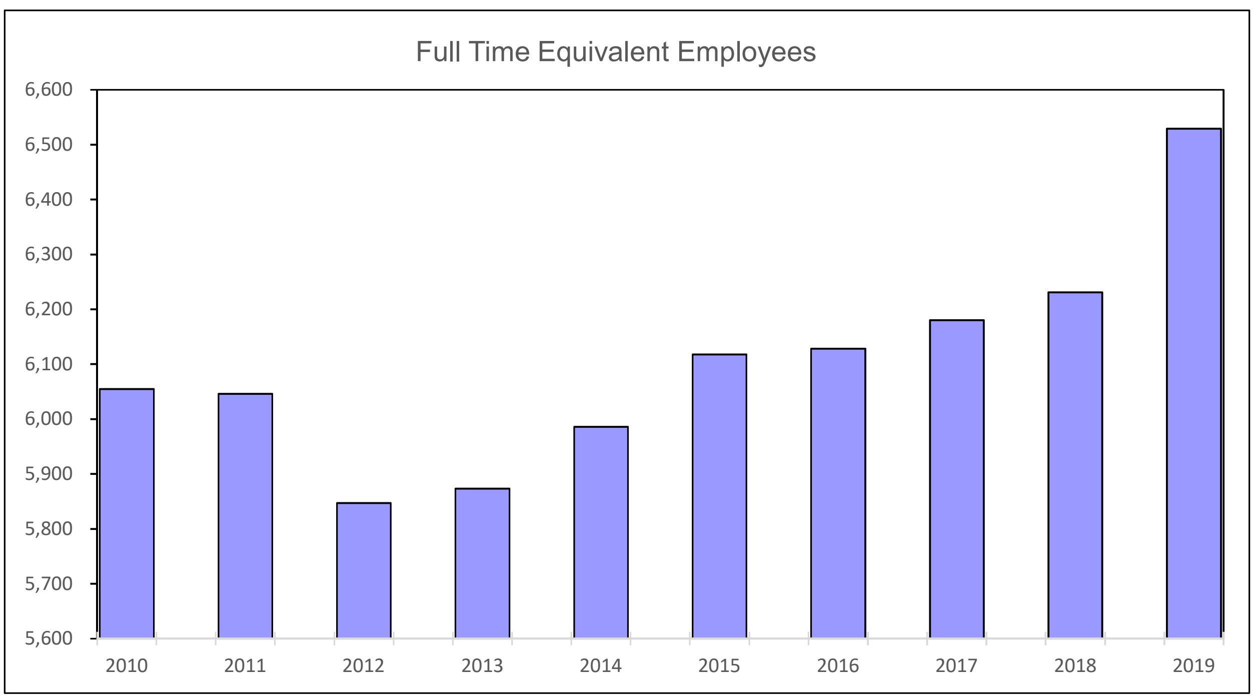
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Administrators	139	141	143	146	148	159	162	164	165	170
Teachers	3,262	3,285	3,188	3,219	3,285	3,335	3,332	3,345	3,377	3,571
Teacher Assistants & Aides	189	192	187	185	184	207	207	208	203	216
Staff Support	389	333	336	365	368	390	398	405	424	447
Secretarial	379	380	349	327	333	343	344	344	344	361
Maintenance	70	70	66	66	69	71	71	76	76	85
Custodians	94	90	89	93	94	86	86	88	89	94
Bus Drivers	259	222	222	222	243	245	233	235	236	241
Mechanics	22	22	22	22	22	22	22	22	22	22
Mental Health	96	96	95	98	106	109	112	114	114	118
Nurses	60	59	58	61	62	61	62	62	62	65
Bus Aides	101	88	87	88	89	118	118	118	119	119
Designated purpose grants	212	175	181	156	162	152	154	159	160	160
Extended child services	532	532	565	566	560	560	565	567	567	576
Other governmental funds	18	15	16	7	7	7	7	7	7	7
Food services operations	233	346	243	253	254	252	255	266	266	277
Total	6,055	6,046	5,847	5,873	5,986	6,118	6,128	6,180	6,231	6,529

Source: School District records

Notes:
(1) Teacher assistants and aides are measured in equivalent teacher FTEs.

(2) Extended child services represents total number of employees in that fund rather than full time equivalent.

(3) Food service operations represents total number of employees in that fund rather than full time equivalent.



