

SUPPLEMENT DATED JANUARY 30, 2026
to
PRELIMINARY OFFICIAL STATEMENT DATED JANUARY 26, 2026

\$316,665,000*
CHERRY CREEK SCHOOL DISTRICT NO. 5
(ARAPAHOE COUNTY, COLORADO)
GENERAL OBLIGATION BONDS
SERIES 2026

General

This Supplement to the Preliminary Official Statement (the “Supplement”) is furnished in connection with the execution and delivery of the above-described General Obligation Bonds (the “2026 Bonds”). All information contained in the Preliminary Official Statement dated January 26, 2026 (the “POS”), remains the same unless amended herein. This Supplement must be read in conjunction with the POS, including the appendices thereto. All capitalized terms used in this Supplement and not defined herein have the same meanings assigned to them in the POS. This Supplement should be attached to the POS and should not be separated from the POS. Neither this Supplement nor the POS may be relied upon in any way independent of each other.

Resignation of Superintendent

On January 27, 2026, Christopher Smith resigned as Superintendent of the District effective January 30, 2026. Deputy Superintendent Dr. Jennifer Perry will serve as Interim Superintendent until a permanent replacement is selected.

Changes have been made to the POS to reflect Mr. Smith’s resignation and Dr. Perry’s selection as Interim Superintendent. The title page listing the members of the Board of Education, District Leadership Team and other professionals participating in the transaction is hereby replaced in its entirety with the information contained on the following page.

* Subject to change.

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

Board of Education

Ms. Anne Egan, President
Ms. Angela Garland, Vice President
Mr. Terry Bates, Treasurer
Mr. John-Claude Futrell, Secretary
Mr. Mike Hamrick, Assistant Secretary/Treasurer

District Leadership Team

Dr. Jennifer Perry, Interim Superintendent
Mr. Scott Smith, Chief Financial and Operating Officer
Ms. La Toyua Tolbert, Assistant Superintendent, Equity, Culture and Community Engagement
Dr. Tony Poole, Assistant Superintendent, Special Populations
Mr. Derek Mullner, Assistant Superintendent, Educational Operations
Dr. Diana Roybal, Assistant Superintendent, Performance Improvement
Ms. Brenda Smith, Chief Human Resources Officer
Ms. Sonja McKenzie, General Counsel
Mr. Jason Koenig, Chief Information Officer
Ms. Abbe Smith, Chief Communications Officer
Ms. Michelle Weinraub, Chief Health Officer
Ms. Morgan Mauricio, Controller
Ms. Kate Kotaska, Executive Director, Financial Planning and Analysis

MUNICIPAL ADVISOR

Hilltop Securities Inc.
Denver, Colorado

BOND AND DISCLOSURE COUNSEL

Butler Snow LLP
Denver, Colorado

REGISTRAR AND PAYING AGENT

UMB Bank, n.a.
Denver, Colorado

SENIOR MANAGER

Stifel, Nicolaus & Company, Incorporated
Denver, Colorado

CO-MANAGERS

Piper Sandler & Co.
Denver, Colorado

Academy Securities, Inc.
Roseville, California

Mischler Financial Group, Inc.
Stamford, Connecticut

UNDERWRITERS' COUNSEL

Stradling Yocca Carlson & Rauth LLP
Denver, Colorado

The section titled “THE DISTRICT--Administration” is hereby replaced in its entirety with the following paragraphs. The new language is underlined.

Administration

The Superintendent is hired by the Board. Other administrative personnel, including the Chief Financial Officer, are selected by the Superintendent and approved by the Board.

On January 27, 2026, Christopher Smith resigned as Superintendent of the District, effective January 30, 2026. Deputy Superintendent Dr. Jennifer Perry will serve as Interim Superintendent until a permanent replacement is selected. The District is evaluating the process and timing to select a new superintendent.

The District administrative personnel directly involved with the issuance of the Bonds, and their experience and responsibilities, are described below.

Dr. Jennifer Perry, Interim Superintendent. The Board is empowered to employ a chief executive officer, the Superintendent, who is responsible to the Board for the daily operations of the District. The Superintendent is charged with the responsibility for the overall operational management and instructional program of the District, all within the human and financial resources available, as well as being responsible for the philosophical position of the District. The Superintendent works collaboratively with the Board to provide effective leadership for all District personnel in their efforts to accomplish the District mission, “To inspire every student to think, to learn, to achieve, to care.”

Dr. Jennifer Perry is the Interim Superintendent of the Cherry Creek School District, bringing nearly three decades of experience in education and 25 years in the District. Since July 2021, Dr. Perry has served as the Deputy Superintendent, leading a variety of teams and initiatives across the District, including Strategic Planning, Curriculum and Performance Improvement, and Career and Innovation. Prior roles within the District include Assistant Superintendent of Educational Operations, Executive Director of Elementary Education, Elementary Principal, Elementary Assistant Principal, and Teacher, specializing in 2nd-grade and Title I reading. Previously, Dr. Perry taught at Jefferson County Public Schools from July 1997 to June 2001, focusing on kindergarten and multi-age 1st and 2nd-grade classes. Dr. Perry holds a Doctor of Education in Educational Leadership and Policy Studies from the University of Northern Colorado, along with a Master’s degree in School Administration and a Master of Education. Dr. Perry earned a Bachelor of Arts in Early Childhood Education and Teaching from Metropolitan State University of Denver.

Scott Smith, Chief Financial Officer. Scott Smith has been the Chief Financial and Operating Officer since March 1, 2020. Prior to that time, he served as the Chief Financial Officer for Douglas County School District for two years and as the Director of Budget for the Douglas County School District for nearly five years. Mr. Smith began his career in public education at Denver Public Schools as the Senior Manager of Financial Planning and Analysis. He began his career as an Analyst at the Denver-based investment bank St. Charles Capital focusing on mergers and acquisitions advisory services in the Healthcare and Technology Industries. Mr. Smith is the current President of the Colorado Association of School Executives (CASE), a Board member of the Colorado School Finance Project and a former Colorado PERA Trustee. In 2023, Mr. Smith was recognized as one of the Denver Business Journal’s “40 Under 40”. Mr. Smith holds a Bachelor of Science in Business Administration with an emphasis in Finance from the University of Colorado at Boulder and a Master of Business Administration (MBA) from the University of Denver.

**NEW ISSUE
BOOK-ENTRY ONLY**

**UNDERLYING RATINGS: Moody's: "Aa1"
S&P: "AA"
INTERCEPT RATINGS: Moody's: "Aa2"
S&P: "AA"
See "RATINGS"**

In the opinion of Butler Snow LLP, Bond Counsel, under existing laws, regulations, published rulings and judicial decisions and assuming the accuracy of certain representations and continuous compliance with certain covenants described herein, interest on the Bonds is excludable from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the Bonds (the "Tax Code"), and interest on the Bonds is not a specific item of tax preference for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Tax Code) for the purpose of computing the alternative minimum tax imposed on corporations. Under the laws of the State of Colorado in effect as of the date of delivery of the Bonds, interest on the Bonds is exempt from Colorado income tax. See "TAX MATTERS."



\$316,665,000*
CHERRY CREEK SCHOOL DISTRICT NO. 5
(ARAPAHOE COUNTY, COLORADO)
GENERAL OBLIGATION BONDS
SERIES 2026

Dated: Date of Delivery

Due: December 15, as shown herein

The Bonds are issued as fully registered bonds in denominations of \$5,000, or any integral multiple thereof. The Bonds initially will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which is acting as the securities depository for the Bonds. Purchases of the Bonds are to be made in book-entry form only. Purchasers will not receive certificates representing their beneficial ownership interest in the Bonds. See "THE BONDS--Book-Entry Only System." The Bonds bear interest at the rates set forth herein, payable on June 15, 2026, and semiannually thereafter on June 15 and December 15 of each year, to and including the maturity dates shown herein, by check, draft or wire sent by the Paying Agent to the registered owner of the Bonds, initially Cede & Co. The principal of the Bonds will be payable upon presentation and surrender at UMB Bank, n.a., or its successor as the paying agent for the Bonds. See "THE BONDS."

The maturity schedule for the Bonds appears on the inside cover page of this Official Statement.

The Bonds are subject to redemption prior to maturity at the option of the District and are also subject to mandatory sinking fund redemption as described in "THE BONDS--Redemption Provisions."

The proceeds of the Bonds will be used to finance the construction of certain projects described in the ballot question approved by the registered electors of the District at the Election (described below) and to pay the costs of issuing the Bonds. See "SOURCES AND USES OF FUNDS."

The Bonds constitute general obligations of the District. All of the taxable property in the District is subject to the levy of an ad valorem tax to pay the principal of and interest on the Bonds without limitation as to rate and in an amount sufficient to pay the Bonds when due. See "SECURITY AND REMEDIES" and "LEGAL MATTERS--Certain Constitutional Limitations." The Bonds are not obligations of Arapahoe County, Colorado, the State of Colorado (except as described herein) or any political subdivision thereof other than the District.

This cover page contains certain information for quick reference only. It is *not* a summary of the issue. Investors must read the entire Official Statement to obtain information essential to making an informed investment decision.

The Bonds are offered when, as, and if issued by the District and accepted by the Underwriters, subject to the approval of legality of the Bonds by Butler Snow LLP, Denver, Colorado, Bond Counsel, and the satisfaction of certain other conditions. Butler Snow LLP also has acted as disclosure counsel to the District in connection with the Official Statement. Certain legal matters will be passed upon for the District by its General Counsel. Hilltop Securities Inc., Denver, Colorado, is acting as the Municipal Advisor to the District. Stradling Yocca Carlson & Rauth LLP, Denver, Colorado, is acting as counsel to the Underwriters. It is expected that the Bonds will be available for delivery through the facilities of DTC, on or about February 18, 2026.*

Stifel, Nicolaus & Company, Incorporated

Piper Sandler & Co.

Academy Securities

Mischler Financial Group, Inc.

* Subject to change.

MATURITY SCHEDULE*
(CUSIP© 6-digit issuer number: _____)

\$316,665,000*
CHERRY CREEK SCHOOL DISTRICT NO. 5
(ARAPAHOE COUNTY, COLORADO)
GENERAL OBLIGATION BONDS
SERIES 2026

<u>Maturing (December 15)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price or Yield</u>	<u>CUSIP© Issue Number</u>
2032	\$13,270,000			
2034	16,935,000			
2035	18,025,000			
2036	16,345,000			
2045	58,270,000			
2046	61,330,000			
2047	64,550,000			
2048	67,940,000			

\$ _____ % Term Bond due December 15, 20___. Priced to Yield: _____ %. CUSIP© Issue No.: _____.

* Subject to change.

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USE OF INFORMATION IN THIS OFFICIAL STATEMENT

This Official Statement, which includes the cover page, the inside cover page and the appendices, does not constitute an offer to sell or the solicitation of an offer to buy any of the Bonds in any jurisdiction in which it is unlawful to make such offer, solicitation, or sale. No dealer, salesperson, or other person has been authorized to give any information or to make any representations other than those contained in this Official Statement in connection with the offering of the Bonds, and if given or made, such information or representations must not be relied upon as having been authorized by the District. The District maintains an internet website; however, the information presented there is not a part of this Official Statement and should not be relied upon in making an investment decision with respect to the Bonds.

The information set forth in this Official Statement has been obtained from the District and from the sources referenced throughout this Official Statement, which the District believes to be reliable. No representation is made by the District, however, as to the accuracy or completeness of information provided by sources other than the District. This Official Statement contains, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation or warranty is made as to the correctness of such estimates and opinions, or that they will be realized.

The information, estimates, and expressions of opinion contained in this Official Statement are subject to change without notice, and neither the delivery of this Official Statement nor any sale of the Bonds shall, under any circumstances, create any implication that there has been no change in the affairs of the District, or in the information, estimates, or opinions set forth herein, since the date of this Official Statement.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as a part of, their respective responsibilities under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

This Official Statement has been prepared only in connection with the original offering of the Bonds and may not be reproduced or used in whole or in part for any other purpose.

The Bonds have not been registered with the Securities and Exchange Commission due to certain exemptions contained in the Securities Act of 1933, as amended. The Bonds have not been recommended by any federal or state securities commission or regulatory authority, and the foregoing authorities have neither reviewed nor confirmed the accuracy of this document.

THE PRICES AT WHICH THE BONDS ARE OFFERED TO THE PUBLIC BY THE UNDERWRITERS (AND THE YIELDS RESULTING THEREFROM) MAY VARY FROM THE INITIAL PUBLIC OFFERING PRICES OR YIELDS APPEARING ON THE INSIDE COVER PAGE HEREOF. IN ADDITION, THE UNDERWRITERS MAY ALLOW CONCESSIONS OR DISCOUNTS FROM SUCH INITIAL PUBLIC OFFERING PRICES TO DEALERS AND OTHERS. IN ORDER TO FACILITATE DISTRIBUTION OF THE BONDS, THE UNDERWRITERS MAY ENGAGE IN TRANSACTIONS INTENDED TO STABILIZE THE PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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

Board of Education

Ms. Anne Egan, President
Ms. Angela Garland, Vice President
Mr. Terry Bates, Treasurer
Mr. John-Claude Futrell, Secretary
Mr. Mike Hamrick, Assistant Secretary/Treasurer

District Leadership Team

Mr. Christopher Smith, Superintendent
Mr. Scott Smith, Chief Financial and Operating Officer
Dr. Jennifer Perry, Deputy Superintendent
Ms. La Toyua Tolbert, Assistant Superintendent, Equity, Culture and Community Engagement
Dr. Tony Poole, Assistant Superintendent, Special Populations
Mr. Derek Mullner, Assistant Superintendent, Educational Operations
Dr. Diana Roybal, Assistant Superintendent, Performance Improvement
Ms. Brenda Smith, Chief Human Resources Officer
Ms. Sonja McKenzie, General Counsel
Mr. Jason Koenig, Chief Information Officer
Ms. Abbe Smith, Chief Communications Officer
Ms. Michelle Weinraub, Chief Health Officer
Ms. Morgan Mauricio, Controller
Ms. Kate Kotaska, Executive Director, Financial Planning and Analysis

MUNICIPAL ADVISOR

Hilltop Securities Inc.
Denver, Colorado

BOND AND DISCLOSURE COUNSEL

Butler Snow LLP
Denver, Colorado

REGISTRAR AND PAYING AGENT

UMB Bank, n.a.
Denver, Colorado

SENIOR MANAGER

Stifel, Nicolaus & Company, Incorporated
Denver, Colorado

CO-MANAGERS

Piper Sandler & Co.
Denver, Colorado

Academy Securities, Inc.
Roseville, California

Mischler Financial Group, Inc.
Stamford, Connecticut

UNDERWRITERS' COUNSEL

Stradling Yocca Carlson & Rauth LLP
Denver, Colorado

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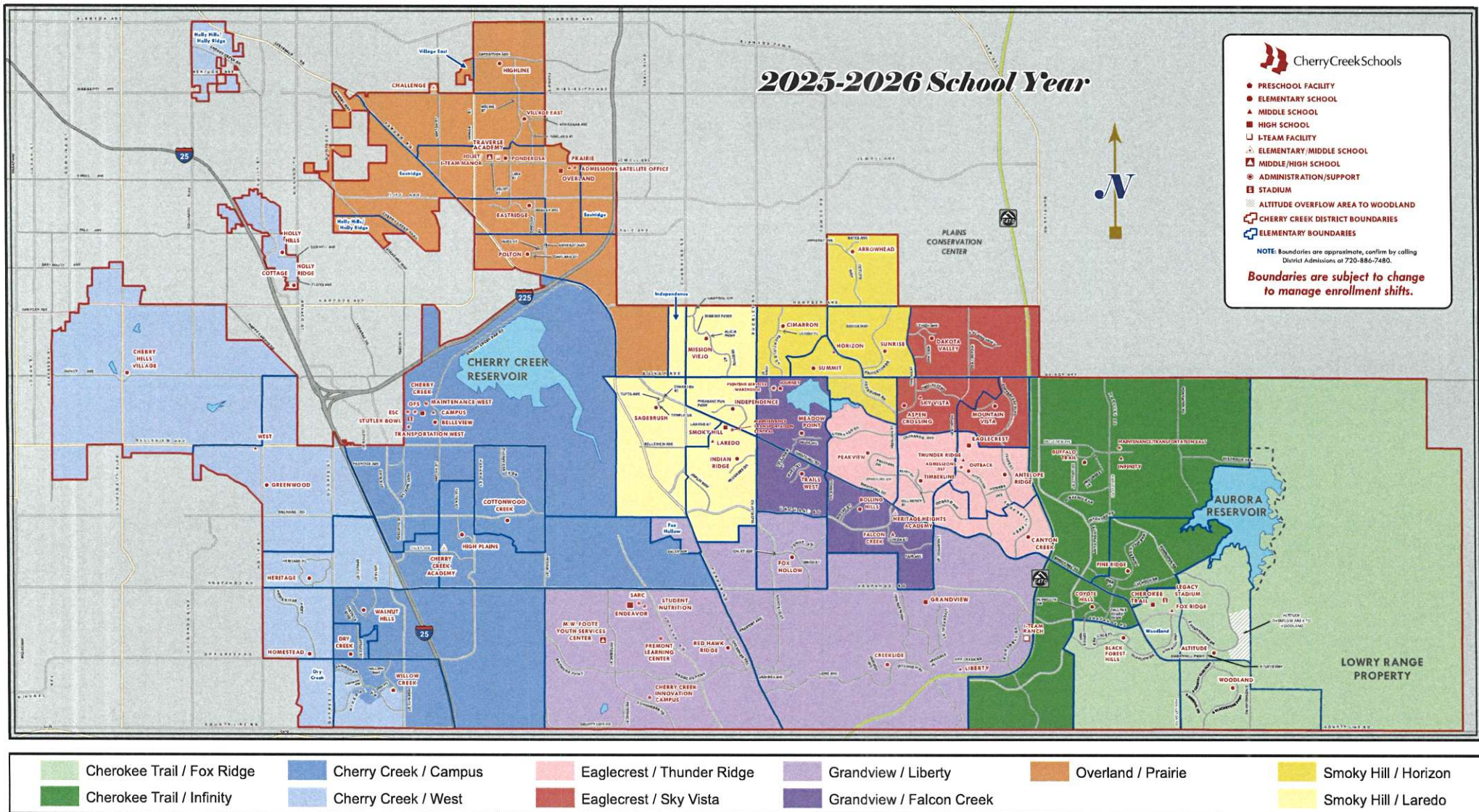
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NOTE: Tables marked with an (*) indicate Annual Financial Information to be updated pursuant to SEC Rule 15c2-12, as amended. See Appendix C - Form of Continuing Disclosure Certificate.

The information to be updated may be reported in any format chosen by the District; it is not required that the format reflected in this Official Statement be used in future years. Further, the General Fund Budget to Actual Comparison table referred to below is to be updated using current year budget information found in the audited financial statements; no separate budget documents required to be filed.

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District Map



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OFFICIAL STATEMENT

\$316,665,000*

**CHERRY CREEK SCHOOL DISTRICT NO. 5
(ARAPAHOE COUNTY, COLORADO)
GENERAL OBLIGATION BONDS
SERIES 2026**

INTRODUCTION

General

This Official Statement, including the cover page, the inside cover page and appendices, is furnished by Cherry Creek School District No. 5, Arapahoe County, Colorado (the “District”), to provide information about the District and its \$316,665,000* General Obligation Bonds, Series 2026 (the “Bonds”). The Bonds will be issued pursuant to a bond resolution (the “Bond Resolution”) adopted by the Board of Education of the District (the “Board”) on December 8, 2025.

The offering of the Bonds is made only by way of this Official Statement, which supersedes any other information or materials used in connection with the offer or sale of the Bonds. The following introductory material is only a brief description of and is qualified by the more complete information contained throughout this Official Statement. A full review should be made of the entire Official Statement and the documents summarized or described herein. Detachment or other use of this “INTRODUCTION” without the entire Official Statement, including the cover page, the inside cover page and the appendices, is unauthorized.

The District

The District is a political subdivision of the State of Colorado (the “State”) and a body corporate which was organized for the purpose of operating and maintaining an educational program for the school-age children residing within its boundaries. The District encompasses approximately 108 square miles in western Arapahoe County (the “County”) and includes the cities of Cherry Hills Village and Glendale, the Town of Foxfield, portions of the cities of Aurora, Centennial, Greenwood Village and Englewood and certain unincorporated areas of the County. See “DISTRICT MAP.” The District’s 2025 assessed valuation (for collection of taxes in 2026) is \$9,459,914,402, net of the assessed valuation of the tax increment districts located within the District’s boundaries. See “PROPERTY TAXATION, ASSESSED VALUATION AND OVERLAPPING DEBT--Ad Valorem Property Tax Data.” The District is the fourth largest school district in the State, with a fall 2025 enrollment of 51,881 students (headcount). See “THE DISTRICT.”