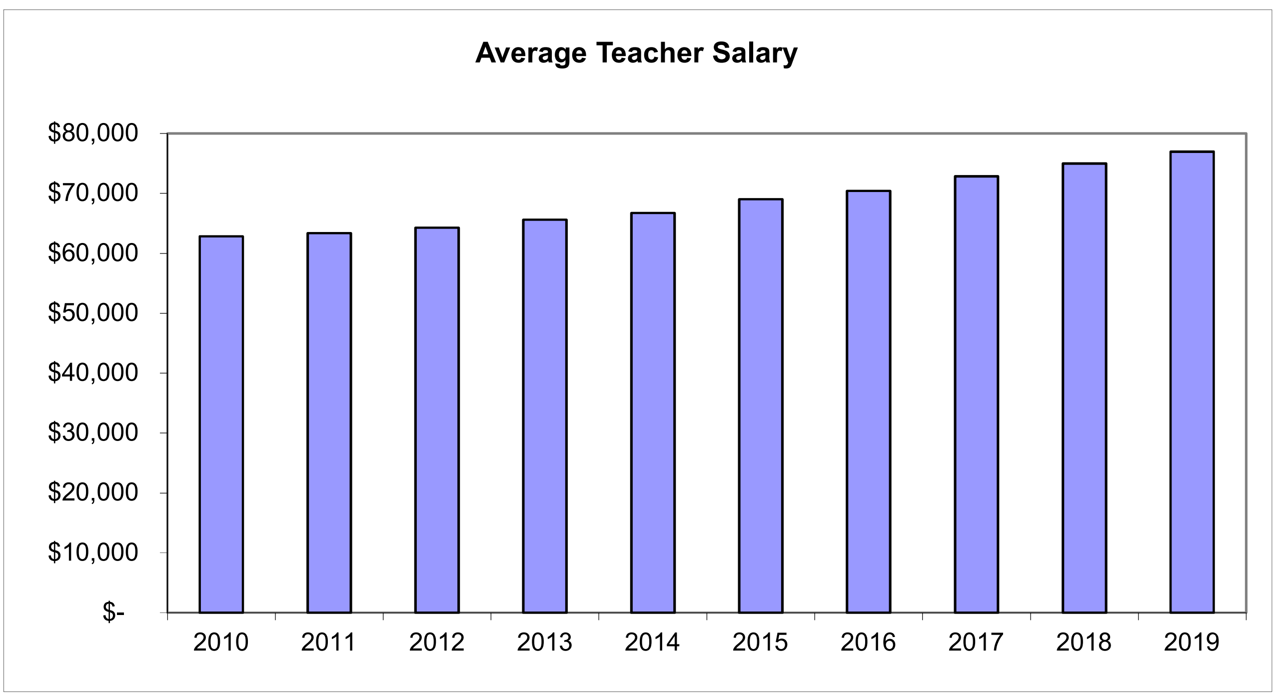
CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO

Teacher Salary,
Last Ten Fiscal Years

Schedule 17

		Salary		
Fiscal Year	Contract Length	Beginning Teacher	Maximum Teacher	Average Teacher
2010	185	$ 35,634	$ 80,909	$ 62,811
2011	185	35,634	80,909	63,365
2012	185	35,812	81,314	64,233
2013	185	35,812	81,314	65,607
2014	185	36,815	83,590	66,684
2015	185	37,882	86,014	68,986
2016	185	38,337	88,787	70,373
2017	185	39,602	91,717	72,843
2018	185	40,948	94,836	74,962
2019	185	41,832	95,481	76,986

Source: School District



Cherry Creek 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
2010	$ 506,846	48,979	$ 10,348	2.46%	3,262	15.0	12,416	25.3%	84.7%	1.7%
2011	523,427	49,396	10,597	2.40%	3,285	15.0	13,241	26.8%	84.4%	1.7%
2012	509,406	49,788	10,232	-3.45%	3,188	15.6	13,429	27.0%	87.1%	2.0%
2013	516,053	50,435	10,232	0.00%	3,219	15.7	13,248	26.3%	87.4%	1.5%
2014	545,999	51,198	10,665	4.23%	3,285	15.6	13,783	26.9%	86.60	1.50
2015	624,775	51,433	12,147	13.90%	3,335	15.4	14,570	28.3%	87.20	1.40
2016	690,825	51,582	13,393	10.25%	3,332	15.5	15,646	30.3%	88.10	1.00
2017	1,017,288	51,889	19,605	46.38%	3,345	15.5	16,330	31.5%	90.00	1.40
2018	1,162,931	52,724	22,057	64.69%	3,377	15.6	16,611	31.5%	89.50	1.20
2019	602,617	52,870	11,398	-41.86%	3,571	14.8	17,598	33.3%	-	-

Notes:
(1) Includes all funds. (GAAP Basis)

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

(3) Student enrollment is based on the full time equivalent (FTE), which is adjusted for preschool programs at one half time and kindergarten calculated at .58 FTE for fiscal years 2009 to 2019. 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.

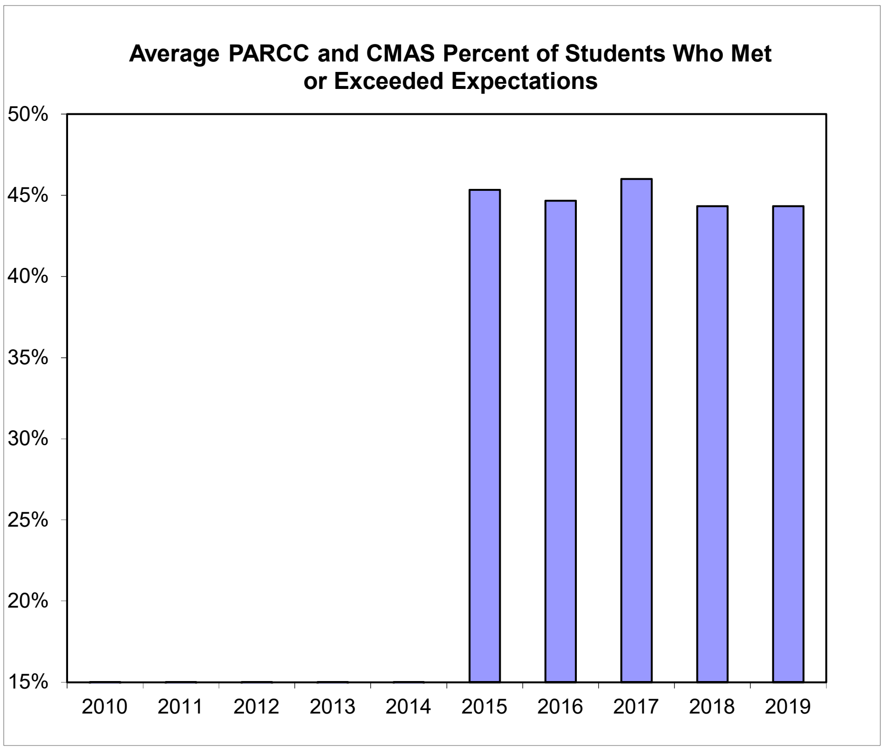
(4) Starting with fiscal year 2010, the Colorado Department of Education instituted the Colorado School Performance Framework (SPF). Results are released by the Colorado Department of Education annually for the prior fiscal year. The ratings are: Performance, Improvement, Priority Improvement, and Turnaround. 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 2019 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 is 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 2019 are not yet available.