The Bonds; Redemption Provisions

The Bonds are issued solely as fully registered bonds in denominations of \$5,000, or any integral multiple thereof. The Bonds are dated as of their date of delivery and mature and

* Subject to change.

bear interest (calculated based on a 360-day year consisting of twelve 30-day months) as set forth on the inside cover page of this Official Statement. The payment of principal and interest on the Bonds is described in “THE BONDS--Payment Provisions.” The Bonds initially will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”), which is acting as the securities depository for the Bonds. Purchases of the Bonds are to be made in book-entry form only. Purchasers will not receive certificates representing their beneficial ownership interest in the Bonds. See “THE BONDS--Book-Entry Only System.”

The Bonds are subject to redemption prior to maturity at the option of the District and are also subject to mandatory sinking fund redemption as described in “THE BONDS--Redemption Provisions.”

Purpose

Proceeds of the Bonds will be used to finance the construction of certain projects described in the ballot question approved by the registered electors of the District at the Election (the “Project”) and to pay the costs of issuing the Bonds. See “SOURCES AND USES OF FUNDS.”

Security

General. The Bonds are secured by the District’s full faith and credit and are general obligations of the District payable from ad valorem taxes to be levied, without limitation as to rate and in an amount sufficient to pay the Bonds when due, against all taxable property within the District, subject to certain constitutional limitations described herein. The District covenants in the Bond Resolution to levy such taxes in an amount which, together with other legally available funds of the District, if any, is sufficient to pay debt service on the Bonds. See “SECURITY AND REMEDIES” and “LEGAL MATTERS--Certain Constitutional Limitations.”

Election. At an Election held on November 5, 2024 (the “Election”), the electors of the District approved the issuance of general obligation bonds in an amount not to exceed \$950,000,000 with a total repayment cost not to exceed \$1,850,000,000 and a maximum annual repayment cost not to exceed \$99,900,000. The electors also approved increased ad valorem property taxes to pay debt service on such bonds, provided that the annual amount of such taxes cannot exceed \$99,900,000. The District may not exceed these limitations for any reason. See “SECURITY AND REMEDIES” and “LEGAL MATTERS--Certain Constitutional Limitations.”

The District issued \$316,670,000 of the Election authorization in December 2024 with its General Obligation Bonds, Series 2024 (the “2024 Bonds”). After issuance of the Bonds, the remaining authorization from the Election will be \$316,665,000.*

Lowry Bombing Range Property. The District currently includes certain property located at the east end of the Aurora Reservoir and commonly referred to as the Lowry Bombing Range. The Lowry Bombing Range currently is owned by the State Land Board for the benefit of the State School Trust and therefore is exempt from taxation. The State Land Board may sell the property in the Lowry Bombing Range for development at its discretion; should that occur, the land would be subject to ad valorem taxes by the District and other overlapping entities. Nonetheless, the Bond Resolution specifically provides that if the District or the State excludes

* Subject to change.

the Lowry Bombing Range from the District's boundaries in the future, after the date of the exclusion, such property will not be subject to the levy of the ad valorem tax to pay principal and interest on the Bonds. Because the land within the Lowry Bombing Range historically has been exempt from taxation, the District has not included it in its plan of finance when planning for the issuance of bonds or the payment of debt service.

Conditional Obligation of the State - State Intercept Program. The State has enacted legislation providing for the payment by the State Treasurer of principal and interest due with respect to general obligation indebtedness of eligible school districts in the State, including the District (the "State Intercept Program"). If the District informs the State Treasurer that it will not make the payment by the date on which it is due, the State Treasurer is required to forward to the Paying Agent (defined herein), in immediately available funds, the amount necessary to make the payment of principal or interest on the Bonds. In such circumstances, the State Treasurer is required to withhold such amount from the next succeeding payment of the State's share of equalization program funding and certain other funds which would otherwise be paid to the District. See "SECURITY AND REMEDIES--State Intercept Program."

Outstanding General Obligation Bonds. After issuance of the Bonds, the District will have \$1,092,725,000* aggregate principal amount of outstanding general obligation bonds, consisting of the Bonds and \$776,060,000 of previously issued general obligation bonds (the "Prior Bonds"), as more particularly described in "DISTRICT DEBT AND OTHER FINANCIAL OBLIGATIONS--Outstanding General Obligation Debt."

Additional Bonds. After issuance of the Bonds, the District will have \$316,665,000* of remaining election authorization that it expects to utilize over the next two years. Once this election authorization is exhausted, voter approval will be required for the issuance of additional bonds (other than refunding bonds). The District currently expects to seek voter approval for additional bond authorization to continue funding its long-term capital needs in two and six years (and possibly in future elections). However, the District may adjust the timing of its election requests as capital plans are solidified or adjusted.

Authority for Issuance

The Bonds will be issued pursuant to the Constitution and laws of the State, particularly: Title 22, Article 42, Colorado Revised Statutes ("C.R.S."); the Supplemental Public Securities Act (Title 11, Article 57, Part 2, C.R.S. (the "Supplemental Act")); and the Bond Resolution.

Professionals

Butler Snow LLP, Denver, Colorado, has acted as Bond Counsel in connection with the execution and delivery of the Bonds and also has acted as disclosure counsel to the District in connection with this Official Statement. The fees of Butler Snow LLP will be paid only at closing from the proceeds of the Bonds. Certain legal matters will be passed on for the District by its General Counsel. Hilltop Securities Inc., Denver, Colorado, are serving as the District's municipal advisor in connection with the issuance of the Bonds (the "Municipal Advisor"). See "MUNICIPAL ADVISOR." CliftonLarsonAllen LLP, independent certified public accountants, Greenwood Village, Colorado, have audited the District's basic financial statements which are

* Subject to change.

attached hereto as Appendix A. See “INDEPENDENT AUDITORS.” UMB Bank, National Association, will act as the paying agent and registrar for the Bonds (the “Paying Agent” and “Registrar”). Stifel, Nicolaus & Company, Incorporated, Piper Sandler & Co., Academy Securities, Inc., and Mischler Financial Group, Inc. are acting as the Underwriters of the Bonds. See “UNDERWRITING.” Stradling Yocca Carlson & Rauth LLP, Denver, Colorado, is acting as counsel to the Underwriters.

Tax Status of Interest on the Bonds

In the opinion of Butler Snow LLP, Bond Counsel, under existing laws, regulations, published rulings and judicial decisions and assuming the accuracy of certain representations and continuous compliance with certain covenants described herein, interest on the Bonds is excludable from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the Bonds (the “Tax Code”), and interest on the Bonds is not a specific item of tax preference for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Tax Code) for the purpose of computing the alternative minimum tax imposed on corporations.

Under the laws of the State of Colorado in effect as of the date of delivery of the Bonds, interest on the Bonds is exempt from Colorado income tax. See “TAX MATTERS.”

Continuing Disclosure Undertaking

The District will execute a continuing disclosure certificate (the “Disclosure Certificate”) at the time of the closing for the Bonds. The Disclosure Certificate will be executed for the benefit of the beneficial owners of the Bonds and the District has covenanted in the Bond Resolution to comply with its terms. The Disclosure Certificate will provide that so long as the Bonds remain outstanding, the District will provide the following information to the Municipal Securities Rulemaking Board, acting through its Electronic Municipal Market Access (“EMMA”) system: (i) annually, audited financial statements; (ii) annually, certain financial information and operating data; and (iii) notice of the occurrence of certain listed events; all as specified in the Disclosure Certificate. The form of the Disclosure Certificate is attached hereto as Appendix C.

The District’s 2022 and 2023 audited financial statements and other financial and operating data were not correctly linked to the 2021 General Obligation Bonds and 2022 Certificates of Participation, and no failure to file notice was posted on EMMA. The District has posted a remedial failure to file notice and filed the audited financial statements and other financial and operating data to the applicable CUSIPS.

Additional Information

This introduction is only a brief summary of the provisions of the Bonds, the Bond Resolution and other documents described in this Official Statement. A full review of the entire Official Statement should be made by potential investors. Brief descriptions of the Bonds, the Bond Resolution, the Project and the District are included in this Official Statement. All references herein to the Bonds, the Bond Resolution and other documents are qualified in their entirety by reference to such documents. *This Official Statement speaks only as of its date and the information contained herein is subject to change.*

Additional information and copies of the documents referred to herein are available from the District, the Municipal Advisor and the representative of the Underwriters (the “Representative”) at the following addresses:

Cherry Creek School District No. 5
4700 South Yosemite Street
Greenwood Village, Colorado 80111
Telephone: (720) 554-4315

Hilltop Securities Inc.
8055 E. Tufts Avenue, Suite 350
Denver, Colorado 80237
Telephone: (303) 248-5218

Stifel, Nicolaus & Company, Incorporated
1401 Lawrence Street, Suite 900
Denver, Colorado 80202
Telephone: (303) 296-2300

SOURCES AND USES OF FUNDS

Sources and Uses of Funds

The District expects to apply the proceeds from the sale of the Bonds as shown in the following table.

<u>Sources and Uses of Funds</u>		<u>Amount</u>
<u>Sources</u>		
Par amount of Bonds		
Plus/less: [net] reoffering premium/(discount)		
Total		
<u>Uses</u>		
The Project.....		
Costs of issuance (including underwriting discount).....		
Total		

Source: The Municipal Advisor.

The Project

The Project consists of funding a portion of the costs of constructing or acquiring District capital improvements approved at the Election. See “THE DISTRICT--District Capital Plans.”

The District currently expects to fund approximately \$350* million of capital improvements authorized at the Election with the proceeds of the Bonds; the remainder will be funded with the remaining voter authorization over the next two years. In its discretion, the Board may determine to change the order or scope of the projects approved at the Election to best address the District’s needs over the next several years.

* Subject to change.

THE BONDS

General

The Bonds will be dated as of their date of delivery and will mature on the dates and in the amounts as set forth on the inside cover page of this Official Statement. The Bonds will be issued as fully registered bonds in denominations of \$5,000 or integral multiples thereof and will initially be registered in the name of “Cede & Co.,” as nominee for DTC. Purchases by beneficial owners of the Bonds (“Beneficial Owners”) are to be made in book-entry only form in the principal amount of \$5,000 or any integral multiple thereof. Payments to Beneficial Owners are to be made as described below in “Book-Entry Only System.”

For a complete statement of the details and conditions of the Bonds, reference is made to the Bond Resolution and the Sale Certificate to be executed in connection with the sale of the Bonds, copies of which are available from the sources listed in “INTRODUCTION--Additional Information.”

Payment Provisions

Payment of Principal and Interest. Interest on the Bonds (calculated based on a 360-day year consisting of twelve 30-day months) is payable semiannually on June 15 and December 15; commencing on June 15, 2026. The principal of and premium, if any, on any Bond shall be payable to the registered owner (the “Owner” or the “Registered Owner”) thereof as shown on the registration records kept by the Registrar, upon maturity or prior redemption of the Bonds, and upon presentation and surrender at the principal office of the Paying Agent. If any Bond shall not be paid upon such presentation and surrender at maturity, it shall continue to draw interest at the same interest rate borne by said Bond until the principal thereof is paid in full. Payment of interest on any Bond shall be made to the Registered Owner thereof by check, draft or wire sent by the Paying Agent, on or before each interest payment date (or, if such interest payment date is not a Business Day (as defined in the Bond Resolution), on or before the next succeeding Business Day), to the Registered Owner thereof at his or her address as it last appears on the registration books kept by the Registrar at the close of business on the last day (whether or not a Business Day) of the calendar month immediately preceding such interest payment date (the “Record Date”); but any such interest not so timely paid or duly provided for shall cease to be payable to the person who is the Registered Owner thereof on the Record Date and shall be payable to the person who is the Registered Owner thereof at the close of business on a Special Record Date for the payment of any such defaulted interest. The Special Record Date and the date for payment of defaulted interest shall be fixed by the Registrar whenever moneys become available for payment of the defaulted interest. Notice of the Special Record Date and the date for payment of defaulted interest shall be given to the Registered Owners of the Bonds not less than ten days prior thereto by first-class mail to each such Registered Owner as shown on the Registrar’s registration books on a date selected by the Registrar. The Paying Agent may make payments of interest on any Bond by such alternative means as may be mutually agreed to between the Owner of such Bond and the Paying Agent. All such payments shall be made in lawful money of the United States of America without deduction for the services of the Paying Agent or Registrar.

Notwithstanding the foregoing, payments of the principal of and interest on the Bonds will be made directly to DTC or its nominee, Cede & Co., by the Paying Agent, so long as DTC or Cede & Co. is the Registered Owner of the Bonds. Disbursement of such payments to DTC’s Participants is the responsibility of DTC, and disbursement of such payments to the

Beneficial Owners is the responsibility of DTC's Participants and the Indirect Participants, as more fully described herein. See "Book-Entry Only System" below.

Third-Party Custodian. In accordance with State law, the District has selected The Bank of New York Mellon Trust Company, N.A., Denver, Colorado, to act as the custodian (the "Custodian") governing the administration of the District's Bond Redemption Fund. Pursuant to a Custodial Agreement between the District and the Custodian, the District has directed the County Treasurer to transfer to the Custodian all revenues from the property tax levied by the District for the payment of debt service. If the District receives any such revenues notwithstanding such direction, the District agrees to transfer such revenues to the Custodian within two days of receipt of such revenues. The Custodial Agreement restricts the transfer of funds out of the custodial account solely for the scheduled payment of principal and interest on the Bonds, all previous general obligation bonds of the District and any future general obligation bonds issued during the term of the Custodial Agreement (collectively, the "bonds"), and upon written direction of the District, to pay Registrar and Paying Agent fees, Custodian fees and arbitrage rebate compliance costs associated with the bonds. Interest earned on the Bond Redemption Fund will be credited to the Bond Redemption Fund (or such other fund as directed by the District at the end of each calendar year), except that after the final payment of debt service on the bonds in each calendar year the investment income shall be transferred to such fund of the District, at the written direction of the District, as the Board may determine. The Custodial Agreement will remain in effect so long as required by State law. The Custodial Agreement requires the Custodian to provide monthly balance reports regarding the balance of the Bond Redemption Fund to the District on or before the tenth day of each month. The Custodial Agreement may be amended by written agreement between the District (approved by the Board) and the Custodian.

Redemption Provisions*

Optional Redemption* The Bonds maturing on and before December 15, 20__, are not subject to redemption prior to their respective maturities. The Bonds maturing on and after December 15, 20__, shall be subject to redemption prior to their respective maturities, at the option of the District, in whole or in part, in integral multiples of \$5,000, from such maturities as are selected by the District and by lot within a maturity (giving proportionate weight to Bonds in denominations larger than \$5,000), in such a manner as the District may determine, on December 15, 20__, or on any date thereafter, at a redemption price equal to the principal amount so redeemed plus accrued interest to the redemption date, without a redemption premium.

Mandatory Sinking Fund Redemption.* The bonds maturing on December 15, 20__, and December 15, 20__ (collectively, the "Term Bonds"), are subject to mandatory sinking fund redemption at a price equal to the principal amount thereof, plus accrued interest to the redemption date, as more particularly described below.

The following principal amounts of the Bonds maturing on December 15, 20__, are subject to mandatory sinking fund redemption (after credit as described below) on December 15 of the following years:

* Subject to change.

Redemption Date
(December 15)

Principal
Amount

(maturity)

The following principal amounts of the Bonds maturing on December 15, 20__, are subject to mandatory sinking fund redemption (after credit as described below) on December 15 of the following years:

Redemption Date
(December 15)

Principal
Amount

(maturity)

On or before the 30th day prior to each sinking fund payment date, the Paying Agent shall proceed to call the Term Bonds indicated above (or any Term Bond or Bonds issued to replace such Term Bonds) for redemption from the sinking fund on the next December 15 and give notice of such call without other instruction or notice from the District.

The amount of each sinking fund installment may be reduced by the principal amount of any Term Bond of the maturity and interest rate which are subject to sinking fund redemption on such date and which prior to such date have been redeemed (otherwise than through the operation of the sinking fund) or otherwise canceled and not theretofore applied as a credit against a sinking fund installment. Such reductions, if any, shall be applied in such year or years as may be determined by the District.

Notice of Redemption. Notice of any prior redemption shall be given by the Paying Agent in the name of the District by sending a copy of such notice by first-class, postage prepaid mail, electronic means, or such other means as may be required by DTC or any other Depository, not more than 60 days and not less than 30 days prior to the redemption date to the Underwriters and to each Registered Owner of any Bond all or a portion of which is called for redemption at his or her address as it last appears on the registration books kept by the Registrar. Failure to give such notice by mailing to the Registered Owner of any Bond or to the Underwriters, or any defect therein, shall not affect the validity of the proceedings for the redemption of any other Bonds.

All official notices of redemption shall be dated and shall state: (1) the CUSIP numbers of Bonds to be redeemed; (2) the redemption date; (3) the redemption price; (4) if less than all Outstanding Bonds are to be redeemed, the identification of the Bonds (and, in the case of partial redemption, the respective principal amounts and interest rate) to be redeemed; (5) that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date; and (6) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal office of the Paying Agent or such other office as shall be designated by the Paying Agent.

On or prior to any redemption date, the District shall deposit with the Paying Agent an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on that date.

Official notice of redemption having been given as described above, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the District shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Paying Agent at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. In addition to the notice described above, further notice may be given by the Paying Agent in order to comply with the requirements of any Depository holding the Bonds but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as described above.

Notwithstanding the provisions described above, any notice of optional redemption may contain a statement that the redemption is conditioned upon the receipt by the Paying Agent of funds on or before the date fixed for redemption sufficient to pay the redemption price of the Bonds so called for redemption, and that if such funds are not available, such redemption shall be cancelled by written notice to the Owners of the Bonds called for redemption in the same manner as the original redemption notice was mailed.

Tax Covenant

In the Bond Resolution, the District covenants for the benefit of the Owners that it will not take any action or omit to take any action with respect to the Bonds, the proceeds thereof, any other funds of the District or any facilities financed or refinanced with the proceeds of the Bonds if such action or omission (i) would cause the interest on the Bonds to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Tax Code, or (ii) would cause interest on the Bonds to become a specific preference item for purposes of federal alternative minimum tax under the Code, except as such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations, or (iii) would cause interest on the Bonds to lose its exclusion from Colorado taxable income or to lose its exclusion from State alternative minimum taxable income under present Colorado law. The foregoing covenant shall remain in full force and effect notwithstanding the payment in full or defeasance of the Bonds until the date on which all obligations of the District in fulfilling the above-described covenant under the Tax Code have been met.

Defeasance

When the Bonds are paid in accordance with their terms (or payment of the Bonds has been provided for in the manner described in the following paragraph), the Bond Resolution and all rights granted thereunder shall cease, terminate and become void and be discharged and satisfied.

Payment of any Outstanding Bond shall, prior to the maturity or redemption date thereof, be deemed to have been provided for within the meaning and with the effect expressed in the Bond Resolution (and described in this paragraph) if (a) in case said Bond is to be redeemed

on any date prior to its maturity, the District shall have given to the Paying Agent in form satisfactory to it irrevocable instructions to give on a date in accordance with the provisions of the Bond Resolution notice of redemption of such Bond on said redemption date, (b) there shall have been deposited with the Paying Agent or a commercial bank exercising trust powers either moneys in an amount which shall be sufficient, or Federal Securities (defined below) which shall not contain provisions permitting the redemption thereof at the option of the issuer, the principal of and the interest on which when due, and without any reinvestment thereof, will provide moneys which, together with the moneys, if any, deposited with or held by the Paying Agent or other commercial bank exercising trust powers at the same time, shall be sufficient to pay when due the principal of and interest due and to become due on said Bond on and prior to the redemption date or maturity date thereof, as the case may be, and (c) in the event said Bond is not by its terms subject to redemption within the next sixty days, the District shall have given the Paying Agent in form satisfactory to it irrevocable instructions to give, as soon as practicable in the same manner as the notice of redemption is given pursuant to the Bond Resolution, a notice to the Owner of such Bond that the deposit described in clause (b) above has been made with the Paying Agent or other commercial bank exercising trust powers and that payment of said Bond has been provided for in accordance with the Bond Resolution and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal of and interest due on said Bond. Neither such securities nor moneys deposited with the Paying Agent or other commercial bank exercising trust powers or principal or interest payments on any such Federal Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest due on said Bond; provided any cash received from such principal or interest payments on such Federal Securities deposited with the Paying Agent or other commercial bank exercising trust powers, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities of the type described in (b) of this paragraph maturing at times and in amounts sufficient to pay when due the principal of and interest to become due on said Bond on or prior to such redemption date or maturity date thereof, as the case may be. At such time as payment of a Bond has been provided for as described above, such Bond shall no longer be secured by or entitled to the benefits of the Bond Resolution, except for the purpose of any payment from such moneys or securities deposited with the Paying Agent or other commercial bank exercising trust powers.

The release of the obligations of the District as described above shall be without prejudice to the right of the Paying Agent to be paid reasonable compensation for all services rendered by it under the Bond Resolution and all its reasonable expenses, charges and other disbursements incurred on or about the administration of and performance of its powers and duties under the Bond Resolution.

Upon compliance with the provisions described above with respect to all Bonds Outstanding, the Bond Resolution may be discharged in accordance with the provisions described above but the liability of the District in respect of the Bonds shall continue; provided that the Owners thereof shall thereafter be entitled to payment only out of the moneys or Federal Securities deposited with the Paying Agent or other commercial bank exercising trust powers as described above.

The Bond Resolution defines "Federal Securities" to mean only direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States (or ownership interests in any of the foregoing) and which are not callable prior to their scheduled maturities by the issuer thereof (or an ownership interest in any of the foregoing).

Amendment of Bond Resolution

Amendments Not Requiring Owner Consent. The District may, without the consent of or notice to the Owners, adopt one or more resolutions supplemental to the Bond Resolution, which supplemental resolutions shall thereafter form a part of the Bond Resolution, for any one or more of the following purposes: (i) to cure any ambiguity, or to cure, correct or supplement any formal defect or omission or inconsistent provision contained in the Bond Resolution, to make any provision necessary or desirable due to a change in law, to make any provisions with respect to matters arising under the Bond Resolution, or to make any provisions for any other purpose if, in each case, such provisions are necessary or desirable and do not adversely affect the interests of the Registered Owners; (ii) to pledge additional revenues, properties or collateral as security for the Bonds; (iii) to grant or confer upon the Registrar for the benefit of the Registered Owners any additional rights, remedies, powers or authorities that may lawfully be granted to or conferred upon the Registered Owners; or (iv) to qualify the Bond Resolution under the Trust Indenture Act of 1939.

Amendments Requiring Owner Consent. Except for amendatory or supplemental resolutions adopted pursuant to the provisions described above, the Owners of not less than two-thirds (2/3) in aggregate principal amount of the Bonds then Outstanding shall have the right, from time to time, to consent to and approve the adoption by the District of such resolutions amendatory or supplemental to the Bond Resolution as shall be deemed necessary or desirable by the District for the purpose of modifying, altering, amending, adding to, or rescinding, in any particular, any of the terms or provisions contained in the Bond Resolution; provided however, that without the consent of the Owners of all the Bonds affected thereby, nothing in the Bond Resolution shall permit, or be construed as permitting: (i) a change in the terms of the maturity of any Bond, in the principal amount of any Bond or the rate of interest thereon, the dates of payment of principal and interest, or in the terms of prior redemption of any Bond; (ii) an impairment of the right of the Owners to institute suit for the enforcement of any payment of the principal and interest on the Bonds when due; (iii) a privilege or priority of any Bond or any interest payment over any other Bond or interest payment; or (iv) a reduction in the percentage in principal amount of the Bonds the consent of whose Owners is required for any such amendatory or supplemental resolution.

If, at any time, the District shall desire to adopt an amendatory or supplemental resolution for any of the purposes described in the preceding paragraph, the District shall cause notice of the proposed adoption of such amendatory or supplemental resolution to be given by sending such notice via electronic means or by certified or registered first-class mail to each Owner at the address shown on the registration books of the Registrar, at least thirty days prior to the proposed date of adoption of any such amendatory or supplemental resolution. Such notice shall briefly set forth the nature of the proposed amendatory or supplemental resolution and shall state that copies thereof are on file at the offices of the District or some other suitable location for inspection by all Owners. If, within sixty days or such longer period as shall be prescribed by the District following the giving of such notice, the Owners of not less than the required percentage in aggregate principal amount of the Bonds then outstanding at the time of the execution of any such amendatory or supplemental resolution shall have consented to and approved the execution thereof as described above, no Owner shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the adoption and effectiveness thereof, or to enjoin or restrain the District from adopting the same or from taking any action pursuant to the provisions thereof.

Book-Entry Only System

The Bonds will be available only in book-entry form in the principal amount of \$5,000 or any integral multiple thereof. DTC will act as the initial securities depository for the Bonds. The ownership of one fully registered Bond for each maturity as set forth on the inside cover page of this Official Statement, in the aggregate principal amount of such maturity, will be registered in the name of Cede & Co., as nominee for DTC. See Appendix B - Book-Entry Only System.

SO LONG AS CEDE & CO, AS NOMINEE OF DTC, IS THE REGISTERED OWNER OF THE BONDS, REFERENCES IN THIS OFFICIAL STATEMENT TO THE OWNERS WILL MEAN CEDE & CO. AND WILL NOT MEAN THE BENEFICIAL OWNERS.

Neither the District nor the Registrar and Paying Agent will have any responsibility or obligation to DTC's Direct Participants or Indirect Participants (each as defined in Appendix B), or the persons for whom they act as nominees, with respect to the payments to or the providing of notice for the Direct Participants, the Indirect Participants or the beneficial owners of the Bonds as further described in Appendix B to this Official Statement.

DEBT SERVICE REQUIREMENTS

The following table sets forth the annual (calendar year) debt service requirements for the Bonds, the combined annual (calendar year) debt service requirements for the Prior Bonds, and the combined annual (calendar year) debt service payable on the Bonds and the Prior Bonds.

Debt Service Requirements(1)*

Calendar Year(2)	The Bonds*			Prior Bonds Combined Debt Service	Total Debt Service
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>		
2026	--			\$104,107,203	
2027	--			91,724,753	
2028	--			85,054,408	
2029	--			66,581,188	
2030	--			66,583,388	
2031	--			56,047,838	
2032	\$13,270,000			41,613,838	
2033	--			55,646,688	
2034	16,935,000			38,643,626	
2035	18,025,000			38,442,638	
2036	16,345,000			41,071,963	
2037	--			59,248,313	
2038	--			59,245,326	
2039	--			59,248,838	
2040	--			59,243,988	
2041	--			59,245,675	
2042	--			59,245,975	
2043	--			59,248,188	
2044	--			59,245,225	
2045	58,270,000			--	
2046	61,330,000			--	
2047	64,550,000			--	
2048	67,940,000			--	
Total	\$316,665,000			\$1,159,489,059	

(1) Totals may not add due to rounding.

(2) Based upon a calendar year, not the District's fiscal year.

Source: The District and the Municipal Advisor.

* Subject to change.

SECURITY AND REMEDIES

General

The Bonds are general obligations of the District payable from ad valorem taxes which may be levied against all taxable property within the District without limitation of rate and in an amount sufficient to pay the principal of and interest on the Bonds, when due. See “INTRODUCTION--Security,” “SECURITY AND REMEDIES--Limitations on Remedies Available to Owners of Bonds” and “LEGAL MATTERS--Certain Constitutional Limitations.” The Bonds are not secured by land within the District, but rather by the District’s obligation to certify to the Board of County Commissioners of the County (the “Commissioners”) a rate of levy sufficient, together with other legally available revenues, to meet the debt service requirements on the Bonds. The annual levy for debt service creates a statutory tax lien. Neither the State (except as described in “State Intercept Program” below) nor the County has any responsibility to pay the debt service on the Bonds.

See “INTRODUCTION--Security-Lowry Bombing Range Property” for a description of certain land within the District that may be excluded in the future.

The District anticipates that the primary source of revenues for repayment of the Bonds will be the ad valorem taxes levied against property within the District and collected by the County Treasurer. The District’s ability to retire the indebtedness created by the issuance of the Bonds is dependent, in part, upon the maintenance of an adequate tax base against which the District may levy and collect property tax revenues. The amount of ad valorem property taxes collected will be dependent upon the assessed valuation of land within the District and the rate of levy certified by the Board. See “LEGAL MATTERS--Certain Constitutional Limitations” and “PROPERTY TAXATION, ASSESSED VALUATION AND OVERLAPPING DEBT--Ad Valorem Property Taxes.”

The payment of property taxes does not constitute a personal obligation of the property owners within the District. Instead, these obligations are tied to the properties taxed, and if timely payment is not made the obligations constitute a lien against the specific properties. The District will not have recourse to any assets of any property owners for the payment of property taxes. To enforce the liens, the County Treasurer has the power to cause the sale of the property that is subject to the delinquent taxes, as provided by law. However, selling property at a tax sale is a time-consuming remedy, and proceeds realized from the sale, if any, may not be sufficient to cover the delinquent taxes. Because property taxes do not constitute personal obligations of the owners of land in the District, in the event of a tax sale in which less than the amount of the delinquent taxes is realized, no deficiency judgment could be taken against the property owner who failed to pay taxes.

The remedies available to the owners of the Bonds upon an event of default under the Bond Resolution are in many respects dependent upon judicial actions which are often subject to discretion and delay under existing constitutional and statutory law and judicial decisions, including specifically the United States Bankruptcy Code. The various legal opinions to be delivered concurrently with delivery of the Bonds will be qualified as to enforceability of the various legal instruments by limitations imposed by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights generally and by equitable principles, whether considered at law or in equity. See “Limitations on Remedies Available to Owners of Bonds” below.

Various State laws and constitutional provisions apply to the assessment and collection of ad valorem property taxes. There is no assurance that there will not be any change in, interpretation of, or addition to the applicable laws, provisions, and regulations which would have a material effect, directly or indirectly, on the affairs of the District. See “PROPERTY TAXATION, ASSESSED VALUATION AND OVERLAPPING DEBT” and “LEGAL MATTERS--Certain Constitutional Limitations.”

Bond Resolution Irrepealable

In accordance with Article XI, Section 6 of the State Constitution, the Bond Resolution provides that after any of the Bonds are issued, the Bond Resolution will constitute a contract between the District and the owners of the Bonds and will be and remain irrepealable until the Bonds and the interest thereon shall have been fully paid, satisfied and discharged.

Pledge of Revenues; Priority

The creation, perfection, enforcement, and priority of the pledge of revenues to secure or pay the Bonds as provided in the Bond Resolution shall be governed by Section 11-57-208, C.R.S., (the Supplemental Public Securities Act or the “Supplemental Act”) and the Bond Resolution. The revenues pledged for the payment of the Bonds, as received by or otherwise credited to the District, shall immediately be subject to the lien of such pledge without any physical delivery, filing, or further act. The lien of such pledge on the revenues pledged for payment of the Bonds and the obligation to perform the contractual provisions made in the Bond Resolution shall have priority over any or all other obligations and liabilities of the District, except for any general obligation indebtedness of the District currently outstanding or any general obligation indebtedness issued on a parity with the Bonds. The lien of such pledge shall be valid, binding, and enforceable as against all persons having claims of any kind in tort, contract, or otherwise against the District irrespective of whether such persons have notice of such liens.

State Intercept Program

The District will participate in the State Intercept Program (contained in the Bond Payment Act found in Section 22-41-110, C.R.S.). Under the State Intercept Program, if the Paying Agent has not received a payment on the Bonds on the business day immediately prior to its due date, the Paying Agent must notify the State Treasurer and the District. The State Treasurer is then required to contact the District to determine whether it will make the payment by the date on which it is due. If the District indicates to the State Treasurer that it will not make the payment on the Bonds by the date on which it is due, the State Treasurer is required to forward to the Paying Agent, in immediately available funds from any legally available funds of the State, the amount necessary to make the payment of the principal of and interest on the Bonds.

Each time the State Treasurer makes a payment on behalf of the District, the amount of the payment is withheld from: (i) the next installment of the Total Program Funding due to the District (described in “DISTRICT FINANCIAL OPERATIONS--The School Finance Act and Total Program Funding”) and (ii) from property tax and specific ownership revenues collected by the County Treasurer on behalf of the District for operating purposes (amounts are not withheld from property taxes levied for the payment of bonds). The total amount withheld in each month from those sources cannot exceed one-twelfth of the amount forwarded (with certain limited exceptions). The State Treasurer cannot withhold for more than 12 consecutive months for each occasion on which the State Treasurer forwards amounts to pay bonds. While the withholding of

Total Program Funding and property and specific ownership tax payments by the State is limited to 12 monthly payments, the State Intercept Program does not correspondingly limit the State's contingent obligation to pay the Bonds.

The State has covenanted with the purchasers and owners of the Bonds that it will not repeal, revoke, rescind, modify, or amend the State Intercept Program so as to limit or impair the rights and remedies granted under the State Intercept Program. The State Intercept Program provides, however, that it shall not be deemed or construed to require the State to continue the payment of State assistance to any school district or to limit or prohibit the State from repealing, amending, or modifying any law relating to the amount of State assistance to school districts or the manner of payment or the timing thereof. The State Intercept Program further provides that it shall not be deemed or construed to create a debt of the State with respect to any School District Obligation within the meaning of any State constitutional provision or to create any liability except as specifically provided in the State Intercept Program.

Limitations on Remedies Available to Owners of Bonds

No Acceleration. There is no provision for acceleration of maturity of the principal of the Bonds in the event of a default in the payment of principal or interest on the Bonds. Consequently, remedies available to the Owners of the Bonds may have to be enforced from year to year.

Bankruptcy, Federal Lien Power and Police Power. The enforceability of the rights and remedies of the Owners of the Bonds and the obligations incurred by the District in issuing the Bonds are subject to the federal bankruptcy code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect; usual equity principles which may limit the specific enforcement under State law of certain remedies; the exercise by the United States of America of the powers delegated to it by the federal Constitution; the power of the federal government to impose liens in certain situations; and the reasonable and necessary exercise, in certain exceptional situations, of the police power inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose. Bankruptcy proceedings or the exercise of powers by the federal or State government (including the imposition of tax liens by the federal government), if initiated, could subject the owners of the Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation or modification of their rights.

No Trustee. There is no bond trustee or similar person or entity to monitor or enforce the provisions of the Bond Resolution on behalf of the Owners of the Bonds, and therefore the Owners should be prepared to enforce such provisions themselves if the need to do so ever arises.

THE DISTRICT

Organization and Description

General. The District is a body corporate and a political subdivision of the State which was organized in 1950 for the purpose of operating and maintaining an educational program for the school-age children residing within its boundaries. The District's boundaries changed numerous times due to annexations between 1951 and 1973. The boundaries have been substantially stable since 1973.

The District encompasses approximately 108 square miles and is located approximately 10 miles southeast of downtown Denver in western Arapahoe County, one of six counties comprising the Denver metropolitan area. The District includes the cities of Cherry Hills Village and Glendale, the Town of Foxfield, portions of the cities of Aurora, Centennial, Greenwood Village and Englewood and certain unincorporated areas of the County.

The District is fully accredited by the Colorado Department of Education ("CDE") and is subject to ongoing monitoring by the District and school accountability committees to ensure continued compliance with accreditation.

School District Duties and Powers

The District is a body corporate with perpetual existence and may hold property in its name for any purpose authorized by law, may sue and be sued, and may be a party to contracts for any purpose authorized by law. State statutes grant to the Board the power to govern the District. General duties which the Board is required to perform include the following: to adopt policies and prescribe rules and regulations necessary and proper for the administration of the District; to employ all personnel required to maintain the operations and carry out the educational programs of the District; to fix and pay personnel compensation; to determine the educational programs to be provided by the District; to prescribe the textbooks for any course of instruction or study in such programs; to adopt written policies, rules and regulations relating to the study, discipline, conduct, safety, and welfare of all pupils; and to comply with all the rules and regulations adopted by the State Board of Education.

The Board is also granted specific powers to be exercised in its judgment, including the powers to purchase, lease or rent undeveloped or improved property located within or outside District boundaries as the Board deems necessary for use as school sites, buildings, or structures, or for any school purpose authorized by law; to sell District properties which may not be needed in the foreseeable future for any purpose authorized by law upon such terms and conditions as the Board may approve; to determine the location of each school site, building, or structure; to construct, erect, repair, alter, and remodel buildings and structures; to provide furniture, equipment, library books, and such other items as may be needed to carry out the District's educational programs; to discharge or otherwise terminate the employment of any personnel; to fix attendance boundaries; to procure group life, health, or accident insurance covering employees of the District; to procure appropriate property damage, casualty, public liability, and accident insurance; and to provide for the transportation of pupils enrolled in the District's public schools.

Governing Board

The District is governed by a five-director Board whose members are elected by the registered electors of the District for staggered four-year terms of office. The Board members represent separate geographical director districts but are elected at large. Biennial school district elections are held in November of odd-numbered years.

The Board is a policy-making body; its primary functions are to establish policies for the District, provide for the general operation and personnel of the District, and oversee the property, facilities and financial affairs of the District. Members of the Board serve without compensation. The Board holds regular meetings on the second Monday of each month, with special meetings held as needed. The Board elects its officers following each biennial election.

The current members of the Board, their offices, principal occupations, length of service and the year of expiration of their terms are as follows:

<u>Name and Position</u>	<u>Principal Occupation</u>	<u>Election Year</u>	<u>Term Expires</u>
Anne Egan, President	Volunteer	2019	2027
Angela Garland, Vice President	Development/Fundraising	2019	2027
Terry Bates, Treasurer	Chief Financial Officer	2025	2029
John-Claude Futrell, Secretary	Arts and Nonprofit	2025	2029
Mike Hamrick, Assistant Secretary/Treasurer	Volunteer	2025	2029

The Colorado constitution limits Board members to two consecutive terms. District voters may vote to eliminate, extend or change the term limits imposed by the constitution. The Board currently has no plans to ask District voters to change or eliminate the existing term limits.

Administration

The Superintendent is hired by the Board. Other administrative personnel, including the Chief Financial Officer, are selected by the Superintendent and approved by the Board.

The District administrative personnel directly involved with the issuance of the Bonds, and their experience and responsibilities, are described below.

Christopher Smith, Superintendent. The Board is empowered to employ a chief executive officer, the Superintendent, who is responsible to the Board for the daily operations of the District. The Superintendent is charged with the responsibility for the overall operational management and instructional program of the District, all within the human and financial resources available, as well as being responsible for the philosophical position of the District. The Superintendent works collaboratively with the Board to provide effective leadership for all District personnel in their efforts to accomplish the District mission, “To inspire every student to think, to learn, to achieve, to care.”

Christopher Smith has been involved in education for 25 years and became the District’s Superintendent in July of 2021. Mr. Smith previously served as the District’s Chief of Staff, Executive Director of Elementary Education and as a Principal. Mr. Smith has also worked as an elementary school teacher, Assistant Principal and a Principal in the District. Mr. Smith was recognized as an outstanding teacher for every year in which he was eligible and was also selected

to train his teaching colleagues in classroom management and mathematics. Mr. Smith is employed pursuant to an annually renewable contract with the District.

Scott Smith, Chief Financial Officer. Scott Smith has been the Chief Financial and Operating Officer since March 1, 2020. Prior to that time, he served as the Chief Financial Officer for Douglas County School District for two years and as the Director of Budget for the Douglas County School District for nearly five years. Mr. Smith began his career in public education at Denver Public Schools as the Senior Manager of Financial Planning and Analysis. He began his career as an Analyst at the Denver-based investment bank St. Charles Capital focusing on mergers and acquisitions advisory services in the Healthcare and Technology Industries. Mr. Smith is the current President of the Colorado Association of School Executives (CASE), a Board member of the Colorado School Finance Project and a former Colorado PERA Trustee. In 2023, Mr. Smith was recognized as one of the Denver Business Journal's "40 Under 40". Mr. Smith holds a Bachelor of Science in Business Administration with an emphasis in Finance from the University of Colorado at Boulder and a Master of Business Administration (MBA) from the University of Denver.

Employees; Benefits and Pension Matters; Employment Contracts

Employees. In order to provide the variety of services required by law, the District employs approximately 8,248 personnel; 7,664 of which are full-time and 584 of which are part-time. Included in this number are 4,495 certificated full-time or part-time teachers and administrative personnel and 3,755 classified employees. Substitute teachers and temporary employees are excluded from these numbers. As of the start of the 2024-2025 school year, approximately 80% of the certificated staff hold advanced degrees (masters and/or doctorates) and approximately 70% are non-probationary. The overall student/certified staff ratio is approximately 18.5:1 (based upon full-time equivalent ("FTE") students). The average salary for District teachers is \$93,088.