Colorado School Performance Framework Number of Schools Rated				Student Assessment Program (PARRC and CMAS) Percent of Students Who Met or Exceeded Expectations			ACT/ SAT Composite Score
Performance	Improvement	Priority Improvement	Turnaround	ELA	Math	Science	
54	4	-	-	-	-	-	21.3
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									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
High Schools										
Cherokee Trail (2004)										
Square feet	362,000	362,000	362,000	362,000	362,000	362,000	391,000	391,000	391,000	391,000
Capacity (students)	2,347	2,347	2,347	2,347	2,647	2,647	2,880	3,211	3,211	3,211
Enrollment	2,293	2,354	2,414	2,499	2,588	2,676	2,797	2,978	2,940	2,823
Cherry Creek (1956)										
Square feet	471,632	471,632	471,632	471,632	471,632	471,632	471,632	471,632	471,632	471,632
Capacity (students)	3,735	3,735	3,735	3,735	3,735	3,735	3,735	3,735	3,735	3,735
Enrollment	3,437	3,379	3,387	3,417	3,461	3,452	3,486	3,566	3,632	3,707
Eaglecrest (1989)										
Square feet	353,334	353,334	353,334	353,334	353,334	353,334	353,334	353,334	353,334	353,334
Capacity (students)	2,533	2,533	2,533	2,533	2,533	2,533	2,833	2,833	3,083	3,083
Enrollment	2,290	2,311	2,256	2,341	2,450	2,479	2,590	2,655	2,811	3,020
Grandview (1999)										
Square feet	353,024	353,024	353,024	353,024	353,024	353,024	368,500	368,500	368,500	368,500
Capacity (students)	2,316	2,316	2,316	2,316	2,616	2,616	2,730	2,730	2,980	2,980
Enrollment	2,539	2,528	2,541	2,537	2,534	2,512	2,610	2,623	2,769	2,874
Overland (1979)										
Square feet	331,530	331,530	331,530	331,530	331,530	331,530	331,530	331,530	331,530	331,530
Capacity (students)	2,173	2,173	2,173	2,173	2,423	2,423	2,423	2,423	2,423	2,423
Enrollment	2,088	2,139	2,193	2,139	2,235	2,279	2,222	2,301	2,367	2,403
Smoky Hill (1976)										
Square feet	373,536	373,536	373,536	373,536	373,536	373,536	373,536	373,536	373,536	373,536
Capacity (students)	2,399	2,399	2,399	2,399	2,399	2,399	2,399	2,399	2,399	2,399
Enrollment	2,307	2,261	2,124	2,027	2,093	2,036	2,031	2,074	2,057	2,014
Endeavor Academy (2001)										
Square feet	52,323	52,323	52,323	52,323	52,323	52,323	52,323	52,323	52,323	52,323
Capacity (students)	500	500	500	500	500	500	500	500	500	500
Enrollment	460	461	461	370	280	283	269	255	265	253
Middle Schools										
Campus (1972)										
Square feet	175,743	175,743	175,743	175,743	175,743	175,743	175,743	175,743	175,743	175,743
Capacity (students)	1,590	1,590	1,590	1,590	1,590	1,590	1,590	1,590	1,590	1,590
Enrollment	1,408	1,421	1,400	1,434	1,409	1,420	1,441	1,392	1,480	1,489
Falcon Creek (2000)										
Square feet	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000
Capacity (students)	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Enrollment	1,075	1,060	1,014	1,051	1,026	1,018	927	940	924	898
Fox Ridge (2009)										
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	1,260	1,360	1,549	1,549	1,549
Enrollment	734	812	913	989	1,123	1,197	1,338	1,435	1,394	1,206
Horizon Community (1983)										
Square feet	168,500	168,500	168,500	168,500	168,500	168,500	168,500	168,500	168,500	168,500
Capacity (students)	1,740	1,740	1,740	1,740	1,740	1,740	1,740	1,740	1,740	1,740
Enrollment	1,000	947	950	984	997	970	993	945	953	988
Infinity (2019)										
Square feet										146,000
Capacity (students)										1,200
Enrollment										474
Laredo (1975)										
Square feet	171,954	171,954	171,954	171,954	171,954	171,954	171,954	171,954	171,954	171,954
Capacity (students)	1,530	1,530	1,530	1,530	1,530	1,530	1,530	1,530	1,530	1,530
Enrollment	1,168	1,163	1,155	1,128	1,118	1,124	1,136	1,118	1,068	1,088
Liberty (2002)										
Square feet	145,500	145,500	145,500	145,500	145,500	145,500	145,500	145,500	145,500	145,500
Capacity (students)	1,140	1,140	1,140	1,140	1,140	1,140	1,140	1,332	1,332	1,332
Enrollment	951	1,046	1,055	1,082	1,073	1,088	1,119	1,144	1,135	1,155
Prairie (1978)										
Square feet	176,656	176,656	176,656	176,656	176,656	176,656	176,656	176,656	176,656	176,656
Capacity (students)	1,440	1,440	1,440	1,440	1,740	1,740	1,740	1,990	1,990	1,990
Enrollment	1,530	1,552	1,692	1,687	1,697	1,693	1,718	1,763	1,739	1,642
Sky Vista (2006)										
Square feet	156,245	156,245	156,245	156,245	156,245	156,245	156,245	156,245	156,245	156,245
Capacity (students)	1,225	1,225	1,225	1,225	1,225	1,225	1,225	1,225	1,225	1,225
Enrollment	784	820	830	867	886	876	851	824	817	847
Thunder Ridge (1993)										
Square feet	176,000	176,000	176,000	176,000	176,000	176,000	176,000	176,000	176,000	176,000
Capacity (students)	1,620	1,620	1,620	1,620	1,620	1,620	1,620	1,620	1,620	1,620
Enrollment	1,197	1,172	1,214	1,258	1,291	1,316	1,316	1,291	1,313	1,284
West (1967)										
Square feet	158,500	158,500	158,500	158,500	158,500	158,500	158,500	158,500	158,500	158,500
Capacity (students)	1,590	1,590	1,590	1,590	1,590	1,590	1,590	1,590	1,590	1,590
Enrollment	1,120	1,113	1,093	1,135	1,208	1,220	1,224	1,256	1,300	1,300