Benefits. The District has developed a comprehensive compensation package for its employees. Available benefits include health, dental, vision, life insurance, cancer, accident and disability insurance plans to which the District contributes a fixed amount. The high deductible health plan option for employees includes a District contribution to a Health Savings Account and also offers dependent care and medical flexible spending accounts. Other voluntary benefits include identity theft protection, group whole life and long-term care insurance. The District also offers a robust comprehensive wellness program for all benefit eligible employees including a digital wellness app and employee assistance program among other programming. Workers' compensation and unemployment insurance are provided in accordance with State law. In addition, the District allows varying amounts of sick leave accumulation depending upon employee category and also allows vacation leave for certain employees. Accrued sick leave and vacation leave are compensated as described in Notes 1(O) and 9 to the audited financial statements attached as Appendix A hereto.

Employment Contracts and Collective Bargaining. Teachers and Special Service Providers ("SSPs") are employed by the District pursuant to contracts established by the Board. Approximately 67% of the District's eligible personnel are represented by the Cherry Creek Education Association (the "CCEA"), the local chapter of the Colorado Education Association and the collective bargaining agent for the District's teachers and SSPs. The District's transportation employees are represented by the Cherry Creek Transportation Employees Association

("CCTEA") within the Cherry Creek Education Association. Approximately 65% of eligible employees are members of CCTEA. Custodial, Maintenance, Grounds, and Carpentry (CMGC) employees are represented by the local chapter of the American Federation of State, County and Municipal Employees (AFSCME). Approximately 37% of eligible employees are members of CMGC.

Labor relations for the District are accomplished through both collective bargaining with Board-recognized groups as well as a process of meeting and conferring by representatives of the Board and representatives of the various employee groups. Recommendations which emanate from this process are then presented to the Board for consideration and decisions on final policy. The current agreements extend through June 30, 2025, for CCTEA and CMGC employees and July 31, 2026, for Teachers and SSPs. The Board has adopted a policy setting a procedure for certifying new bargaining units.

For fiscal year 2025-2026, employees received a 3% salary increase with some groups receiving a greater increase if deemed appropriate through market benchmarking. According to the District's Chief Human Resources Officer, the District's relationship with its employees is excellent. In addition, the District received Forbes' 2024 award as one of America's Best-In-State Employers.

Early Retirement/Service Bonuses. Teachers and SSPs with 19 or more consecutive years of District service in a position requiring certification/licensure are eligible for a retirement/service bonus. Such time must be without a break in service to the District and an applicant must have been employed (or on a Board-approved leave) for at least 90 days in the current school year to be eligible. Service bonuses range from \$20,000 for an individual with 19 service years to a maximum of \$40,000 for individuals with 30 or more service years. Such amounts will be paid in a lump sum payment of \$1,000 to \$5,000 during the month of the employee's anniversary date while the employee is still with the District, depending on service years attained to date; if the total bonus amount due to an individual has not been paid out as of the date of retirement, the employee receives the remainder of his/her bonus paid in two equal payments, if over \$25,000. The first payment made the month after the last regular paycheck and the second payment in January of the following calendar year.

Administrators and professional technical employees participate in the same longevity payment plan as other employee groups. To be eligible an employee must have completed a minimum of ten (10) continuous years of service in any benefit eligible position in Cherry Creek School District. The employee must work 120 days or more during each year of service to be eligible for longevity.

Pension Matters; Health Care Trust Fund; No OPEB. All District employees are members of the Colorado Public Employees Retirement Association ("PERA"), which operates cost-sharing multiple-employer defined benefit plans. The District participates in the School Division plan.

Pension Matters. The District and each member employee are required to contribute to PERA at rates set by statute. A portion of the District's contribution (1.02% of covered salary) is allocated to the Health Care Trust Fund (the "HCTF," described below). The District's contribution also includes a required amortization equalization disbursement ("AED") and supplemental AED ("SAED"). State law provides that the SAED is to be funded, to the extent

allowed by law, from monies otherwise available for employee wage increases. See Note 13 in the audited financial statements attached hereto as Appendix A for a further description of PERA.

PERA has reported significant unfunded pension liability for well over a decade. Legislation adopted in 2010 imposed the AED and the SAED and mandated annual increases through 2018 which, along with changes to benefits, were originally designed to achieve full funding within 30 years; however, PERA's actuarial projections indicated that full funding within the 30-year closed amortization period would not be met.

In response to the continued underfunding, in 2018, Senate Bill 18-200 ("SB 200") was enacted. SB 200 was designed to restore PERA to full funding within 30 years. SB 200 mandated a phased-in 2% increase in the employee contribution rate, a 0.25% increase in the employer contribution rate and maintenance of the AED and SAED. SB 200 also required the General Assembly to directly contribute \$225 million annually to PERA starting July 1, 2018; however, the General Assembly suspended the contribution for the 2020-21 fiscal year and has funded varying amounts in the fiscal years since then. During the 2022 legislative session, the General Assembly authorized a \$380 million contribution to repay PERA for the contribution it suspended in 2020. Beginning July 1, 2023, the State's contribution will be dependent upon PERA's investment return. The July 1, 2023, payment of \$225 million was reduced by \$190 million to \$35 million. The July 1, 2024, payment of \$225 million was not reduced due to PERA's negative investment return in 2022.

SB 200 also made various benefit changes for current members and retirees, including decreasing the retiree annual cost-of-living increase, increasing the retirement age, and changes to various components of the defined benefit pension calculation. Employees hired after July 1, 2019, have increased eligibility requirements for full retirement benefits and incremental increases in base employee contribution rates. If actual contributions in any year are less than 98% of the ADC (discussed in more detail below), SB 200 also requires adjustments to annual benefit increases and contribution rates. The employee and employer contributions will not be affected by automatic adjustments in July 2025 and the annual increase for most eligible benefit recipients will be 1.0%.

A history of contribution rates for selected years is set forth below.

<u>Year(1)</u>	<u>Employee Contribution</u>	<u>District (Employer) Contribution Rate</u>			
		<u>Base Rate (2)</u>	<u>AED</u>	<u>SAED</u>	<u>Total</u>
2020(3)	10.00%	10.90%	4.50%	5.50%	20.90%
2021(3)	10.50	10.90	4.50	5.50	20.90
2022(3)	11.00	11.40	4.50	5.50	21.40
2023	11.00	11.40	4.50	5.50	21.40
2024	11.00	11.40	4.50	5.50	21.40
2025	11.00	11.40	4.50	5.50	21.40

(1) SB 200 Contributions. These contributions are effective on July 1 of each year shown.

(2) Includes 1.02% allocated to the HCTF.

(3) Includes the additional contributions described in the prior paragraph.

Source: PERA, SB 200.

State law provides that if the District is in arrears in its payments to PERA, all state funds due to the District are to be reduced by 10%. The District reports that it is current in its

payments to PERA. See Note 13 in the audited financial statement attached hereto as Appendix A for a further description of PERA, including payments made by the District to PERA.

Accounting standards mandate the accounting standards to be used by PERA in reporting its funding status. The primary purpose of the valuation for accounting purposes is to provide a consistent, standardized methodology that allows comparability of amounts and increased transparency of the pension liability. PERA is required to determine and report net pension liability (“NPL”) as well as actuarially determined contributions (“ADC”), which are intended as a gauge of the adequacy of the State’s statutory contribution rates. PERA also reports 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 then-current funding policy.

An ADC deficiency arises when contributions are less than the ADC. For 2024, the School Division’s ADC excess was \$140.5 million (compared to an excess of \$1.2 million in 2023, and \$125.1 million in 2022); over the past five years (2019-2023), the ADC cumulative shortfall in School Division funding (without adjustment for investment earnings) has been \$71.8 million. The District has no legal obligation to fund PERA’s 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.

Among other requirements, the District is required to report its proportionate share of the total School Division NPL in its government-wide financial statements. Fund level statements, including the General Fund statements, are not impacted by the reporting. The NPL is an accounting estimate of the District’s proportionate share of the School Division’s unfunded liability at a specific point in time. Inclusion of NPL 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 General Assembly as described above.

For a further description of PERA and the School Division Plan, including a history of the District’s proportionate share of NPL, a description of the plan, benefits provided, annual required contribution and actual contribution information, net pension liability information, actuarial assumptions, discount rates, and other information, see Note 13 and the schedules related to Net Pension Liabilities and PERA contributions in “Required Supplementary Information” contained in the audited financial statements attached hereto as Appendix A.

Health Care Trust Fund. The District also contributes to the Health Care Trust Fund (“HCTF”), a cost-sharing multiple-employer post-employment healthcare plan administered by PERA. Participation in the HCTF constitutes the provision of “other post-employment benefits” or “OPEB.” The District is required to contribute at a rate of 1.02% of covered salary for all PERA members as set by statute. No employee member contributions are required. For 2024, the HCTF (which includes school district contributions) had an ADC deficiency of \$6.1 million (as compared to deficiencies of \$7.5 million in 2023 and \$2.5 million in 2022). The District has no ability to affect funding, benefits or annual required contribution decisions made by PERA in administering the HCTF. See Note 14 in the audited financial statements attached hereto as Appendix A for a further description of the HCTF.

The District reports its proportionate share of the total School Division HCTF net OPEB liability in its government-wide financial statements. Fund level statements, including the

General Fund statements, are not impacted by the reporting. The net OPEB liability is an accounting estimate of the District's proportionate share of the School Division HCTF's unfunded liability at a specific point in time. Inclusion of the net OPEB liability 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 General Assembly as described above.

For further information about the HCTF, including a history of the District's proportionate share of the HCTF Net OPEB liability, a description of the plan, benefits provided, annual required contribution and actual contribution information, net OPEB liability information, actuarial assumptions, discount rates, and other information, see Note 14 and the schedules related to the District's share of Net OPEB Liability and HCTF contributions in "Required Supplementary Information" contained in the audited financial statements attached hereto as Appendix A.

No Other OPEB Offered by District. Other than its participation in the HCTF, the District does not offer any OPEB to its retirees. Accordingly, it does not have material unfunded actuarial liability for OPEB and does not expect to have any in the future.

Facilities and Enrollment

Enrollment. The District's fall enrollment (October headcount) for the past five years is shown in the following table. Enrollment attributable to District-chartered schools are included in these figures. See "Charter Schools" below. The District's headcount for the 2025-2026 school year is 51,881.

Historical Fall Enrollment - Headcount

School Year	PreK	Grades K-5	Grades 6-8	Grades 9-12	Other ⁽¹⁾	Total Enrollment	Percent Increase
2021-22	1,737	20,755	11,789	17,564	1,742	53,587	--
2022-23	1,817	20,419	11,422	17,466	1,864	52,988	(1.1)%
2023-24	1,739	20,115	11,161	17,560	1,880	52,455	(1.0)
2024-25	1,936	20,118	11,308	17,449	1,897	52,708	0.5
2025-26	1,863	19,569	11,228	17,240	1,981	51,881	(1.6)

- (1) "Other" students include district students enrolled in the M.W. Foote Youth Services Center, homebound and expelled students program, and the Intensive Treatment Program. This category also includes students enrolled in the Options program. Options is a program for students who are primarily home schooled 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.

Source: The District.

Enrollment Forecast. The District experienced a decline in enrollment due to COVID-19. From school year 2022-23 through 2024-25, the District experienced a large influx of students that are new to the country as well as some students that had left during the pandemic. This influx softened enrollment declines that were expected in 2022-23 and 2023-24, and led to small growth in 2024-25. Starting in the 2025-26 school year, the District is projected to enter another period of slightly declining enrollment, but not of the magnitude experienced as a result of COVID-19. This trend is driven by a falling birth rate, the aging of the community, the high

cost of living pushing families out of the area, a slowdown in new housing construction as the District approaches full residential buildout, and a slowdown of students that are new to the country.

Existing Facilities. The District currently operates 44 elementary schools, one K-8 school, 11 middle schools, six traditional high schools, an on-line middle/high school and the Cherry Creek Innovation Campus, five alternative school programs, and 10 student support facilities (including administrative facilities). Each of the high schools has a fine arts center and five of the high schools have indoor swimming pools. The District also owns two athletic stadiums, various parcels of vacant land and numerous vehicles, including a fleet of school buses, maintenance, security and food service vehicles.

Charter Schools. Under State law, the District may contract with individuals and organizations for the operation of charter schools within the District. For purposes of the School Finance Act, pupils enrolled in a charter school authorized by the District are included in the pupil enrollment of the District. Charter schools are financed in part from a portion of the District's revenues received under the School Finance Act. The District is required to pay a charter school a certain percentage of per pupil revenues for each pupil enrolled in such charter school, less certain central administrative overhead costs. Charter schools have separate governing boards, but the District's Board must approve all charter school applications and review charter school budgets.

In addition to the schools described above, two charter schools currently exist in the District: the Cherry Creek Academy ("CCA") serving grades K-8 and the Heritage Heights Academy ("HHA"), currently serving grades K-8. Over the last five years, enrollment in the District-chartered schools has averaged approximately 2.2% of the District's total enrollment.

State law created the Charter School Institute ("CSI") as an alternative mode of authorizing charter schools; there are no CSI charter schools operating in the District.

District Capital Plans

General. Extensive planning and a comprehensive program of construction, which is continuously under evaluation by the District, are necessary to permit the District to serve the needs of its residents. The Long-Range Facility Planning Committee (the "Committee") is a citizen advisory group established more than twenty years ago by the Board to monitor facility utilization and advise the Board in matters relating to construction, renovation, boundaries, and other program support issues. The Committee consists of community members from all six feeder areas and District employees representing different departments and schools.

Capital Improvement Projects. The District's planned capital improvement projects include five categories of capital improvements: Safety & Security; Innovation; New Construction/Renovations; Technology; and Maintenance. The expected projects within each category are described below. In its discretion, the Board may reallocate funds between categories or reprioritize projects.

Safety & Security Projects

- Ballistic Window Film
- Security Camera Replacement
- Access Control System Replacement
- Fire Alarms

Innovation Projects

- Cherry Creek Innovation Campus (CCIC) 2.0: Expand current Cherry Creek Innovation Campus to accommodate 70% more students and develop/expand 10 career pathways
- Institute of Science and Technology (IST) 2.0: Renovate IST building on the Prairie/Overland campus to support in-demand career pathways

New Construction/Renovations

- Laredo/Smoky Hill High School (SHHS) Campus: Rebuild Laredo Middle School to meet student and programmatic needs and update Smoky Hill High School athletic facilities (Phase I)
- Prairie Middle School/Overland High School Campus: Build a pool; expand central admissions office; and minor renovations at Overland High School (Phase I)
- Holly Ridge/Holly Hills: Construct one new PK-5 school to accommodate two schools and meet student and programmatic needs
- Cherry Creek K-12 Campus: Begin process to replace aging and deteriorating buildings on the Cherry Creek PreK-12 campus (Phase I)
- Renovations to athletic facilities on the east side of the District
- Tenant finishes to an existing empty warehouse shell
- Construction of soccer fields and a stadium in conjunction with the new Denver National Women's Soccer League team

Technology Projects

- Classroom Display Replacement
- Data Center & Network Upgrades
- Enhance Fiber Network

Maintenance

- Updates to athletic facilities on the east side of the District
- Playgrounds
- Roofs and plumbing
- HVAC, electrical, elevators, glazing, flooring, and other deferred capital maintenance

Risk Management

District Insurance Coverage. The Board acts to protect the District against loss and liability by maintaining the following insurance coverages through the Colorado School Districts Self-Insurance Pool (the "CSDSIP"): (1) property coverage for buildings and contents with policy limits of \$1.0 billion per occurrence, (2) equipment breakdown coverage, (3) crime coverage, (4) school entity liability coverage (includes general liability, school leaders errors and omissions and employment practices liability), (5) automobile liability and terminal damage coverage, (6) school crisis act coverage, (7) privacy and network liability coverage, (8) pollution legal liability and remediation coverage, and (9) nuclear, chemical, biological, and biochemical acts of terrorism coverage. Under the CSDSIP, when a covered District loss exceeds specified deductibles, the specific loss is charged to CSDSIP's self-insurance retention or loss

fund. If a specific loss exceeds \$1,000,000 on a liability claim and \$10,000,000 in aggregate property claims, such excess is paid by reinsurance carriers. The policy is renewable annually with the current term expiring July 1, 2026. The Board also acts to protect the District against loss and liability by maintaining additional insurance coverage for international liability and travel accident coverage with the current terms expiring on July 1, 2026. These additional insurance coverages are through private insurance companies. The District also participates in the Joint School Districts Workers' Compensation Self-Insurance Pool, a public entity risk pool with four participating members, for statutory workers' compensation coverage. The policy is renewable annually with the current term expiring July 1, 2026.

Cybersecurity. The District relies on computer systems and technologies to conduct many of its operations. Despite security measures, policies and training, the District, like other public and private entities, may be vulnerable to cyber-attacks by third parties. Any such attack could compromise systems and the information stored thereon. A cyber-attack could result in a disruption in the operations of the District and may adversely affect revenues. The District carries cyber security coverage and has protocols in place to protect confidential data and detect unauthorized intrusions. No assurances can be given that these security measures will successfully prevent all cyber-attacks, however, the District has no such attacks to report.

Intergovernmental Relationships and Other Agreements

General. The District maintains cooperative working relationships with adjacent and overlapping governmental entities. These relationships include: land dedications from developers or cash in lieu of dedication as required by city ordinances; reciprocal use agreements; local law enforcement and an affiliation with other area districts in the Front Range Board of Cooperative Education Services (or BOCES). Starting in fiscal year 2024-2025, the District began providing administrative support to the BOCES. In order to facilitate the administrative support functions of the BOCES, the District created the BOCES Fund, a custodial fund, to account for the activities of the BOCES.

The District may enter into additional intergovernmental or other agreements at any time.

DISTRICT FINANCIAL OPERATIONS

The School Finance Act and Total Program Funding

General. Through fiscal year 2024-25, school districts in Colorado were funded pursuant to the terms of the Public School Finance Act of 1994, as amended (the “Old School Finance Act”). The Old School Finance Act required that all school districts operate under the same financing formula.

In 2024, the Legislature adopted the School Finance Act of 2025 (the “School Finance Act”), which maintains the requirement that all school districts operate under the same financing formula. The School Finance Act attempts to increase funding for rural students, students living in poverty and English language learners. The School Finance Act was amended by the Legislature in 2025. The School Finance Act incorporates a new funding formula that, after amendments during the 2025 legislative session, is expected to be phased in over six fiscal years beginning with the 2025-26 fiscal year. The new phase-in formula funds 15% of the change in 2025-26, 30% in 2026-27, 45% in 2027-28, 60% in 2028-29, 75% in 2029-30, 90% in 2030-31 and 100% in 2031-32. However, the Legislature may implement delays in the phase-in schedule or other changes to the School Finance Act in the future.

The Legislature approved a phase-out of the current student count methodology by reducing the number of years included in the enrollment smoothing formula by one year each year from the current five years to two years. The District has incorporated these changes into the financial outlook. The Governor’s proposed 2026-27 budget proposal includes those changes and funds the required percentage of the phase-in of the School Finance Act discussed in the prior paragraph. It also provides for increases in the State’s share of Total Program Funding and for categorical programs (each described below). However, the State budget is adopted by the Legislature, which is not bound to follow the Governor’s recommendations.

In recent years, the State Legislature (the “Legislature”) has made amendments to the various formulas embedded in the School Finance Act in response to severe State budget difficulties; those amendments have negatively impacted the amount of State funding available to districts pursuant to the School Finance Act. It is possible that future legislative amendments to the School Finance Act will further erode State support of public education. It also is possible that future legislative amendments will take the form of more substantial modifications or even the complete revamping of the school finance system in the State, rather than changes to the existing embedded funding formulas. Any such actions could have a detrimental effect on the District’s future operations.

Total Program Funding Formula. The amount of annual Total Program Funding revenue allowed under the School Finance Act is determined by a statutory formula. Every school district in the State is allocated the same “base” dollar amount of per-pupil funding. In addition, the Statewide base per-pupil funding amount and the funding for categorical programs are required to increase by at least the rate of inflation pursuant to a State constitutional amendment adopted in 2000 and implemented in 2001 (the “School Amendment”). The School Amendment provides that funding in an amount equal to all revenues collected from 1/3 of 1% of the State’s existing income tax will be transferred to the State Education Fund created by the School Amendment. The Legislature may appropriate funds only to increase funding in preschool through twelfth-grade education or for purposes specifically stated in the School Amendment. The funds may not be

used to reduce the previous level of General Fund appropriations for Total Program Funding and categorical programs.

The following table illustrates a history of the “base” amount per pupil under the School Finance Act.