(continued)

CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO

School Building Information,
Last Ten Fiscal Years

Schedule 19 (continued)

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Elementary Schools										
Altitude (2019)										
Square feet										70,000
Capacity (students)										648
Enrollment										499
Antelope Ridge (2000)										
Square feet	56,243	56,243	56,243	56,243	56,243	56,243	56,243	56,243	56,243	56,243
Capacity (students)	804	804	804	804	804	804	804	804	804	804
Enrollment	699	700	647	585	579	610	581	592	603	623
Arrowhead (1978)										
Square feet	58,440	58,440	58,440	58,440	58,440	58,440	58,440	58,440	58,440	58,440
Capacity (students)	719	719	719	719	719	719	719	719	719	719
Enrollment	597	593	577	578	542	576	551	520	487	480
Aspen Crossing (2006)										
Square feet	64,600	64,600	64,600	64,600	64,600	64,600	64,600	64,600	64,600	64,600
Capacity (students)	648	648	648	648	648	648	648	648	648	648
Enrollment	454	481	478	504	534	498	489	507	505	518
Belleview (1955)										
Square feet	51,120	51,120	51,120	51,120	51,120	51,120	51,120	51,120	51,120	51,120
Capacity (students)	592	592	592	592	592	592	592	880	880	880
Enrollment	563	537	543	506	516	546	562	596	572	592
Black Forest Hills (2012)										
Square feet				68,866	68,866	68,866	68,866	68,866	68,866	68,866
Capacity (students)				648	648	648	648	648	648	648
Enrollment				308	455	479	501	529	588	488
Buffalo Trail (2008)										
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	620	420	501	529	578	609	605	632	662	620
Canyon Creek (2003)										
Square feet	60,930	60,930	60,930	60,930	60,930	60,930	60,930	60,930	60,930	60,930
Capacity (students)	810	648	648	648	648	648	648	648	648	648
Enrollment	672	604	583	303	587	536	539	499	492	457
Cherry Hills Village (1984)										
Square feet	55,319	55,319	55,319	55,319	55,319	55,319	55,319	55,319	55,319	55,319
Capacity (students)	587	587	587	587	587	587	587	587	587	587
Enrollment	527	566	567	568	563	542	536	518	504	491
Cimarron (1980)										
Square feet	54,231	54,231	54,231	54,231	54,231	54,231	54,231	54,231	54,231	54,231
Capacity (students)	728	728	728	728	728	728	728	728	728	728
Enrollment	476	465	451	439	477	449	453	451	463	430
Cottonwood Creek (1977)										
Square feet	57,185	57,185	57,185	57,185	57,185	57,185	57,185	57,185	57,185	57,185
Capacity (students)	710	710	710	710	710	710	710	710	710	710
Enrollment	582	609	595	594	579	578	570	570	591	589
Coyote Hills (2007)										
Square feet	64,294	64,294	64,294	64,294	64,294	64,294	64,294	64,294	64,294	64,294
Capacity (students)	648	648	648	648	648	648	648	648	648	648
Enrollment	629	718	781	572	595	620	616	627	672	552
Creekside (1987)										
Square feet	54,600	54,600	54,600	54,600	54,600	54,600	54,600	54,600	54,600	54,600
Capacity (students)	671	671	671	671	701	701	701	701	701	701
Enrollment	648	652	656	677	673	650	600	605	600	565
Dakota Valley (2000)										
Square feet	56,243	56,243	56,243	56,243	56,243	56,243	56,243	56,243	56,243	56,243
Capacity (students)	804	804	804	804	804	804	804	804	804	804
Enrollment	754	741	748	751	742	612	566	526	519	502
Dry Creek (1973)										
Square feet	54,650	54,650	54,650	54,650	54,650	54,650	54,650	54,650	54,650	54,650
Capacity (students)	467	467	467	467	467	467	467	467	467	467
Enrollment	397	391	386	384	380	370	380	370	386	360
Eastridge (1964)										
Square feet	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000
Capacity (students)	868	868	868	868	868	868	868	868	868	868
Enrollment	697	716	720	723	736	733	688	700	634	607
Fox Hollow (2002)										
Square feet	60,930	60,930	60,930	60,930	60,930	60,930	60,930	60,930	60,930	60,930
Capacity (students)	810	810	810	810	810	810	810	810	810	810
Enrollment	723	776	769	710	653	620	600	574	578	567
Greenwood (1959)										
Square feet	50,504	50,504	50,504	50,504	50,504	50,504	50,504	50,504	50,504	50,504
Capacity (students)	467	467	467	467	467	467	467	467	467	467
Enrollment	376	364	390	388	394	403	408	405	398	402