<u>Historical Base Per Pupil Funding</u>				
<u>Base Per-Pupil Funding Amount</u>				
	Base			
<u>Fiscal Year</u>	<u>Amount</u>	<u>Addition</u>	<u>Total</u>	<u>Addition Due To:</u>
2020-21	\$6,952	\$132	\$7,084	Inflation (1.9%)
2021-22	7,084	141	7,225	Inflation (2.0%)
2022-23	7,225	253	7,478	Inflation (3.5%)
2023-24	7,478	598	8,076	Inflation (8.0%)
2024-25	8,076	420	8,496	Inflation (5.2%)
2025-26	8,496	195	8,692	Inflation (2.3%)

The School Finance Act determines Total Program Funding by using “Foundation Funding” equal to the base per-pupil funding amount times the school districts funded pupil count. The formula then adds amounts (based on the Foundation Funding) to increase funding for the following factors: At Risk students (generally defined as students who qualify for the federal free lunch program); English language learners; special education; cost of living in the school district; school district size; school district locale (urban or rural); and online and extended high school enrollment. School districts are guaranteed a minimum amount of Total Program Funding based on a student count of 60 students.

Under the Old School Finance Act, the formula provided funding based on the greater of the school district’s current year student count or an average of student count for a period up to five years. The use of student count averaging protects school districts from precipitous drops in funding in the event of declining enrollment. The School Finance Act currently provides funding based on the greater of the school district’s current year student count, or an average of the current year count and counts for up to three prior years (four-year averaging) for fiscal year 2025-26. Beginning in fiscal 2026-27, three-year averaging will be used to determine the funded pupil count, however, averaging could shift to four-year or two-year averaging depending on future funding outcomes.

If a school district’s total program funding under the School Finance Act would be less than its funding under the Old School Finance Act formula, the School Finance Act includes “hold harmless” provisions which allow affected school districts to receive fiscal year 2024-25 Total Program Funding (which was calculated slightly differently under the Old School Finance Act) for two full fiscal years. School districts are then required to transition to a formula equal to the old formula + 1% through fiscal year 2030-31 and fully to the new formula beginning in fiscal year 2031-32.

Sources of Total Program Funding. Total Program Funding is provided by (a) local sources of revenue consisting of property taxes and specific ownership taxes (a State-imposed tax on motor vehicles which is shared with local governments), and (b) if necessary to fund any shortfall, State funds in the form of State “equalization” payments.

The District's share of the cost of its Total Program Funding is derived from its property tax mill levy (imposed in compliance with Article X, Section 20 of the State constitution ("TABOR")) and specific ownership tax receipts. The State's share of the cost of the District's Total Program Funding each year is equal to the amount by which the Total Program Funding calculation exceeds the District's local revenue amounts for that year, assuming 100% collection of the local revenues.

Uses of Total Program Funding. The Board has the discretion to determine how the District's Total Program Funding will be expended. The Legislature may impose or remove requirements as to the spending of portions of the Total Program Funding in its discretion.

Funding of the State's Share of Total Program Funding. The Legislature is to make annual appropriations to fund the State's share of the Total Program Funding of all school districts. The availability of State funds to school districts may be affected by actions of the Legislature and by the cash position of the State itself. The ability of the State to fund the Total Program Funding of all State school districts may be impacted by numerous factors beyond the control of the State and the District, including general economic conditions, other State program increases, unemployment, the rate of economic growth, and tourism. If the State's appropriation for its share of the Total Program Funding of all school districts is not sufficient to fully fund such share, the State Department of Education must submit a request for a supplemental appropriation in an amount which will fully fund the State's share during the fiscal year in which such insufficiency occurs.

In 2003, the State Office of Legislative Legal Services issued an opinion stating that the School Amendment does not limit or restrict the Legislature's ability to set the level of appropriations for public education or rescind a portion of the General Fund appropriation for Total Program Funding for public schools. This opinion is not binding and represents only the legal advice currently being provided to the Legislature; however, it could be relied upon by the Legislature to decrease the amount of State aid to public education in the future.

Changes to State Laws. Colorado's public school finance laws are subject to review and examination through the judicial process and are subject to legislative changes as well. Appropriation decisions regarding the State's share of Total Program Funding are made on an annual basis by the Legislature.

All school districts in Colorado were severely impacted by cuts in State funding for the School Finance Act in recent years, beginning with a State budget shortfall in excess of \$1.4 billion for fiscal year 2010. The General Assembly included the "Budget Stabilization Factor" or "negative factor" in the Total Program Funding formula beginning in fiscal year 2010-11 to assist the State in balancing its budget due to the economic downturn. Since 2010, the total amount of the Budget Stabilization Factor reached or exceeded \$1 billion three times. As a result of the Budget Stabilization Factor, the District's per-pupil funding under the School Finance Act declined from fiscal years 2010 through 2013. Since fiscal year 2015, the State appropriated funds in some years to "buy down" the size of the Budget Stabilization Factor. The Budget Stabilization Factor was repealed effective July 1, 2024, but the Legislature may again implement the Budget Stabilization Factor or similar legislation which could have the effect of reducing the amount of funding available to public schools.

There is no assurance that there will not be any change in, interpretation of, or addition to the applicable laws (including but not limited to the School Finance Act), provisions,

and regulations which would have a material effect, directly or indirectly, on the affairs of the District.

Other Sources of School District Revenue

Additional Property Taxes. In addition to property taxes levied to fund a school district's portion of Total Program Funding, school districts may impose certain other levies with the approval of local voters. The proceeds of these mill levies are not included in the Total Program Funding calculation.

Override Levy. School districts are permitted to receive additional property taxes for general operating uses pursuant to a separate mill levy (an "override levy"). For override levies approved prior to 2009, a school district's override revenues cannot exceed, generally, 20% of its Total Program Funding, or \$200,000, whichever is greater. Override levies voted in 2009 or later cannot exceed, generally, 25% of the district's Total Program Funding or \$200,000, whichever is greater.

The District's electors have approved numerous override levies for various specified purposes. In 2016, District voters approved a mill levy override that provided \$23.9 million in calendar year 2017 and an amount each year thereafter to bring the total override revenues up to the 25% limit described above. The 2016 override question approved by voters included the following purposes, among others: maintaining class sizes; providing curriculum and instruction necessary for success in college and the workplace; continuing the District's commitment to academic excellence; and utilizing technology and computer applications to prepare students for careers or higher education.

Under certain circumstances, the School Finance Act of 2025 authorizes the District to increase (to 30%) the percentage of Total Program Funding that can be obtained through override levies if voter approval is obtained prior to July 1, 2030. Override mill levies also increase a district's share of the specific ownership tax.

At the 2024 election, District voters approved a mill levy override that will provide \$9 million in tax collection year 2025 and an amount each year thereafter to bring the total override revenues up to the 30% limit described above. The 2024 override question included funding for the following purposes: increasing trained safety and security staff to protect students and staff and monitor school buildings; hiring highly trained and experienced teachers to provide expertise and specialized training for new, cutting-edge academic and career pathways offered throughout District schools; providing additional mental health and whole wellbeing support to prepare students for their next stage of life; and enhancing secure digital technology tools and resources for students and staff.

Bond Redemption Levy. School districts also may impose a separate mill levy for purposes of generating revenues for the Bond Redemption Fund. Property taxes imposed for the repayment of general obligation debt are received and accounted for separately from property taxes imposed to finance the Total Program and pursuant to override authorization. The District currently imposes a bond redemption mill levy for purposes of paying debt service on its general obligation bonds.

Other Authorized Levies. Additional property tax levies authorized by law include special building and technology, transportation, debt-free schools capital construction and

full-day kindergarten levies. Each of those mill levies must be imposed in amounts authorized by law and must be used for specific purposes.

District voters approved a debt-free schools capital construction levy at the November 2020 election. Proceeds of this tax must be used to cash fund the costs of capital construction, new instructional technology and exiting technology upgrades and maintenance needs. The tax was levied in the amount of \$42.54 million in collection year 2024 and is expected to be levied in an amount of \$44.67 million in collection year 2025. The amount will be adjusted annually by the percentage change in inflation. Imposition of this tax is expected to make more General Fund revenues available for teacher compensation, maintaining class sizes, maintaining and adding mental health professionals and nurses, and providing for security and safety of students and staff.

Other State Revenue - Categorical Programs. In addition to the State equalization payments made pursuant to the School Finance Act, school districts may receive State funding to pay for specific programs designed to serve particular groups of students or particular student needs, such as transportation, language proficiency, expelled and at-risk students, special education, gifted and talented education, vocational education, small attendance centers and comprehensive health education. Such programs are known as “categorical” programs. The District receives various levels of State funding to pay for such programs.

Fees. Pursuant to the School Finance Act, any fee collected by a school district for a specific purpose is to be spent only for that purpose. For example, if a district imposes a \$100 fee for athletics, all money collected from that fee must be used for athletics. In addition, school districts must disclose whether a fee is voluntary or mandatory and what activities a child will be excluded from for failure to pay the fee. The District imposes various such fees.

Miscellaneous Revenue Sources. The District also receives General Fund revenues from specific ownership taxes (levied by the State on owners of motor vehicles and shared with local governments), investment earnings, the beverage contract revenue, athletics, activities, parking fees, and rental of District facilities.

District Funds and Accounts

Funds and Accounts Mandated by State Law. The basic format for the financial operation of Colorado school districts is mandated by State law, which creates the following funds: the General Fund, the Bond Redemption Fund, the Capital Projects Fund, the Insurance Reserve Fund (which may be an internal service fund or an account in the General Fund to satisfy Generally Accepted Accounting Principles (“GAAP”)), the Special Building and Technology Fund and the Transportation Fund. Interpretive regulations of the State Board of Education also authorize the use of additional funds. Some school districts also maintain certain Special Revenue Funds, Enterprise Funds and Internal Service Funds.

General Fund. The bulk of the financial operations of most school districts, including the District, are conducted through the General Fund. The General Fund contains all revenues of the District not attributable to its other established funds. The majority of these revenues are derived from the District’s general property tax levy and from State aid.

TABOR requires each school district to establish emergency reserves constituting 3% of fiscal year spending. See “LEGAL MATTERS--Certain Constitutional Limitations.”

Pursuant to State law, the District's budget must ensure that the TABOR reserve requirement is met by holding unrestricted General Fund or cash fund emergency reserves; except that a district may designate property owned by the district as all or a portion of the required reserve subject to certain statutory requirements. The District currently maintains its TABOR reserve in its General Fund.

Bond Redemption Fund. The Bond Redemption Fund contains the revenues from property tax levies for the purpose of satisfying, when due, the principal and interest obligations on any debt of a school district. The Bond Redemption Fund may also include certain other voter-approved tax revenues imposed to pay long-term obligations authorized by law. In accordance with State law, the District has designated The Bank of New York Mellon Trust Company, N.A., in Denver, Colorado, as the custodian of its Bond Redemption Fund. The Custodian is responsible for making debt service payments on the District's general obligation bonds from the Bond Redemption Fund. See "THE BONDS--Payment Provisions - Third-Party Custodian."

Capital Projects Fund and Risk Management Reserves. The Capital Projects Fund and the Insurance Fund (which may be an internal service fund or an account of the General Fund if it is funded) receive the majority of funding from an allocation of a portion of the District's Total Program Funding. The District does not maintain a separate Risk Management Fund.

Primary Sources of General Fund Revenues

Local and State Shares of General Fund Revenues. The percentage of revenues derived from local, State and other sources for each school district varies depending upon the local tax base and other factors relevant to each school district.

Local Sources. For fiscal years 2023-24 and 2024-25, local sources accounted for approximately \$344.7 million and \$361.1 million, comprising approximately 45.6% and 44.5%, respectively, of the District's General Fund revenues.

The primary local source of General Fund revenues is the District's General Fund levy (described below). Other sources of General Fund local revenue received by the District include the District's share of the annual specific ownership tax levied by the State on owners of motor vehicles, interest income earned on the District's investments, fines and fees, tuition and miscellaneous income.

Calculation of Local Share Mill Levy. Since 2007, the District's mill levy for its share of Total Program Funding was limited by the School Finance Act to the lesser of (i) the number of mills levied by the District for the immediately preceding property tax year; (ii) the number of mills necessary to generate property tax revenue in an amount equal to the District's Total Program Funding for the applicable budget year less the minimum State aid and less the amount of specific ownership tax revenue paid to the District; or (iii) the number of mills that may be levied by the District under the property tax revenue limitation imposed on the District under TABOR. See "LEGAL MATTERS--Certain Constitutional Limitations."

Local Share Mill Levy Reset. During its 2020 session, the General Assembly approved legislation which, among other school finance-related provisions, found that the prior provisions for setting local share mill levies represented a legal interpretation error by the Legislature and reset the required Total Program mill levy beginning in tax year 2020 (i.e., taxes certified in 2020 for collection in 2021). Generally, the mill levy reset provisions require each

district to levy the following mills for its share of Total Program Funding was limited to the lesser of: 27 mills; the number of mills necessary to fully fund the District's total program; or the number of mills the District would have levied in the preceding property tax year but for unauthorized reductions in the District's mill levy after the District received voter approval to retain excess revenue. Notwithstanding the foregoing, the District did not receive voter authorization to retain excess revenues until 2020. As a result, the District's share of Total Program Funding is capped at 18.756 mills absent voter approval to increase it.

These formulas do not impact the District's ability to pay debt service on its general obligation bonds; the debt service mill levy is entirely separate from the Total Program Funding calculation. The formulas do not impact the District's override mill levies, which are outside the formulas.

The General Assembly may take additional action with respect to the local share mill levy reset at any time in the future.

Mill Levy Information. The District's General Fund levy includes its operating mill levy, its override levies and any delinquent taxes, penalties and interest associated with those levies. In fiscal years 2023-24 and 2024-25, the District's General Fund mill levy (including the override levies and delinquent taxes, penalties and interest) yielded collections of \$305.5 million and \$319.5 million, respectively, or 40.4% and 39.4% of General Fund revenue. For fiscal year 2025-26, the District budgeted to receive \$350,849,306 million of General Fund property tax collections.

State Sources. For fiscal years 2023-24 and 2024-25, State sources (including State equalization payments) accounted for approximately \$410.3 million and \$449.8 million, comprising approximately 54.3% and 55.5%, respectively, of the District's General Fund revenues.

State equalization payments are the largest source of revenues in the General Fund. The following table sets forth State equalization payments received by the District for the past five years.

<u>State Equalization Payments(1)</u>		
<u>Fiscal Year</u> <u>Ended June 30</u>	<u>Net State</u> <u>Equalization</u> <u>Payment</u>	<u>Percent</u> <u>Change</u>
2021	\$284,852,859	--
2022	320,600,500	12.55%
2023	344,644,419	7.50
2024	362,128,605	5.07
2025	391,030,704	7.98

(1) State equalization payments are net of amounts paid to charter schools operating within the District.

Source: Derived from the District's annual comprehensive financial reports for fiscal years 2021-2025.

State equalization payments received by the District for 2023-24 and 2024-25 represented 47.9% and 48.2%, respectively, of General Fund revenues. The District has budgeted to receive \$403,417,897 in State equalization payments in fiscal year 2025-26.

Cash Flow Measures

The salaries of most school district employees are paid over a 12-month period, and most school district expenses occur on a relatively consistent monthly basis. Prior to fiscal year 2024-2025, a significant portion of school district revenue was received from March through June when property taxes are paid to the District. Accordingly, many school districts typically experienced cash flow shortages from October until tax collections begin in March of the following year. Starting with fiscal year 2024-2025 the State of Colorado switched its payment schedule for their portion of Total Program Funding so that it was received by school districts from July to February moving payments up several months.

Even with the updated payment schedule, it is possible the District would need cash flow assistance as it waits for the property tax receipts each spring that make up a significant portion of that Total Program Funding for each year. Colorado school districts typically address this problem by (i) borrowing funds from the State pursuant to a special State loan program designed to alleviate cash flow management problems (the “State Program,” described below); (ii) transferring funds to the General Fund from other district funds on a short-term basis; or (iii) borrowing funds on a short-term basis through the issuance of tax anticipation notes.

Under the State Program, the State Treasurer is directed to provide sufficient funds in the form of no-interest or low-interest loans from the State general fund to any district which applies for such funds and which does not have moneys available for expenditure, in each month of the budget year. The Legislature may change the terms of the State Program at any time or abolish it altogether.

The District has participated in the State Program most years since 2002. During the 2024 and 2025 fiscal years, the District received loans in the amounts of \$65 million and \$44 million, respectively. All of the District’s past loans from the State Program have been repaid in a timely manner. The District is authorized to borrow up to \$100 million from the State Program in fiscal year 2026 and has borrowed \$48,578,173 to date.

Budget Process

General. The District is required by State law to adopt an annual budget which presents a complete financial plan for the ensuing fiscal year. At the time of adoption, the Board is required to adopt a resolution specifying the amount of money appropriated to each fund. The proposed budget and a statement describing the major objectives of the educational program for the ensuing fiscal year must be submitted to the Board no later than thirty days prior to the start of the fiscal year, i.e., on or before June 1. Within ten days after submission of the proposed budget, the Board must publish a notice stating that the proposed budget is available for inspection, that any District taxpayer may file or register objections to the proposed budget at any time prior to its adoption, and that the Board will consider adoption of the proposed budget at a designated meeting of the Board. Formal adoption of the budget is required by resolution by the Board by June 30 of each year. The Board may review and amend the budget with respect to both revenues and expenditures at any time prior to January 31 of the fiscal year for which the budget was adopted.

The District is prohibited from expending any moneys in excess of the amount appropriated by resolution for a particular fund. When money for a specific purpose, other than ad valorem taxes, subsequently becomes available, a supplemental budget for expenditures not to

exceed the amount of said money may be adopted and appropriation of said money may be made therefrom. Such procedure is applied to unbudgeted revenues from State and federal sources.

Districts are prohibited from providing for expenditures in excess of available revenues and beginning fund balances and the Board is required to review the financial condition of the District at least quarterly. Districts are required to annually prepare an itemized reconciliation between the fiscal year-end fund balances based on the budgetary basis and the fiscal year-end fund balances based on a modified accrual basis of accounting (utilizing GAAP). Districts also are required to adopt a resolution authorizing and explaining any use of beginning fund balance authorized for expenditure in the budget.

Pursuant to the provisions of the School Finance Act, during any budget year, if the Board determines that the anticipated revenues specified in the budget and the amounts appropriated in the budget for expenditure exceed the actual revenues available to the district due, in whole or in part, to action by the Legislature or the governor relating to the State appropriation for the Total Program Funding under the School Finance Act, the Board may declare a fiscal emergency in such budget year. A declaration of emergency may only occur upon an affirmative vote of two-thirds of the members of the Board at a public meeting held after a duly noticed public hearing. If a fiscal emergency is declared, the Board may implement a reduction in salaries for all employees of the District on a proportional basis or may alter the work year of such employees. This reduction in salaries is permitted to be made notwithstanding provisions of State law which otherwise prohibit the Board from changing or modifying teacher salary schedules during a school year.

Awards. The Association of School Business Officials International (“ASBO”) awarded the District its Meritorious Budget Award for the fiscal year 2025-2026 budget. The District has received this award for numerous years.

Budget Summary and Comparison

General. The following tables set forth a comparison of the budgets for the fiscal years ended June 30, 2024, 2025 and 2026 for the General Fund, as compared to the 12-month periods ended June 30, 2024 and 2025.

The District uses the modified accrual method of accounting in its budget (rather than the budgetary basis of accounting) in order to better conform the budget to the presentation used in the Annual Comprehensive Financial Report (“ACFR”).

General Fund Reserve Policy. The District maintains General Fund reserve levels according to a Board policy adopted in April 2010. The General Fund Balance includes a 3% TABOR Reserve, a District Emergency Reserve of at least 3% of General Fund expenditures (which is accounted for in the District’s uncommitted fund balance), and Assigned and Non-spendable reserves for encumbrances and commitments.