(continued)

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Elementary Schools (cont.)										
Heritage (1977)										
Square feet	40,600	40,600	40,600	40,600	40,600	40,600	40,600	40,600	40,600	40,600
Capacity (students)	429	429	429	429	429	429	429	429	429	429
Enrollment	261	276	273	270	259	262	261	288	332	327
High Plains (1979)										
Square feet	55,119	55,119	55,119	55,119	55,119	55,119	55,119	55,119	55,119	55,119
Capacity (students)	687	687	687	687	687	687	687	687	687	687
Enrollment	499	481	482	476	489	496	518	551	551	565
Highline (1992)										
Square feet	53,600	53,600	53,600	53,600	53,600	53,600	53,600	53,600	53,600	53,600
Capacity (students)	804	804	804	804	804	804	804	804	804	804
Enrollment	566	550	564	567	593	555	525	494	491	464
Holly Hills (1959)										
Square feet	38,292	38,292	38,292	38,292	38,292	38,292	38,292	38,292	38,292	38,292
Capacity (students)	339	339	339	339	339	339	339	339	339	339
Enrollment	221	236	324	276	286	272	273	252	213	240
Holly Ridge (1963)										
Square feet	37,894	37,894	37,894	37,894	37,894	37,894	37,894	37,894	37,894	37,894
Capacity (students)	320	320	320	320	320	320	320	320	320	320
Enrollment	289	292	263	282	314	334	298	305	355	299
Homestead (1978)										
Square feet	51,358	51,358	51,358	51,358	51,358	51,358	51,358	51,358	51,358	51,358
Capacity (students)	582	582	582	582	582	582	582	582	582	582
Enrollment	479	481	495	513	502	499	499	465	482	472
Independence (1977)										
Square feet	54,635	54,635	54,635	54,635	54,635	54,635	54,635	54,635	54,635	54,635
Capacity (students)	699	699	699	699	699	699	699	699	699	699
Enrollment	471	440	429	447	440	461	473	469	458	471
Indian Ridge (1986)										
Square feet	57,373	57,373	57,373	57,373	57,373	57,373	57,373	57,373	57,373	57,373
Capacity (students)	763	763	763	763	763	763	763	763	763	763
Enrollment	540	531	516	490	476	457	463	467	475	443
Meadow Point (1983)										
Square feet	53,100	53,100	53,100	53,100	53,100	53,100	53,100	53,100	53,100	53,100
Capacity (students)	638	638	638	638	638	638	638	638	638	638
Enrollment	451	404	374	397	405	107	425	451	471	446
Mission Viejo (1974)										
Square feet	75,950	75,950	75,950	75,950	75,950	75,950	75,950	75,950	75,950	75,950
Capacity (students)	995	995	995	995	995	995	995	995	995	995
Enrollment	606	584	579	623	598	574	556	514	490	486
Mountain Vista (2014)										
Square feet						68,866	68,866	68,866	68,866	68,866
Capacity (students)						704	704	704	704	704
Enrollment						248	339	390	458	549
Peakview (1992)										
Square feet	53,600	53,600	53,600	53,600	53,600	53,600	53,600	53,600	53,600	53,600
Capacity (students)	804	804	804	804	804	804	804	804	804	804
Enrollment	557	535	518	549	525	526	509	514	515	491
Pine Ridge (2011)										
Square feet		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
Enrollment		451	575	726	744	708	751	722	798	735
Polton (1973)										
Square feet	70,715	70,715	70,715	70,715	70,715	70,715	70,715	70,715	70,715	70,715
Capacity (students)	495	495	495	495	495	495	495	495	495	495
Enrollment	366	390	427	408	405	416	434	436	433	420
Ponderosa (1978)										
Square feet	56,150	56,150	56,150	56,150	56,150	56,150	56,150	56,150	56,150	56,150
Capacity (students)	661	661	661	661	711	711	711	711	711	711
Enrollment	601	627	649	683	694	717	695	655	632	599
Red Hawk Ridge (2006)										
Square feet	73,800	73,800	73,800	73,800	73,800	73,800	73,800	73,800	73,800	73,800
Capacity (students)	648	648	648	648	648	648	648	648	648	648
Enrollment	542	609	629	640	624	633	578	563	514	509
Rolling Hills (1997)										
Square feet	55,884	55,884	55,884	55,884	55,884	55,884	55,884	55,884	55,884	55,884
Capacity (students)	804	804	804	804	804	804	804	804	804	804
Enrollment	657	625	619	615	603	607	590	564	553	529