General Fund - Budget to Actual Comparison⁽¹⁾

	FY 2024 Revised Budget	FY 2024 Actual 6/30/2024	FY 2025 Revised Budget	FY 2025 Actual 6/30/2025	FY 2026 Revised Budget
REVENUES AND OTHER SOURCES					
Local Sources	\$336,981,699	\$344,696,981	\$360,169,426	\$361,093,243	\$375,190,132
State Sources	408,368,551	407,993,850	440,775,947	438,954,730	454,638,470
Federal Sources	--	759,733	--	3,025	--
Transfers in	--	--	--	--	1,578,250
Total revenues and other sources	<u>745,350,250</u>	<u>753,450,564</u>	<u>800,945,373</u>	<u>800,050,998</u>	<u>831,406,852</u>
EXPENDITURES AND OTHER USES					
Instruction and indirect instructional	614,445,770	629,168,218	683,919,422	705,349,573	713,948,685
Support services					
General administration	11,971,774	13,196,580	15,380,644	15,205,564	16,307,783
Business services	7,057,099	7,081,679	7,302,701	7,139,043	8,543,863
Operations and maintenance	36,780,945	35,939,367	33,080,180	33,076,013	34,104,826
Pupil transportation	32,343,142	33,862,736	34,676,757	34,613,063	38,901,061
Central services	19,197,098	18,617,496	23,794,992	23,784,990	24,535,162
Community services	769,319	1,583,009	2,409,802	2,400,863	2,711,971
County treasury fees	800,000	769,179	907,576	915,940	950,000
Facilities construction services	545,300	309,576	10,415	8,244	517,140
Debt service					
Principal	400,000	387,094	398,000	391,441	326,363
Interest and fiscal charges	25,000	17,597	8,500	8,250	3,952
Transfers out (2)	18,005,553	18,005,553	13,025,318	--	--
Operating Contingency (3)	59,439,418	--	62,187,867	--	53,620,072
Total expenditures and other uses	<u>801,780,418</u>	<u>758,938,084</u>	<u>877,102,174</u>	<u>822,892,984</u>	<u>894,470,878</u>
Excess of revenues and other sources over (under) expenditures and other uses (4)	<u>\$ (56,430,168)</u>	<u>\$ (5,487,520)</u>	<u>\$ (76,156,801)</u>	<u>\$ (22,841,986)</u>	<u>\$ (63,064,026)</u>

(1) Presented on a modified accrual basis. Activity related to the charter schools within the District is not included. The charter schools are discretely presented component units (i.e., is reported in a separate fund) for purposes of GAAP.

(2) The District funds the Capital Reserve Fund with a transfer from the General Fund.

(3) This category represents the District's general operating contingency category, the District's 3% TABOR reserve and the District's 3% Board reserve.

(4) The District has been intentionally spending down fund balance in recent years but spent down more fund balance than planned during fiscal year 2025. As a result of the larger than expected spend down in 2025, the District has implemented several strategies to reduce the use of fund balance in fiscal year 2026.

Source: The District.

Management Discussion

The District has been intentionally spending down fund balance to finance its programs over the last several years. However, in fiscal year 2025, the District spent down more fund balance than was planned for the specific fiscal year due in part to lower specific ownership tax revenues than expected and higher expenditures for special programs including special education, English language learners, and nutrition services. A primary factor driving higher expenses was due to the District's unexpected success in hiring permanent staff to provide services

for special education and English language learners; these positions had previously been vacant for extended periods of time which caused the District to contract for these services.

While the District already had plans in place to spend fund balance, the increase in required resources for various special programs described above accelerated those plans. The District has implemented a hiring freeze and each department has been asked to spend 10% less than they were originally budgeted, among other cost saving measures. The District is in the process of implementing more position control and the District's finance department will have more oversight on the timing of new hires.

The District's target is not to have a further reduction of fund balance in fiscal year 2026. The District expects to rebuild fund balance over the next two to three years by allocating the growth in its mill levy override tax revenue directly to fund balance. The District is still in the process of finalizing fiscal year 2025 financials and implementing plans to maintain and rebuild fund balance over the next few fiscal years.

Accounting Records and Financial Statements

General. The District accounts for its financial operations in compliance with State law. All District funds are required to be audited on a fiscal year running from July 1 to June 30. The annually audited financial statements must be submitted to the Board within five months after the end of the fiscal year and filed with the State auditor and the commissioner of education 30 days after receipt by the District. If the District fails to file an audit report with the State auditor, the State auditor may, after notice to the District, notify the County Treasurer holding moneys of the District (if any) and authorize the County Treasurer to prohibit release of such moneys until the District files the audit report with the State. The District's fiscal year 2024-2025 audit was filed on time.

The audited basic financial statements for the fiscal year ended June 30, 2025, attached hereto as Appendix A, represent the most recent audited financial statements of the District.

Awards. The Government Finance Officers Association ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting, and ASBO awarded a Certificate of Excellence in Financial Reporting to the District for its Annual Report for the fiscal year ended June 30, 2024. The District has received a Certificate of Achievement and a Certificate of Excellence for the last thirty-one consecutive fiscal years, and the District will submit its 2025 Annual Report to GFOA and ASBO to determine its eligibility for another certificate.

History of General Fund Revenues, Expenditures, and Changes in Fund Balance

Set forth in the following table is a five-year comparative statement of revenues and expenditures for the General Fund, including the beginning and ending fund balances for each year. The information has been derived from the District's audited financial statements for the fiscal years ended June 30, 2021 through 2025. The information was derived from the District's ACFRs for those years.

This table should be read in conjunction with the District's audited basic financial statements and accompanying notes for the year ended June 30, 2025, which are attached hereto

as Appendix A. Financial statements for prior years can be obtained from the sources listed in “INTRODUCTION--Additional Information.”

General Fund - Revenues, Expenditures, and Changes in Fund Balance (GAAP Basis)

Revenues	2021	2022	2023	2024	2025
Taxes					
Property taxes	\$257,953,870	\$270,893,128	\$271,175,476	\$305,544,673	\$319,501,753
Specific ownership taxes	24,866,321	23,834,127	24,423,957	24,422,221	25,826,049
Intergovernmental - Federal ⁽¹⁾	4,119	--	236,840	759,733	3,025
Intergovernmental - State					
State equalization aid	284,852,859	320,600,500	344,644,419	362,128,605	391,030,704
State Transportation	4,803,850	5,005,329	5,242,285	6,761,010	6,538,445
Special Education	14,328,282	15,156,554	20,257,256	23,117,190	25,614,799
State Vocational education	2,681,212	2,865,977	2,007,165	1,975,268	2,287,150
Universal preschool program	--	--	--	8,816,168	9,631,570
Other State ⁽²⁾	3,804,236	19,034,911	30,390,903	7,515,088	14,731,678
Earnings on investments	304,059	411,348	4,423,858	6,425,768	5,678,004
Other					
Tuition	539,044	586,908	844,489	766,155	753,389
Fees and Fines	483,797	844,989	936,233	1,036,871	1,169,098
Miscellaneous	2,891,829	5,242,454	3,875,589	6,501,293	8,164,950
Total revenues	597,513,478	664,476,225	708,458,470	755,770,043	810,930,614
Expenditures					
Current					
Instruction	407,272,056	444,583,295	454,528,809	507,024,008	573,634,874
Indirect instructional					
Pupil services	34,857,646	40,906,068	44,028,259	52,809,015	57,821,917
Instructional staff services	11,741,314	17,504,048	23,147,658	22,342,361	27,125,278
School administration	31,165,572	38,213,531	41,126,136	49,069,834	56,630,351
Support Services					
General administration	6,080,334	10,749,660	11,870,279	13,234,209	15,385,165
Business services	5,237,763	5,191,391	6,012,805	7,100,869	7,224,115
Operations and maintenance	44,908,849	41,560,597	48,015,571	35,999,839	33,229,389
Pupil transportation	23,415,663	27,893,722	32,215,454	33,951,036	34,974,416
Central services ⁽³⁾	18,698,359	12,051,061	23,928,597	18,649,315	23,996,505
Community Services	433,344	482,225	962,547	1,587,410	2,426,715
Non-departmental	652,236	652,236	683,868	769,179	915,940
Capital outlay	443,952	563,080	513,773	310,244	8,244
Debt Service					
Principal	--	340,349	377,875	387,094	391,441
Interest and fiscal charges	--	25,559	24,316	17,597	8,250
Total expenditures	584,907,088	640,716,822	687,435,947	743,252,010	833,772,600
Excess of revenues over (under) expenditures	12,606,390	23,759,403	21,022,523	12,518,033	(22,841,986)
Other Financing Sources (Uses)					
Transfers out ⁽⁴⁾	(13,771,000)	(13,584,600)	(17,277,566)	(18,005,553)	--
Net change in fund balance	(1,164,610)	10,174,803	3,744,957	(5,487,520)	(22,841,986)
Fund Balance, Beginning	86,774,627	85,610,017	95,784,820	99,529,777	94,042,257
Fund Balance, Ending	\$85,610,017	\$95,784,820	\$99,529,777	\$94,042,257	\$71,200,271

Footnotes on the following page.

- (1) Includes federal grants. Also includes the BAB Credit received by the District through June 2020. The District has refunded the bonds eligible for the BAB Credit; no BAB Credit funds have been received since fiscal year 2020.
- (2) In 2018, the Legislature passed pension reform through SB 200, including a provision requiring the State to contribute \$225 million each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the School Division and is considered a non-employer contribution for financial reporting purposes. 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 shown as a reconciling item from the General Fund budgetary basis to the modified accrual fund statement.
- (3) The fluctuation in Central Services expenditures is related to IT expenditures and the Capital Construction, Technology, and Maintenance fund (the "CCTM fund"). The CCTM fund helps fund IT expenditures that would have otherwise been paid from the General Fund. This can fluctuate year to year based on budgeted spend of accumulated fund balance in the CCTM fund.
- (4) Represents transfers to the Capital Reserve Fund.

Source: Derived from the District's ACFRs for the fiscal years ended June 30, 2021 through 2025.

PROPERTY TAXATION, ASSESSED VALUATION AND OVERLAPPING DEBT

Ad Valorem Property Taxes

Extraordinary Actions Taken in Response to Declaration of Emergency. The Governor, State agencies and the General Assembly took several actions in response to COVID-19 that impacted the administration of property taxes, such as extending filing deadlines, extending deadlines for the payment of property taxes and authorizing county treasurers to waive delinquent interest on late property tax payments for a period of time. Similar actions may be taken if another national pandemic or other national or State emergency is declared in the future. As a result, there is no guarantee that additional executive orders or legislation deferring the payment of property taxes to a later date, permanently waiving interest, or forgiving property tax liability in its entirety will occur and, if these or similar measures are adopted into law, the receipt of property taxes by the District may be delayed or reduced, and such reduction could be material.

Property Subject to Taxation. Property taxes are uniformly levied against the assessed valuation of all property subject to taxation by the District. Both real and personal property are subject to taxation, but there are certain classes of property which are exempt. Exempt property includes, but is not limited to: property of the United States of America; property of the State and its political subdivisions; public libraries; public school property; property used for charitable or religious purposes; nonprofit cemeteries; irrigation ditches, canals, and flumes used exclusively to irrigate the owner's land; household furnishings and personal effects not used to produce income; intangible personal property; inventories of merchandise and materials and supplies which are held for consumption by a business or are held primarily for sale; livestock; agricultural and livestock products; and works of art, literary materials and artifacts on loan to a political subdivision, gallery or museum operated by a charitable organization. The State Board of Equalization supervises the administration of all laws concerning the valuation and assessment of taxable property and the levying of property taxes.

Calculation of Property Taxes Generally. The calculation of ad valorem tax revenues is described in State law. The taxation process includes the following steps, each of which is described in more detail below.

- Taxable property is first appraised by the County Assessor to determine its statutory "actual" value. See "Determination of Statutory Actual Value" below.
- Statutory "actual" value is then multiplied by the appropriate assessment percentage ratio to determine the assessed value of each property. The property types and the assessment ratios are determined by State law. See "Determination of Assessed Value" below.
- The mill levy of each taxing entity is then multiplied by the assessed value to determine the amount of property tax levied upon each property by each taxing entity. See "Taxation Procedure" below.

The statutes governing each step in this process may be amended by the Legislature to the extent they are not governed by State constitutional provisions, including TABOR. In recent years, the Legislature has taken action to amend the property taxation statutes, particularly the statutes governing the classes of property and related assessment ratios.

Future legislative actions and/or initiated constitutional amendments or statutory provisions may further amend the property taxation laws.

Determination of Statutory Actual Value. The county assessors annually conduct appraisals in order to determine, on the basis of statutorily specified approaches, the statutory “actual” value of all taxable property within the county as of January 1. Most property is valued using a market approach, a cost approach or an income approach. Residential property is required to be valued using the market approach. Agricultural property, exclusive of building improvements thereon, is valued by considering the earning or productive capacity of such lands during a reasonable period of time, capitalized at a statutory rate.

The statutory actual value of a property is not intended to represent its current market value, but, with certain exceptions, is determined by the County Assessor utilizing a “level of value” ascertained for each two-year reassessment cycle from manuals and associated data published by the State Property Tax Administrator for the statutorily-defined period preceding the assessment date. Under current law, real property is reappraised by the County Assessor’s office every odd numbered year. The statutory actual value is based on the “level of value” for the period one and one-half years immediately prior to the July 1 preceding the beginning of the two-year reassessment cycle (adjusted to the final day of the data-gathering period). For example, values for levy year 2023 (collection year 2024) were based on an analysis of sales and other information for the period January 1, 2020 to June 30, 2022.

The County Assessor may consider market sales from more than one and one-half years immediately prior to July 1 if there were insufficient sales during the stated market period to accurately determine the level of value.

Oil and gas leaseholds and lands, producing mines and other lands producing nonmetallic minerals are valued based on production levels rather than by the base year method. Public utilities are valued by the State Property Tax Administrator based upon the value of the utility’s tangible property and intangibles (subject to certain statutory adjustments), gross and net operating revenues and the average market value of its outstanding securities during the prior calendar year.

Determination of Assessed Valuation. Assessed value, which represents the value upon which ad valorem property taxes are levied, is calculated by the County Assessor as a percentage of statutory actual value. Since 2020, the Legislature has adopted statutes reducing the amount of actual value that is used to determine assessed valuation. The percentage used to calculate assessed valuation, called the assessment rate or the assessment ratio, differs depending upon the classification of each property. *Future actions of the Legislature or future citizen-initiated measures may take additional action to change property classifications, reduce the assessment rates, or change the calculation of statutory actual value for property at any time in the future.*

Prior to tax levy year 2021, the residential assessment rate was adjusted every two years in connection with the general reassessment of property described above. This adjustment was mandated by a provision of the State Constitution (known as “Gallagher”) intended to avoid extraordinary increases in residential real property taxes when the base year level of value changed. As a result of application of Gallagher and TABOR, the residential assessment ratio declined from 21% to 7.15% of statutory actual value. In November 2020, the State’s voters approved the repeal of Gallagher and the Legislature is now responsible for setting residential assessment rates.

Since the repeal, the Legislature has adopted property tax-related legislation in each year, including the establishment of different residential assessment rates for school districts and non-school district governments. The following assessment rates are applicable to school districts. These changes may be changed by the Legislature in the future; however, pursuant to the requirements of TABOR, any increase would generally require a Statewide vote.

Assessment Rates Applicable to School Districts – Tax Years 2024-2027⁽¹⁾

Property Class	Tax Year 2024	Tax Year 2025	Tax Year 2026	Tax Year 2027 and later
Residential	6.70% ⁽²⁾	7.05%	7.05%	7.05%
Nonresidential				
Commercial	29.0% ⁽²⁾	27.0%	25.0%	25.0%
Agricultural/renewable energy	26.4	27.0	25.0	25.0
Vacant land	27.9	27.0	26.0	25.0
Producing oil & gas ⁽³⁾	87.5	87.5	87.5	87.5

- (1) “Tax year” refers to the year in which taxes are levied; the collection year is the following calendar year.
- (2) For 2024, multifamily residential property was assessed at 6.7% of actual value after an actual value adjustment of \$55,000; thereafter it is included in residential property. For 2024, lodging property was assessed at 27.9% of actual value after an actual value adjustment of \$30,000; thereafter it is included in commercial property.
- (3) Based on the selling price of oil and gas.

School District Property Tax Limit. State law creates a new property tax limit for school districts beginning with the 2025 property tax year (for taxes payable in 2026) equal to the greatest amount of statewide local share total program property tax revenue (also referred to as “qualified property tax revenue”) collected for a year during a previous assessment cycle, increased by the greater of 6% for each year in a reassessment cycle or the percentage by which the Legislature increases the statewide base per pupil funding, plus public K-12 enrollment growth. The limit currently would be 12% per two-year reassessment cycle. Under current law, the growth limitation would be calculated using the *statewide* local share amount calculated under the School Finance Act and if necessary, the residential assessment rate described in the table above would be adjusted downward to achieve the revenue limitation. Revenues from property taxes levied for debt service on general obligation bonds and for override levies are excluded from the limit.

The limit excludes certain revenue, such as increases due to valuation from new construction, changes in classification, annexations, changes in exemption status, and increases from oil and gas. It also excludes increases from the expiration of tax increment financing diversions, specific ownership tax, new mill levies, and an amount equal to disaster emergency spending. If qualified property tax revenue exceeds the limit, the residential assessment rate for school districts will be adjusted to a temporary level that will result in qualified revenue meeting the limit. If qualified revenue fails to reach the limit during a reassessment cycle, the difference can be carried over and applied to the limit in the subsequent reassessment cycle.

Voters may waive the school district limit in the bill by a statewide vote, and the bill specifies ballot language for waiving the limit, which can be waived for a single year, a specified number of years, or all future years.

Reimbursement of “Lost” Revenues to Local Governments. The Legislature also established mechanisms for the State to determine and reimburse local governments (other than school districts) for revenues “lost” as a result of legislation; each county treasurer is required to distribute the total amount received from the State to the eligible local governmental entities within the county as if the revenues had been regularly paid as property taxes. There is no guarantee that the State will have sufficient resources to reimburse local governments for the lost property tax revenues. The reimbursement requirement may negatively impact State funds available to fund Total Program Funding in future years.

State law required the State treasurer to transfer \$200 million from the State general fund on July 1, 2022, and an additional \$146 million on July 1, 2024, to the State Public Schools Fund for the purpose of offsetting property tax revenue reductions.

Protests, Appeals, Abatements and Refunds. Property owners are notified of the valuation of their land or improvements, or taxable personal property and certain other information related to the amount of property taxes levied, in accordance with statutory deadlines. Property owners are given the opportunity to object to increases in the statutory actual value of such property, and may petition for a hearing thereon before the County’s Board of Equalization. Upon the conclusion of such hearings, the County Assessor is required to complete the assessment roll of all taxable property and, no later than August 25th each year, prepare an abstract of assessment therefrom. The abstract of assessment and certain other required information is reviewed by the State Property Tax Administrator prior to October 15th of each year and, if necessary, the State Board of Equalization orders the County Assessor to correct assessments. The valuation of property is subject to further review during various stages of the assessment process at the request of the property owner, by the State Board of Assessment Appeals, the State courts or by arbitrators appointed by the Commissioners. On the report of an erroneous assessment, an abatement or refund must be authorized by the Commissioners; however, in no case will an abatement or refund of taxes be made unless a petition for abatement or refund is filed within two years after January 1 of the year in which the taxes were levied. Refunds or abatements of taxes are prorated among all taxing entities which levied a tax against the property.

Statewide Review. The Legislature is required to cause a valuation for assessment study to be conducted each year to ascertain whether or not county assessors statewide have complied with constitutional and statutory provisions in determining statutory actual values and assessed valuations for that year. The final study, including findings and conclusions, must be submitted to the Legislature and the State Board of Equalization by September 15th of the year in which the study is conducted. Subsequently, the Board of Equalization may order a county to conduct reappraisals and revaluations during the following property tax levy year. Accordingly, the District’s assessed valuation may be subject to modification following any such annual assessment study.

Homestead/Disabled Veterans Property Tax Exemptions. The Colorado Constitution provides property tax exemptions for qualifying senior citizens (adopted in 2000) and for disabled veterans (adopted in 2006). The senior citizen provision provides that for property tax collection years 2007 and later (except that the exemption was suspended for collection years 2009 to 2012), the exemption is equal to 50% of the first \$200,000 of actual value of residential real property that is owner-occupied if the owner or his or her spouse is 65 years of age or older and has occupied such residence for at least 10 years. The disabled veterans provision provides that for property tax collection years 2008 and later, the same exemption is available to homeowners who

have served on active duty in the U.S. Armed Forces and who are rated 100% permanently disabled by the federal government due to a service-connected disability. The State is required to reimburse all local governments for the reduction in property tax revenue resulting from these exemptions; therefore, it is not expected that this exemption will result in the loss of any property tax revenue to the District. There is no assurance, however, that the State reimbursement will be received in a time period which is sufficient to replace the reduced property tax revenue.

Taxation Procedure. The County Assessor is required to certify to the District the assessed valuation of property within the District no later than August 25th of each year. If the County Assessor makes changes in the valuation for assessment or the total actual value prior to December 10, the County Assessor notifies the District of those changes. Subject to the limitations of TABOR, based upon the valuation certified by the County Assessor, the Board computes a rate of levy which, when levied upon every dollar of the valuation for assessment of property subject to the District's property tax, and together with other legally available District revenues, will raise the amount required by the District in its upcoming fiscal year. The District subsequently certifies to the Commissioners the rate of levy sufficient to produce the needed funds. Such certification must be made no later than December 15th of the property tax levy year for collection of taxes in the ensuing year. The property tax rate is expressed as a mill levy, which is the rate equivalent to the amount of tax per one thousand dollars of assessed valuation. For example, a mill levy of 25 mills would impose a \$250 tax on a parcel of property with an assessed valuation of \$10,000.