(continued)

School Building Information, Last Ten Fiscal Years — **Schedule 19 (continued)**

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Elementary Schools (cont.)										
Sagebrush (1978)										
Square feet	57,100	57,100	57,100	57,100	57,100	57,100	57,100	57,100	57,100	57,100
Capacity (students)	738	738	738	738	738	738	738	738	738	738
Enrollment	558	524	524	500	519	490	490	426	404	362
Summit (1989)										
Square feet	52,800	52,800	52,800	52,800	52,800	52,800	52,800	52,800	52,800	52,800
Capacity (students)	699	699	699	699	699	699	699	699	699	699
Enrollment	445	428	421	370	352	312	312	319	321	339
Sunrise (1985)										
Square feet	72,507	72,507	72,507	72,507	72,507	72,507	72,507	72,507	72,507	72,507
Capacity (students)	954	954	954	954	954	954	954	954	954	954
Enrollment	595	583	597	581	570	574	574	538	500	441
Timberline (1987)										
Square feet	52,800	52,800	52,800	52,800	52,800	52,800	52,800	52,800	52,800	52,800
Capacity (students)	874	874	874	874	874	874	874	874	874	874
Enrollment	607	578	576	573	551	549	550	550	528	496
Trails West (1981)										
Square feet	55,119	55,119	55,119	55,119	55,119	55,119	55,119	55,119	55,119	55,119
Capacity (students)	675	675	675	675	675	675	675	675	675	675
Enrollment	492	500	542	500	466	450	415	369	378	365
Village East (1972)										
Square feet	69,650	69,650	69,650	69,650	69,650	69,650	69,650	69,650	69,650	69,650
Capacity (students)	810	810	810	810	810	810	810	810	810	810
Enrollment	739	755	733	714	763	722	671	676	710	694
Walnut Hills (1970)										
Square feet	54,940	54,940	54,940	54,940	54,940	54,940	54,940	54,940	54,940	54,940
Capacity (students)	467	467	467	467	467	467	467	467	467	467
Enrollment	338	350	338	319	321	326	289	266	273	291
Willow Creek (1978)										
Square feet	52,066	52,066	52,066	52,066	52,066	52,066	52,066	52,066	52,066	52,066
Capacity (students)	551	551	551	551	551	551	551	551	551	551
Enrollment	513	508	499	507	501	526	507	500	504	514
Alternative Schools										
Challenge (1996)										
Square feet	62,000	62,000	62,000	62,000	62,000	62,000	62,000	62,000	62,000	62,000
Capacity (students)	555	555	555	555	555	555	555	555	555	555
Enrollment	526	524	523	525	522	522	522	521	523	516
Cherry Creek Academy (1998)										
Square feet	44,500	44,500	57,130	57,130	57,130	57,130	57,130	57,130	57,130	57,130
Capacity (students)	450	450	588	588	588	588	588	588	588	588
Enrollment	449	451	461	466	476	529	543	0	525	543
I-Teams - 3 facilities										
Square feet	22,336	22,336	22,336	22,336	22,336	22,336	22,336	22,336	22,336	22,336
Joliet (2002)										
Square feet	14,297	14,297	14,297	14,297	14,297	14,297	14,297	14,297	14,297	14,297
Capacity (students)	90	90	90	90	90	90	90	90	90	90
Enrollment	33	23	26	51	45	57	35	49	59	35
Administrative and Support										
10 Current Facilities										
Square feet	220,089	280,089	280,089	280,089	280,089	280,089	280,089	280,089	280,089	280,089
Stadiums										
Legacy (2004)										
Square feet	13,725	13,725	13,725	13,725	13,725	13,725	13,725	13,725	13,725	13,725
Capacity (students)	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Stutler Bowl (1965)										
Square feet	9,800	9,800	9,800	9,800	9,800	9,800	9,800	9,800	9,800	9,800
Capacity (students)	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500

(continued)

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

Notes:

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

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

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

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

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

Cherry Creek Schools
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CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO

Schedule of Insurance in Force
June 30, 2019

Insurer	Policy Number	Type of Policy	Policy Period
Colorado School Districts Self Insurance Pool	0305-18-00003	"All Risk" (A) Property Insurance Total Reported values 1) Buildings 2) Contents and Inland Marine - Cameras, Projection Equipment - Musical Instruments, etc. - Contractor's Equipment - Fine Arts - Radio Equipment - Electronic Data Processing - Equipment/Data/Media 3) Flood/Earth Movement 4) Builder's Risk (B) Commercial Crime Coverage (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 other than Sexual Molestation (D) Commercial Auto Liability - Owned, Non Owned, Hired, Borrowed, or Leased Autos - Physical Damage - Garage Operations Coverage - Terminal Coverage (Comprehensive) - Auto Medical Pay (Buses) (E) Equipment Breakdown Insurance Extra Exp./Business Interruption Hazardous Substance Spoilage Damage Expediting Expense (F) School Crisis Act Insurance Pool Shared Annual Aggregate Limit (G) Terrorism Coverage Insurance Pool Shared Annual Aggregate Limit (H) Pollution & Remediation Legal Liability Insurance Pool Shared Annual Aggregate Limit (I) Privacy & Network Liability Insurance Pool Shared Annual Aggregate Limit	07-01-18 to 07-01-19
Joint School Districts Workers' Compensation Self Insurance Pool	33-C	Statutory Workers' Compensation Insurance	07-01-18 to 07-01-19
ACE American Insurance Co	PHFD38406097006	Foreign Liability Insurance	07-01-18 to 07-01-19
QBE Insurance Corporation	AHH 007253	Travel Accident Insurance	07-01-18 to 07-01-19
STARR Indemnity & Liability Company	1000238367-01	Aviation Insurance	07-01-18 to 07-01-19

Schedule 20

Limits		Deductible	
Per Occurrence	$ 1,000,000,000	(Pool limit)	
		$ 100,000	per occurrence
	$ 1,258,786,692		
	$ 176,361,457		
	Included	$ 100,000	per occurrence
	Included	$ 100,000	per occurrence
	Included	$ 100,000	per occurrence
	Included	$ 100,000	per occurrence
	Included	$ 100,000	per occurrence
	Included	$ 100,000	per occurrence
	Included	$ 100,000	per occurrence
	$ 100,000,000		
Reported value		$ 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	$ 10,000,000		
Per occurrence	$ 2,500,000		
Per occurrence	$ 2,000,000	$ 10,000	per occurrence
Self Insured			
	$150,000	$ 500	per vehicle
		$ 1,000	maximum deductible per loss
	Actual cash value	$ 1,000	per vehicle
		$ 10,000	maximum deductible per loss
Per Person	$ 5,000	$ -	
	$ 250,000,000	$ 10,000	damage to covered property
	Included		
	$ 10,000,000		
	Included		
	Included		
	$ 250,000		
	$ 10,000,000	$ 50,000	liability deductible per occurrence
		$ 100,000	property deductible per occurrence
Per occurrence/Annual Aggregate	$ 1,000,000	$ 50,000	liability deductible per occurrence
	$ 10,000,000		
Per occurrence/Annual Aggregate	$ 1,000,000	$ 50,000	per occurrence
	$ 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.
Per occurrence/	$ 1,000,000	$ -	deductible
Aggregate	$ 2,000,000		
Per accident	$ 25,000	$ -	deductible
Aggregate	$ 500,000		
Aggregate	$ 1,200,000	$ 1,000	deductible per occurrence

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SINGLE AUDIT REPORTS SECTION

Single Audit

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

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CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
as of June 30, 2019

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	**Federal CFDA Number**	**State Grant Number**	**Disbursements/ Expenditures**
U.S. DEPARTMENT OF EDUCATION			
Passed through State Department of Education			
Title I Grants to Local Educational Agencies (Title I, Part A of ESEA)	84.010	4010	$ 5,104,914
Title I, Part A: Improving Basic Programs Operated by Schools	84.010	5010	420,517
			5,525,431
Special Education--Grants to States (IDEA, Part B)	84.027	4027	8,380,089
Special Education--Preschool Grants (IDEA Preschool)	84.173	4173	141,394
subtotal IDEA Cluster			8,521,483
English Language Acquisition Grants (Title III)	84.365	4365	375,848
English Language Acquisition Grants (Title III, Set Aside)	84.365	7365	56,061
subtotal ELA Cluster			431,909
Improving Teacher Quality State Grants (Title IIA)	84.367	4367	982,652
Title IV	84.424	4424	171,898
Passed through Colorado Community College and Occupational Education System			
Vocational Education - Basic Grants To States (Perkins III)	84.048	4048	256,470
Passed through State Department of Education			
Rehabilitation Services - Vocational Rehabilitation Grants To States	84.126	6126	175,923
Total U.S. Department of Education			16,065,766
U.S. DEPARTMENT OF AGRICULTURE			
Passed through State Department of Education			
School Breakfast Program	10.553	4553	1,406,150
National School Lunch Program	10.555	4555	5,661,317
Passed through State Department of Human Services			
USDA Commodities	10.555	4555	1,115,851
subtotal Child Nutrition Cluster			8,183,318
Total U.S. Department of Agriculture			8,183,318
Total Federal Awards			$ 24,249,084

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For The Year Ended June 30, 2019

1) **Basis of Presentation**
   In the accompanying schedule of expenditures of federal awards, award revenues and expenditures have been prepared on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The basis of accounting used for the schedule of expenditures of federal awards is consistent with the basis of accounting used for the annual financial report presentation.

2) **Noncash Federal Awards**
   The District receives food commodities from the U. S. Department of Agriculture for use in its food service program. Commodities are recorded under CFDA # 10.555 on the Schedule of Federal Awards. The commodities, in the amount of $1,115,851, are recognized as revenue when received. The commodities are recognized as expenditures when used by the schools. The majority of the commodities are stored at the individual schools instead of a central warehouse. As such, the District has determined that the title to the commodities passes to the District upon receipt of the commodities. The valuation of commodites is based on fair market value at the time of receipt. Since the District has received title to the commodities, the unused commodities are not reflected as unearned revenue.

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

4) The District did not fund any subrecipients.

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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, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 4, 2019. Our report includes a reference to other auditors who audited the financial statements of Cherry Creek Academy and Heritage Heights 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.

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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

CliftonLarsonAllen LLP

Greenwood Village, Colorado
November 4, 2019

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

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

Report on Compliance for Each Major Federal Program

We have audited Cherry Creek School District No. 5's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Cherry Creek School District No. 5's major federal programs for the year ended June 30, 2019. Cherry Creek School District No. 5's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Cherry Creek School District No. 5's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Cherry Creek School District No. 5's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Cherry Creek School District No. 5's compliance.