The Commissioners levy the tax on all property subject to taxation by the District. By December 22nd of each year, the Commissioners must certify to the County Assessor the levy for all taxing entities within the applicable county. If the Commissioners fail to so certify, it is the duty of the County Assessor to extend the levies of the previous year. Further revisions to the assessed valuation of property may occur prior to the final step in the taxing procedure, which is the delivery by the County Assessor of the tax list and warrant to the County Treasurer.

Property Tax Collections. Taxes levied in one year are collected in the succeeding year. Thus, taxes certified in 2023 are being collected in 2024 and taxes certified in 2024 will be collected in 2025. Taxes are due on January 1st in the year of collection; however, they may be paid in either one installment (not later than the last day of April) or in two equal installments (not later than the last day of February and June 15th) without interest or penalty. Interest accrues on unpaid first installments at the rate of 1% per month from March 1 until the date of payment unless the whole amount is paid by April 30. If the second installment is not paid by June 15, the unpaid installment will bear interest at the rate of 1% per month from June 16 until the date of payment. Notwithstanding the foregoing, if the full amount of taxes is to be paid in a single payment after the last day of April and is not so paid, the unpaid taxes will bear penalty interest at the rate of 1% per month accruing from the first day of May until the date of payment. The County Treasurer collects current and delinquent property taxes, as well as any interest or penalty, and after deducting a statutory fee for such collection, remits the balance to the District on a monthly basis. The payments to the District must be made by the 10th of each month and shall include all taxes collected through the end of the preceding month. The County Treasurer is also required to make a second monthly payment to the District on or before the 24th day of the months of March, May and June, reflecting taxes collected through the 20th day of the respective month.

All taxes levied on property, together with interest thereon and penalties for default, as well as all other costs of collection, constitute a perpetual lien on and against the property taxed from January 1st of the property tax levy year until paid. Such lien is on a parity with the tax liens

of other general taxes. It is the County Treasurer's duty to enforce the collection of delinquent real property taxes by tax sale of the tax lien on such realty. Delinquent personal property taxes are enforceable by distraint, seizure, and sale of the taxpayer's personal property. Tax sales of tax liens on realty are held on or before the second Monday in December of the collection year, preceded by a notice of delinquency to the taxpayer and a minimum of four weeks of public notice of the impending public sale. Sales of personal property may be held at any time after October 1st of the collection year following notice of delinquency and public notice of sale. There can be no assurance that the proceeds of tax liens sold, in the event of foreclosure and sale by the County Treasurer, would be sufficient to produce the amount required with respect to property taxes levied by the District and property taxes levied by overlapping taxing entities, as well as any interest or costs due thereon. Further, there can be no assurance that the tax liens will be bid on and sold. If the tax liens are not sold, the County Treasurer removes the property from the tax rolls and delinquent taxes are payable when the property is sold or redeemed. When any real property has been stricken off to a county and there has been no subsequent purchase, the taxes on such property may be determined to be uncollectible after a period of six years from the date of becoming delinquent and they may be canceled by the Commissioners after that time.

Potential for Overlap with Tax Increment Authorities. Colorado law allows the formation of public highway authorities. Pursuant to statute, the board of directors of a public highway authority is entitled to designate areas within the authority's boundaries as "value capture areas" to facilitate the financing, construction, operation or maintenance of highways constructed by the authority; an authority is entitled to capture a portion of the property taxes in such an area to support these purposes. The E-470 Public Highway Authority exists within the District; however, the Authority has not established a value capture area within the District. If any such area were implemented, it is impossible to predict the terms of the plan, including whether it would negatively impact the District's property tax revenues.

Similarly, the State law allows the formation of urban renewal authorities and downtown development authorities in areas which have been designated by the governing bodies of municipalities as blighted areas. Certain of the property within the District is located within tax increment districts established by the cities of Aurora and Glendale. With respect to the property included in the boundaries of such districts (or within any urban renewal authority or downtown development authority created in the future and subject to a renewal plan), the assessed valuation of such property that is taxable does not increase beyond the amount existing in the year prior to the adoption of the plan (other than by means of the general reassessment). Any increase above the "base" amount is paid to the applicable authority. See the table entitled "History of District Assessed Valuations and Mill Levies" in "Ad Valorem Property Tax Data" below for information on the assessed valuation attributable to the existing increment districts. Currently, it is the CDE's policy to provide State equalization funding to school districts in order to equalize amounts of taxes that would be lost as a result of tax increment areas. However, this policy could change at any time.

Ad Valorem Property Tax Data

A history of the District's certified assessed valuations and mill levies is set forth in the following table for the time period indicated.

History of Assessed Valuations and Mill Levies for the District

Levy/ Collection Year	Assessed Valuations		Mill Levies				
	Assessed Valuation ⁽¹⁾	Percent Change	General Fund	Debt Service	Override ⁽²⁾	Special Abate- ment	Total
2021/2022	\$7,576,077,891	--	18.756	7.776	21.974	0.506	49.012
2022/2023	7,470,973,794	(1.4)%	18.756	7.776	22.995	0.336	49.863
2023/2024 ⁽³⁾	8,877,362,569	18.8	18.756	7.776	20.741	0.293	47.567
2024/2025	8,925,308,725	0.5	18.756	12.141	22.816	0.249	53.962
2025/2026	9,459,914,402	6.0	18.756	12.141	22.869	0.342	54.108

(1) Does not include the assessed valuation attributable to tax increment financing districts in the following amounts for the respective levy years: \$58,032,229 in 2021; \$57,335,318 in 2022; \$65,190,805 in 2023; \$64,435,585 in 2024; and \$65,109,142 in 2025.

(2) This column includes the levy for the Debt Free School Initiative that was approved by the District's voters in November 2020.

(3) The mill levy total does not add due to rounding.

Sources: State of Colorado, Department of Local Affairs, Division of Property Taxation, Annual Reports, 2021-2024; Arapahoe County Assessor's Office; and the District.

The following table sets forth the history of the District's ad valorem property tax collections for the time period indicated.

Property Tax Collections in the District

Levy/Collection Year	Taxes Levied ⁽¹⁾	Current Tax Collection ⁽²⁾	Collection Rate
2020/2021	\$352,178,618	\$350,627,955	99.56%
2021/2022	371,318,739	368,208,551	99.16
2022/2023	372,525,168	371,272,056	99.66
2023/2024	422,269,505	419,080,534	99.24
2024/2025	481,627,509	476,715,534	98.98

(1) Levied amounts do not include revenue attributable to tax increment financing districts in the following amounts for the respective levy years: \$2,698,705 in 2020; \$2,844,266 in 2021; \$2,858,909 in 2022; \$3,100,931 in 2023; and \$3,477,073 in 2024.

(2) The County Treasurer's collection fee has not been deducted from these amounts. Figures do not include interest, fees and penalties.

Sources: State of Colorado, Department of Local Affairs, Division of Property Taxation, Annual Reports 2020-2024; and Arapahoe County Treasurer's Office.

The following table sets forth the assessed valuation of specific classes of real and personal property within the District based upon the District's 2025 certified assessed valuation. As shown below, residential properties account for the largest percentage of the District's assessed valuation, and therefore it is anticipated that owners of residential properties will pay the largest percentage of ad valorem property taxes levied by the District.

2025 Certified Assessed Valuation of Classes of Property in the District

Property Class	Total Assessed Valuation ⁽¹⁾	Percentage of Total Assessed Valuation
Residential	\$4,910,033,787	51.55%
Commercial	3,631,471,934	38.12
Residential MF	615,933,828	6.47
State Assessed	236,162,650	2.48
Vacant Land	110,781,534	1.16
Industrial	16,233,424	0.17
Oil and Gas	1,729,128	0.02
Commercial Renewable Energy	1,071,184	0.01
Agricultural	851,874	0.01
Agribusiness	726,581	0.01
Natural Resources	27,620	0.00
TOTAL	<u>\$9,525,023,544</u>	<u>100.00%</u>

(1) Due to the inclusion of \$65,109,142 of assessed valuation attributable to tax increment financing districts located within the District, the total assessed valuation in this table differs from the assessed valuation figure set forth elsewhere in this Official Statement.

Source: Arapahoe County Assessor's Office.

The following table sets forth the statutory "actual" value of specific classes of real and personal property within the District based on the District's 2025 certified statutory "actual" valuation. Statutory "actual" value is not intended to represent current market value.

2025 Certified Statutory "Actual" Valuation of Classes of Property in the District

Property Class	Total Statutory "Actual" Valuation ⁽¹⁾	Percentage of Total Statutory "Actual" Valuation
Residential	\$69,645,753,162	74.74%
Commercial	13,449,900,359	14.43
Residential MF	8,736,649,629	9.38
State Assessed	874,676,394	0.94
Vacant Land	410,301,845	0.44
Industrial	60,123,757	0.07
Oil and Gas	3,167,412	0.00
Commercial Renewable Energy	3,967,341	0.00
Agricultural	3,155,080	0.00
Agribusiness	2,691,040	0.00
Natural Resources	102,312	0.00
TOTAL	<u>\$93,190,488,331</u>	<u>100.00%</u>

(1) Figures have been provided by the Arapahoe County Assessor and are calculated using a statutory formula under which assessed valuation is calculated as a percentage of the statutory "actual" value of all other classes of property (with certain specified exceptions). Statutory "actual" value is not intended to represent market value. See "Ad Valorem Property Taxes" in this section.

Source: Arapahoe County Assessor's Office.

Based upon the most recent information available from Arapahoe County, the following table represents the ten largest taxpayers within the District. A determination of the largest taxpayers can be made only by manually reviewing individual tax records. Therefore, it is

possible that owners of several small parcels may have an aggregate assessed value in excess of those set forth in the following table. Furthermore, the taxpayers shown in the table may own additional parcels within the District not included herein. No independent investigation has been made of and consequently there can be no representation as to the financial conditions of the taxpayers listed below or that such taxpayers will continue to maintain their status as major taxpayers in the District.

Ten Largest Taxpayers in the District for 2024

Taxpayer Name	2024 Assessed Valuation	Percentage of Total Assessed Valuation ⁽¹⁾
Public Service Co. of Colorado	\$126,724,400	1.42%
Prime US-Village Center Station II LLC	36,002,997	0.40
Cellco Partnership	35,665,430	0.40
6340 Fiddlers Green Circle LP	33,854,418	0.38
Lumen Qwest Corp.	32,603,500	0.36
Granite Place LLC	32,076,630	0.36
Greenwood Property Corp.	29,286,630	0.33
Drawbridge Panorama LLC	26,496,630	0.30
GPI Plaza Tower LP	24,745,905	0.28
6200 S Quebec LLC	<u>21,195,630</u>	<u>0.24</u>
TOTAL	<u>\$398,652,170</u>	<u>4.47%</u>

(1) Based on a 2024 assessed valuation of \$8,925,308,725.

Source: Arapahoe County Assessor's Office.

Sample Mill Levies Affecting Property Owners within the District

In addition to the District's ad valorem property tax levy, owners of property within the District are obligated to pay taxes to other taxing entities in which their property is located. As a result, property owners within the District's boundaries may be subject to different mill levies depending upon the location of their property. The following table reflects sample mill levies that may be imposed on certain properties within the District and is not intended to portray the mills levied against all properties within the areas shown. Property owners within the areas indicated may be subject to a larger or smaller total mill levy than the samples given in the following table. The table does not include entities that do not currently assess a mill levy.

Sample Mill Levies Affecting District Property Owners

<u>Taxing Entity</u>	<u>2025 Mill Levy⁽¹⁾</u>
<u>City of Aurora</u>	
Cherry Creek School District No. 5	54.108
Arapahoe County	16.959
City of Aurora	7.087
Arapahoe Library District	5.719
Urban Drainage and Flood Control District	0.900
Cherry Creek Basin Water Quality Authority	0.450
Urban Drainage and Flood Control District – South Platte Levy	<u>0.100</u>
Total	<u>85.323</u>
<u>City of Cherry Hills Village</u>	
Cherry Creek School District No. 5	54.108
Arapahoe County	16.959
City of Cherry Hills Village	14.722
South Metro Fire Rescue Fire Protection District	12.250
Arapahoe Library District	5.719
Urban Drainage and Flood Control District	0.900
Cherry Hills Fire Protection District – Bond Only	0.500
Urban Drainage and Flood Control District – South Platte Levy	<u>0.100</u>
Total	<u>105.258</u>
<u>City of Englewood</u>	
Cherry Creek School District No. 5	54.108
Arapahoe County	16.959
City of Englewood	9.736
Urban Drainage and Flood Control District	0.900
Urban Drainage and Flood Control District – South Platte Levy	<u>0.100</u>
Total	<u>81.803</u>
<u>Town of Foxfield</u>	
Cherry Creek School District No. 5	54.108
Arapahoe County	16.959
South Metro Fire Rescue Fire Protection District	12.250
Arapahoe Library District	5.719
Town of Foxfield	4.982
Urban Drainage and Flood Control District	0.900
Arapahoe County Recreation District	0.593
Cherry Creek Basin Water Quality Authority	0.450
Urban Drainage and Flood Control District – South Platte Levy	<u>0.100</u>
Total	<u>96.061</u>
<u>City of Glendale</u>	
Cherry Creek School District No. 5	54.108
City of Glendale	18.670
Arapahoe County	16.959
Arapahoe Library District	5.719
Urban Drainage and Flood Control District	0.900
Urban Drainage and Flood Control District – South Platte Levy	<u>0.100</u>
Total	<u>96.456</u>
<u>City of Greenwood Village</u>	
Cherry Creek School District No. 5	54.108
Arapahoe County	16.959
South Metro Fire Rescue Fire Protection District	12.250
Arapahoe Library District	5.719
City of Greenwood Village	2.932
Urban Drainage and Flood Control District	0.900
Castlewood Water and Sanitation District A	0.879
Urban Drainage and Flood Control District – South Platte Levy	<u>0.100</u>
Total	<u>93.847</u>

(1) One mill equals 1/10 of one cent. Mill levies certified in 2025 are for the collection of ad valorem property taxes in 2026.

Source: Arapahoe County Assessor's Office.

Estimated Overlapping General Obligation Debt

In addition to the general obligation indebtedness of the District, other taxing entities are authorized to incur general obligation debt within boundaries that overlap or partially overlap the boundaries of the District. The following table sets forth the estimated overlapping general obligation debt attributable to property owners within the District as of November 30, 2025. Additional taxing entities may overlap the District in the future.

Estimated Overlapping General Obligation Debt

Entity ⁽¹⁾⁽²⁾	2024 Assessed Valuation ⁽³⁾	Outstanding General Obligation Debt	Outstanding General Obligation Debt Attributable to the District ⁽⁴⁾	
			Percent	Debt
Antelope Water System General Improvement Dist.	\$8,162,300	\$1,580,000	100.00%	\$1,580,000
Arapahoe County Water and Wastewater P.I.D.	1,092,082,093	109,480,000	89.18	97,634,264
Arapahoe Lake Public Park District	13,441,865	670,500	100.00	670,500
Beacon Point Metropolitan District	46,848,165	18,105,000	100.00	18,105,000
Bellevue Place Metropolitan District ⁽⁵⁾	3,241,934	3,177,000	100.00	3,177,000
Blackstone Metropolitan District	57,130,591	25,535,000	100.00	25,535,000
Charlou Park 3rd Filing General Improvement Dist.	3,300,139	257,421	100.00	257,421
Cherry Creek Corporate Center Metropolitan Dist. ⁽⁶⁾	6,411,365	5,425,000	100.00	5,425,000
Cherry Creek Racquet Club G.I.D.	3,676,624	245,000	100.00	245,000
Cherry Creek Vista Metro. Park & Rec. Dist. A & B	114,730,770	5,778,000	100.00	5,778,000
CitySet Metropolitan District No. 2 ⁽⁵⁾	7,228,808	16,110,000	100.00	16,110,000
Cobblewood General Improvement District	1,460,445	217,000	100.00	217,000
Copperleaf Metropolitan District No. 2 ⁽⁵⁾	70,379,226	27,105,000	100.00	27,105,000
Copperleaf Metropolitan District No. 3 ⁽⁵⁾	18,891,315	17,362,000	100.00	17,362,000
Copperleaf Metropolitan District No. 4 ⁽⁵⁾	20,906,451	31,950,000	100.00	31,950,000
Copperleaf Metropolitan District No. 5 ⁽⁵⁾	130,849	28,737,000	100.00	28,737,000
Copperleaf Metropolitan District No. 6 ⁽⁵⁾	18,835,911	20,750,000	100.00	20,750,000
Copperleaf Metropolitan District No. 9 ⁽⁵⁾	5,628,655	17,275,000	100.00	17,275,000
Cornerstar Metropolitan District ⁽⁵⁾	41,725,626	31,325,000	100.00	31,325,000
Dove Valley Metropolitan District	491,930,886	33,270,000	100.00	33,270,000
Eagle Bend Metropolitan District	104,508,911	21,885,000	100.00	21,885,000
East Quincy Highlands Metropolitan District	17,244,868	2,010,000	100.00	2,010,000
East Smoky Hill Metropolitan District No. 1	20,864,245	2,390,000	100.00	2,390,000
East Smoky Hill Metropolitan District No. 2	86,175,131	1,491,000	100.00	1,491,000
East Valley Metropolitan District	6,965,474	66,957	100.00	66,957
East Virginia Village Metropolitan District ⁽⁵⁾	1,635,985	2,915,000	100.00	2,915,000
City of Englewood ⁽⁷⁾	1,044,111,747	58,050,000	4.40	2,554,200
Estancia Metropolitan District	9,007,764	6,050,000	100.00	6,050,000
Fiddler's Business Improvement District ⁽⁸⁾	43,994,305	50,412,000	100.00	50,412,000
Forest Trace Metropolitan District No. 3 ⁽⁵⁾	20,544,755	17,038,000	100.00	17,038,000
Foxridge General Improvement District	45,625,313	1,600,000	58.60	937,600
Galleria Metropolitan District ⁽⁵⁾	15,983,731	473,338	100.00	473,338
Gardens at East Iliff Metropolitan District ⁽⁵⁾	3,330,291	2,675,000	100.00	2,675,000
Gardens on Havana Metro. Dists. Nos. 2 and 3 ⁽⁵⁾⁽⁹⁾	5,069,809	12,930,000	100.00	12,930,000
Goldsmith Metropolitan District Block K Subarea ⁽¹⁰⁾	11,598,960	3,883,838	100.00	3,883,838
Goldsmith Metropolitan District	669,541,422	8,365,000	41.97	3,510,791
Heather Gardens Metropolitan District	46,148,093	6,815,000	41.02	2,795,513
Heather Ridge Metropolitan District No. 1	27,060,040	4,690,000	100.00	4,690,000
Highline Crossing Metropolitan District ⁽⁵⁾	3,269,857	1,851,000	100.00	1,851,000
Hills at Cherry Creek Metropolitan District	28,363,860	1,060,000	100.00	1,060,000
Iliff Avenue Metropolitan District ⁽⁵⁾	2,117,325	2,922,837	100.00	2,922,837
Inverness Water and Sanitation District ⁽¹¹⁾	364,079,977	6,053,336	69.15	4,185,882
Jones Metropolitan Districts Nos. 1 to 5 ⁽⁹⁾⁽¹²⁾	8,858,181	35,530,000	100.00	35,530,000
Kent Place Metropolitan District No. 2 ⁽⁵⁾	4,175,403	2,560,000	100.00	2,560,000
Liverpool Metropolitan District	\$36,635,613	\$640,000	100.00%	\$640,000
Marin Metropolitan District ⁽¹³⁾	1,806,695	17,485,000	100.00	17,485,000
Marvella Metropolitan District ⁽⁵⁾	7,498,837	4,850,000	100.00	4,850,000

Table continues on following page.