Opinion on Each Major Federal Program

In our opinion, Cherry Creek School District No. 5 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Board of Education
Cherry Creek School District No. 5

Report on Internal Control Over Compliance

Management of Cherry Creek School District No. 5 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Cherry Creek School District No. 5's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Cherry Creek School District No. 5's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify a deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2019-001 that we consider to be a significant deficiency.

Cherry Creek School District No. 5's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs and corrective action plan. Cherry Creek School District No. 5's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Greenwood Village, Colorado
November 4, 2019

CHERRY CREEK SCHOOL DISTRICT NO. 5
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019

Section I – Summary of Auditors' Results

Financial Statements

1. Type of auditors' report issued: Unmodified

2. Internal control over financial reporting:

   - Material weakness(es) identified? ______ yes __x__ no
   - Significant deficiency(ies) identified? ______ yes __x__ none reported

3. Noncompliance material to financial statements noted? ______ yes __x__ no

Federal Awards

1. Internal control over major federal programs:

   - Material weakness(es) identified? ______ yes __x__ no
   - Significant deficiency(ies) identified? __x__ yes ______ none reported

2. Type of auditors' report issued on compliance for major federal programs: Unmodified

3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? __x__ yes ______ no

Identification of Major Federal Programs

CFDA Number(s)	**Name of Federal Program or Cluster**
10.553 and 10.555	Child Nutrition Cluster
84.367	Supporting Effective Instruction State Grants

Dollar threshold used to distinguish between Type A and Type B programs: $ 750,000

Auditee qualified as low-risk auditee? __x__ yes ______ no

Section II – Financial Statement Findings

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

Section III – Findings and Questioned Costs – Major Federal Programs

2019 – 001

Federal agency: US Department of Agriculture

Federal program title: Child Nutrition Cluster

CFDA Number: 10.553 and 10.555

Pass-Through Agency: Colorado Department of Education

Pass-Through Number(s): 4553 and 4555

Award Period: July 1, 2018 through June 30, 2019

Type of Finding: Significant Deficiency in Internal Control over Compliance

Criteria or specific requirement: Per the Office of Management and Budget (OMB)'s Uniform Guidance 2019 Compliance Supplement for CFDA 10.553 and 10.555, organizations are required to have procedures for verifying that an entity with which it plans to enter into a covered transaction is not debarred, suspended, or otherwise excluded.

Condition: We noted that the District does have policies and procedures in place for compliance with suspension and debarment requirements; however, we noted one out of five vendors selected for testing had not been checked to verify they were not suspended or debarred. We did verify these vendors were not currently suspended or debarred through verification per SAM.gov.

Questioned costs: None.

Context: We noted that the District does have policies and procedures in place for compliance with suspension and debarment requirements, however those controls were not effective for this instance most likely due to the District not including a suspension and debarment clause for all purchase orders occurring outside of the Designated Purpose Grants Fund. This transaction occurred within in the Food Services Fund and the purchase order did not include a suspension and debarment clause.

Cause: There are no suspension and debarment procedures in place for activity recorded in the Food Services Fund.

Effect: The District could not be compliance with suspension and debarment requirements for its federal programs.

Repeat Finding: No.

Recommendation: The District should implement policies for verifying suspension and debarment compliance for all transactions or for those transactions that are moved from non-federal sources to federal sources.

Views of responsible officials: There is no disagreement with the audit finding.

CHERRY CREEK SCHOOL DISTRICT
ARAPAHOE COUNTY, COLORADO
CORRECTIVE ACTION PLAN
YEAR ENDED JUNE 30, 2019

Dedicated to Excellence

Cherry Creek School District No. 5 respectfully submits the following corrective action plan for the year ended June 30, 2019.

Audit period: July 1, 2018 - June 30, 2019

The finding from the schedule of findings and questioned costs is discussed below. The finding is numbered consistently with the number assigned in the schedule.

FINDINGS—FINANCIAL STATEMENT AUDIT

No current year findings noted.

FINDINGS—FEDERAL AWARD PROGRAMS AUDITS

US Department of Agriculture

2019-001 Child Nutrition Cluster – CFDA No. 10.553 and 10.555

Recommendation: The District should implement policies for verifying suspension and debarment compliance for all transactions or for those transactions that are recorded in funds other than the Designated Purpose Grants Fund.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: The District has expanded its purchasing procedures to add the suspended or debarred certification to all District purchase orders to ensure transactions in all funds are being verified for current suspension or debarment.

Name(s) of the contact person(s) responsible for corrective action: David D. Hart, Chief of Operations and Finance.

Planned completion date for corrective action plan: December 1, 2019

If there are questions regarding this plan, please call David D. Hart at 720-554-4344.

CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2019

CherryCreekSchools

Cherry Creek School District No. 5 respectfully submits the following summary schedule of prior audit findings for the year ended June 30, 2019.

Audit period: July 1, 2018 – June 30, 2019

The findings from the prior audit's schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the prior year.

FINDINGS—FINANCIAL STATEMENT AUDIT

There were no financial statement findings in the prior year.

FINDINGS—FEDERAL AWARD PROGRAMS AUDIT

2018 – 001 Title I Grants to Local Educational Agencies

Condition: We noted that the District does have policies and procedures in place for review of the measures used when entering counts for the Consolidated Application.

Status: Corrective action was taken.

If there are questions regarding this schedule, please call David D. Hart, at 720-554-4344.

Dedicated to Excellence
Cherry Creek Schools

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