Entity ⁽¹⁾⁽²⁾	2024 Assessed Valuation ⁽³⁾	Outstanding General Obligation Debt	Outstanding General Obligation Debt Attributable to the District ⁽⁴⁾	
			Percent	Debt
Meadow Hills Country Club G.I.D.	1,594,431	220,000	100.00	220,000
Orchard Valley Metropolitan District	65,623,570	4,370,000	100.00	4,370,000
Peoria Park General Improvement District	8,390,954	173,000	100.00	173,000
Pier Point 7 Sewer General Improvement District	10,135,439	1,170,000	100.00	1,170,000
Piney Creek Village Metropolitan District ⁽⁵⁾	13,302,746	7,610,000	100.00	7,610,000
Pioneer Hills Metropolitan District ⁽⁵⁾	10,443,696	2,820,000	100.00	2,820,000
Pronghorn Valley Metropolitan District ⁽⁵⁾	10,618,296	20,449,000	100.00	20,449,000
Saddle Rock Metropolitan District	40,631,253	4,180,000	100.00	4,180,000
Saddle Rock South Metro. Dists. Nos. 2 to 4 ⁽⁹⁾	107,799,686	9,530,000	100.00	9,530,000
Senac South Metropolitan District No. 1 ⁽⁵⁾	6,876	45,155,000	100.00	45,155,000
Serenity Ridge Metropolitan District No. 2 ⁽⁵⁾	32,105,678	15,830,000	100.00	15,830,000
Sorrel Ranch Metropolitan District ⁽⁵⁾	31,340,386	11,790,000	100.00	11,790,000
South Suburban Park and Recreation District	4,466,158,097	33,480,000	19.21	6,431,508
Southlands Metropolitan District No. 1	83,237,246	44,510,000	100.00	44,510,000
Southlands Metropolitan District No. 2	15,671,068	4,033,000	100.00	4,033,000
Southmoor Circle and Hudson Parkway G.I.D.	1,455,570	160,301	100.00	160,301
Southshore Metropolitan District No. 2 ⁽⁵⁾	102,929,416	56,085,000	100.00	56,085,000
Sundance Hills Metropolitan District	26,309,536	1,975,000	100.00	1,975,000
Tallgrass Metropolitan District	38,181,523	12,575,000	100.00	12,575,000
Tallyn's Reach Metropolitan District No. 3	83,205,889	36,978,000	100.00	36,978,000
The Point Metropolitan District	446,692	8,667,091	100.00	8,667,091
Tollgate Crossing Metropolitan District No. 2	52,386,946	7,660,000	97.09	7,437,094
Valentia Court Metropolitan District ⁽⁵⁾	7,282,056	2,174,000	100.00	2,174,000
Valley Club Pointe Metropolitan District	9,500,410	7,205,000	100.00	7,205,000
Wheatlands Metropolitan District	55,478,521	27,308,000	100.00	27,308,000
Whispering Pines Metropolitan District No. 1 ⁽⁵⁾	32,660,484	19,840,000	100.00	19,840,000
Willow Creek G.I.D. No. 1 and G.I.D. No. 2	54,220,450	4,075,000	100.00	4,075,000
Willow Trace Metropolitan District	34,262,909	6,675,000	100.00	6,675,000
TOTAL				<u>\$961,727,135</u>

- (1) The following entities also overlap the District, but have no reported general obligation debt outstanding: Arapahoe County; Arapahoe County Law Enforcement Authority; Arapahoe County Recreation District; Arapahoe Library District; City of Aurora; Bennett Fire Protection District No. 7; Buckingham Urban Renewal Authority Areas 1 to 3; Castlewood Water and Sanitation Districts A to E; City of Centennial; Centennial 360 Metropolitan District; Chaparral Metropolitan District; Cherry Creek Basin Water Quality Authority; Cherry Creek Valley Water and Sanitation District; Cherry Creek Village Water District; Cherry Hills Fire Protection District – Bond Only; Cherry Hills Heights Water and Sanitation District; Cherry Hills Heights Water and Sanitation District Subdistrict A; Cherry Hills North Metropolitan District; City of Cherry Hills Village; City of Cherry Hills Village Sanitation District; Cherry Park General Improvement District; Cherryvale Sanitation District; CitySet Metropolitan District No. 1; Columbia Metropolitan District; Copperleaf Metropolitan Districts Nos. 1, 7 and 8; Country Homes Metropolitan District Parcels A and B; Devonshire Heights Water and Sanitation District; Eagle Bend Metropolitan District No. 1; Eagle's Nest Metropolitan District; East Arapahoe Metropolitan District; East Cherry Creek Valley Water and Sanitation District; Forest Trace Metropolitan Districts Nos. 1 and 2; Town of Foxfield; Gardens on Havana Metropolitan District No. 1; City of Glendale; Glendale Downtown Development Authority; Glendale Urban Renewal Authority; Goldsmith Gulch Sanitation District; Goodman Metropolitan District; Greenwood Athletic Club Metropolitan District; Greenwood Consolidated Metropolitan District North; Greenwood Consolidated Metropolitan District South; Greenwood North Metropolitan District; City of Greenwood Village; Harrison Oaks Metropolitan District; Havana Business Improvement District; Havana Water and Sanitation District; Hi-Lin Water and Sanitation District; Highland Park Metropolitan District; Hillcrest Water and Sanitation District; Holly Hills Water and Sanitation District; INOVA Aero Metropolitan District; Inverness Metropolitan Improvement District; Inverness North Metropolitan District; Inverness Sanitation District; Kent Place Metropolitan District No. 1; Mansfield Heights Water and Sanitation District; Oak Park Metropolitan District; Orchard Hills Metropolitan Recreation and Park District; Parker Jordan Metropolitan District; Plaza Urban Renewal Areas 1 to 4; Prairie Point Metropolitan Districts Nos. 1 to 3; Regional Transportation District; Riverwalk Metropolitan Districts Nos. 1 to 3; Sable-Altura Fire Protection District; Senac South Metropolitan Districts Nos. 2 to 4; Skyline Fire Protection District; Smoky Hill Metropolitan District; South Englewood Sanitation District No. 1A; South Metro Fire Rescue Fire Protection District; South-East Englewood Water District; Southeast Public Improvement Metropolitan District; Southgate Corporate Center Metropolitan District aka Southgate at Centennial Metropolitan District; Southgate Sanitation District; Southgate Water District; Suburban Metropolitan District; Tallyn's Reach Metropolitan District No. 2; Trails Park and Recreation District; Urban Drainage and Flood Control District; Urban Drainage and Flood Control District – South Platte Levy; Village Center Outer Ring Subdistrict; Walnut Hills General Improvement District; West Arapahoe

Footnotes continue on following page.

Conservation District; Westray Business Improvement District; Whispering Pines Metropolitan District No. 2; and Willows Water District.

- (2) Cherry Hills City Metropolitan District also overlaps the District and has \$2,992,000 in general obligation debt outstanding. The portion of Cherry Hills City Metropolitan District that lies within the District, however, has no taxable assessed value. Additionally, Vermilion Creek Metropolitan District and Vermilion Creek Metropolitan Districts Nos. 2 and 3 issued \$19,860,000 of limited tax general obligation bonds in 2025. These districts, however, changed their boundaries in early 2025 and did not receive certifications of assessed value for levy year 2024 that reflect the property providing revenues pledged to repayment of the bonds.
- (3) Assessed values certified in 2024 are for collection of ad valorem property taxes in 2025.
- (4) 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 overlapping entities, the percentage of debt for which property owners within the District are responsible will also change.
- (5) This district's debt consists of limited tax general obligation bonds or special revenue bonds or loans secured by a required mill levy, specific ownership taxes, and other moneys legally available for debt service.
- (6) Cherry Creek Corporate Center Metropolitan District's debt consists of revenue refunding bonds secured by tax increment revenues. In the event those revenues are not sufficient to cover the debt service, Cherry Creek Corporate Center Metropolitan District must impose a required mill levy and pay the debt service from property tax revenues.
- (7) The City of Englewood has an additional \$6,895,000 outstanding of general obligation water bonds that have a general obligation pledge; however, it is the City of Englewood's intent to service the debt from its Water Fund.
- (8) Fiddler's Business Improvement District's general obligation debt is additionally secured with parking revenues.
- (9) The district that issued the debt receives property tax revenues from additional districts. The assessed valuation figure in the table includes the issuer and all districts that transfer property tax revenue towards repayment of the general obligation debt.
- (10) Goldsmith Metropolitan District paid off its outstanding general obligation bonds through an Amended and Restated Funding Agreement with Goldsmith Metropolitan District Block K Subarea, dated November 1, 2014. Under this agreement, the subarea is reimbursing Goldsmith Metropolitan District for the principal amount of the bonds then outstanding (\$4,960,000) plus interest. The Second Amended and Restated Funding Agreement, dated April 1, 2019, allowed the subdistrict to borrow an additional \$1,000,000.
- (11) The debt of this district consists of mill levy supported loans from the Colorado Water Resources and Power Development Authority and/or the Colorado Water Conservation Board.
- (12) The Jones District Community Authority Board, formed among Jones Metropolitan Districts Nos. 1 to 5, issued special revenue bonds secured by pledge agreements among the five districts to provide property tax, specific ownership tax, public improvement fee, and payment in lieu of taxes revenues to repay the bonds. Panorama Metropolitan District also has a pledge agreement to transfer property tax revenue to Jones Metropolitan District No. 1 to repay the Jones District Community Authority Board's bonds. The 2024 assessed value of Panorama Metropolitan District is \$114,089,263.
- (13) Marin Metropolitan District ("Marin") issued \$30,485,000 of limited tax general obligation bonds dated June 12, 2008. The balance outstanding is \$17,485,000. An order from Arapahoe County Court pursuant to a suit challenging the validity of the bond election and alleging misuse of funds currently bars Marin from levying to repay its general obligation debt. In 2016, the Colorado Court of Appeals issued an opinion determining that Marin illegally conducted the debt authorization election and illegally levied the taxes authorized to repay the bonds.

Sources: Assessors' Offices of Adams, Arapahoe, Douglas and Jefferson Counties; Assessor's Office of the City and County of Denver; and information obtained from individual taxing entities.

DISTRICT DEBT AND OTHER FINANCIAL OBLIGATIONS

General Obligation Debt

General. “Debt” or “indebtedness” as used in this Official Statement means, generally, obligations backed by the full faith and credit of the District and secured by the unlimited power to levy ad valorem property taxes of the District. Debt refers only to principal amounts and not to the interest to become due thereon. Debt does not include debt that has been refinanced, obligations arising upon a contingency or obligations which do not extend beyond the fiscal year in which incurred.

Authorization. The Board has the power to contract indebtedness on behalf of the District for specific purposes authorized by statute relating to the acquiring, purchasing, constructing, enlarging, improving, remodeling, repairing, and equipping or furnishing of school grounds and buildings, for funding floating indebtedness, for acquiring, constructing or improving any capital asset that the District is authorized by law to own or for supporting charter school capital construction. Debt may be incurred only by resolution which is irrevocable until such indebtedness has been fully paid, specifying the use of the funds, and providing for the levy of a tax which, together with other legally available revenues of the District, will be sufficient to pay the principal of and interest on such debt when due, subject to the limitations of TABOR. No debt can be created unless the question of incurring the indebtedness has first been submitted to and approved by a majority of the registered electors of the District voting at an election held for that purpose.

Limitations on School District Indebtedness. The State Constitution provides that the Legislature shall establish limitations on the authority of any political subdivision to incur general obligation indebtedness in any form. Bonded indebtedness of school districts is limited by Section 22-42-104 of C.R.S. In its 1994 session (as amended during its 1996, 1998 and 2007 sessions), the Legislature established the limitation as the greater of (1) 20% of the latest valuation for assessment of the taxable property in such district, or (2) 6% of the most recent determination of the actual value of property in such district, each as certified to the board of county commissioners. The limitation is different for districts in which enrollment has increased by 2.5% in each of the three preceding years. The assessed valuation used to determine the District’s debt limitation is the assessed valuation certified on the December 10 prior to the date on which the applicable bonds are issued. By law, any obligations which have been refunded, either by immediate payment or redemption and retirement or by the placement of proceeds of refunding bonds in escrow, shall not be deemed outstanding for the purposes of determining compliance with debt limitations.

The District’s total legal debt limit (based upon a limitation of 20% of its 2025 certified assessed valuation of \$9,525,023,544, which includes the assessed valuation attributable to the tax increment districts located within the District), is \$1,905,004,709.

Outstanding General Obligation Debt

As of the date of issuance of the Bonds, the District will have the following general obligation debt outstanding (assuming the issuance of the Bonds).

General Obligation Debt Outstanding*

Bond Issue	Amount Outstanding
2017B General Obligation Refunding Bonds	31,575,000
2017C General Obligation Bonds	89,530,000
2020 General Obligation Refunding Bonds	35,730,000
2021 General Obligation Bonds	150,000,000
2024 General Obligation Bonds	276,110,000
2025 General Obligation Refunding Bonds	193,115,000
2026 General Obligation Bonds (this issue)	316,665,000*
Total	<u>\$1,092,725,000*</u>

Other Obligations of the District

Certificates of Participation Transactions. In December 2017, the District entered into an annually renewable lease purchase agreement with UMB Bank, n.a. (the “2017 Lease”) to finance the costs of acquiring, constructing, installing and improving facilities for school purposes. Base rentals payable under the 2017 Lease support the payment of certain certificates of participation (assuming annual appropriations are made for that purpose). The related certificates of participation are outstanding in the aggregate principal amount of \$12,620,000.

In March 2022, the District entered into an annually renewable lease purchase agreement with UMB Bank, n.a. (the “2022 Lease”) to finance the costs of acquiring, constructing, installing and improving facilities for school purposes, including energy upgrades and improvements. Base rentals payable under the 2022 Lease support the payment of certain certificates of participation (assuming annual appropriations are made for that purpose). The related certificates of participation are outstanding in the aggregate principal amount of \$60,405,000.

The District expects to issue approximately \$20 million of annually renewable lease purchase obligations in 2026 to finance a portion of a new stadium facility. The District is also evaluating the method of financing an additional \$20 million in the next 2-3 years, and this amount is expected to be used to complete the acquisition of the new stadium facility.

Other Lease Obligations. In early 2015, the Board approved the purchase of 178 school buses in the amount of \$18,489,134, to accomplish a five-year replacement plan for existing buses. The District entered into a master lease purchase agreement with JPMorgan Chase Bank to acquire the buses. The District may draw up to \$18,500,000 under the agreement. In 2015, the District drew \$4,178,500 to finance the first year’s purchase of 41 buses and has repaid that draw. In 2016, the District drew \$3,368,178 to finance the purchase of 34 buses; that draw bears interest at a rate of 1.99% per annum. In 2017, the District drew \$3,552,683 to finance the purchase of 34 buses; that draw bears interest at a rate of 2.296% per annum. In 2018, the District drew \$7,262,050 to finance the purchase of 66 buses; that draw bears interest at a rate of 2.910% per annum. Amounts due under this agreement are subject to annual appropriation. See Note 11 to the audited financial statements attached hereto as Appendix A for outstanding balances as of June 30, 2025.

* Subject to change.

The District has entered into other lease agreements for vehicles and copiers. Details of these leases, including balances as of June 30, 2025, can be found in Note 11 to the audited financial statements attached hereto as Appendix A.

Other Obligations. The District accrues a liability for accrued sick leave and vacation time. See Notes 1(O) and 9 in the audited financial statements attached hereto as Appendix A for information on compensated absences for the year ended June 30, 2025.

Component Unit Obligations. For accounting purposes, the charter schools are component unit of the District; however, the District is not financially responsible for its operations or outstanding obligations. See the “Component Unit Debt” category in Note 11 to the audited financial statements attached hereto as Appendix A for a discussion of those obligations as of June 30, 2025. The charter schools may refinance existing obligations or enter into new ones at any time; however, District consent must be obtained prior to the issuance of any new financing or encumbrance obligations.

Selected Debt Ratios

The following table sets forth certain debt ratios of the District.

Selected Debt Ratios of the District (Unaudited)*

Estimated Population of District (1)	328,636
Direct Debt (2)	\$1,092,725,000
Overlapping Debt	<u>961,727,135</u>
Total Direct and Overlapping Debt	\$2,054,452,135
Per Capita Direct Debt	\$3,325.03
Per Capita Direct and Overlapping Debt	\$6,251.45
2025 Assessed Valuation	\$9,525,023,544
Direct Debt to 2025 Assessed Valuation	11.47%
Direct and Overlapping Debt to 2025 Assessed Valuation.....	22.57%
2025 Statutory “Actual” Value	\$93,190,488,331
Direct Debt to 2025 Statutory “Actual” Value	1.17%
Direct and Overlapping Debt to 2025 Statutory “Actual” Value.....	2.20%

(1) Estimated population as of June 30, 2025, provided by the District’s Department of Planning and Community Services.

(2) Assumes the issuance of the Bonds.

Sources: Arapahoe County Assessor’s Office and the District.

* Subject to change.

ECONOMIC AND DEMOGRAPHIC INFORMATION

This portion of the Official Statement contains general information concerning historic economic and demographic conditions in and surrounding the District. It is intended only to provide prospective investors with general information regarding the District's community. The information was obtained from the sources indicated and is limited to the time periods indicated. The information is historic in nature; it is not possible to predict whether the trends shown will continue in the future. The District makes no representation as to the accuracy or completeness of data obtained from parties other than the District.

Population

The following table provides a history of the populations of Arapahoe County, the Denver-Aurora Core Based Statistical Area ("Denver-Aurora CBSA") and the State. The Denver-Aurora CBSA is comprised of six metropolitan counties and four bordering counties: Adams, Arapahoe, Broomfield, Clear Creek, Denver, Douglas, Elbert, Gilpin, Jefferson and Park. Between 2010 and 2020, the population of Arapahoe County increased 14.5%. During the same time period, the populations of the Denver-Aurora CBSA and the State increased 16.5% and 14.8%, respectively.

<u>Population</u>						
<u>Year</u>	<u>Arapahoe County</u>	<u>Percent Change</u>	<u>Denver- Aurora CBSA</u>	<u>Percent Change</u>	<u>Colorado</u>	<u>Percent Change</u>
1980	293,621	--	1,450,768	--	2,889,735	--
1990	391,511	33.3%	1,650,486	13.8%	3,294,394	14.0%
2000 ⁽¹⁾	487,967	24.6	2,196,957	33.1	4,301,261	30.6
2010	572,003	17.2	2,543,482	15.8	5,029,196	16.9
2020	655,070	14.5	2,963,821	16.5	5,773,714	14.8
2021	656,858	--	2,978,215	--	5,813,551	--
2022	658,069	0.2%	2,991,322	0.4%	5,850,121	0.6%
2023	661,564	0.5	3,020,225	1.0	5,900,420	0.9
2024	666,557	0.8	3,052,304	1.1	5,956,729	1.0

(1) Denver-Aurora CBSA population adjusted by Colorado State Demography Office to reflect the 2001 creation of the City and County of Broomfield.

Sources: United States Department of Commerce, Bureau of the Census (1980 through 2020 figures) and Colorado State Demography Office (2021 through 2024 figures, which are subject to revisions, and 2000 figure for the Denver-Aurora CBSA).

Income

The following table sets forth the annual per capita personal income levels for the residents of Arapahoe County, the Denver-Aurora CBSA, the State and the nation.

Per Capita Personal Income

<u>Year⁽¹⁾</u>	<u>Arapahoe County</u>	<u>Denver-Aurora CBSA</u>	<u>Colorado</u>	<u>United States</u>
2019	\$64,494	\$67,590	\$61,278	\$55,567
2020	68,968	71,292	64,704	59,151
2021	73,433	79,446	71,928	64,692
2022	77,902	86,141	76,685	66,298
2023	81,414	89,297	80,169	70,002
2024	n/a	n/a	83,055	73,204

(1) Figures for Arapahoe County and the Denver-Aurora CBSA updated February 20, 2025. State and national figures updated September 26, 2025. All figures are subject to periodic revisions.

Source: United States Department of Commerce, Bureau of Economic Analysis.

Employment

The following table sets forth the number of individuals employed within selected Arapahoe County industries that are covered by unemployment insurance. In 2024, the largest employment sector in Arapahoe County was health care and social assistance (comprising approximately 15.1% of the county's work force), followed, in order, by professional and technical services, retail trade, accommodation and food services, and construction. For the twelve-month period ended December 31, 2024, total average employment in Arapahoe County decreased 0.2% as compared to the twelve-month period ending December 31, 2023, and total average weekly wages increased 2.7%.

Average Number of Employees within Selected Industries – Arapahoe County

Industry	2020	2021	2022	2023	2024	2025 ⁽²⁾
Accommodation and Food Services	22,010	24,338	26,410	26,814	26,250	25,469
Administrative and Waste Services	23,956	25,265	25,169	24,198	23,657	23,790
Agriculture, Forestry, Fishing, Hunting	179	214	157	144	166	166
Arts, Entertainment and Recreation	4,601	5,376	6,150	6,710	7,045	6,387
Construction	23,320	23,737	24,155	24,601	24,897	23,871
Educational Services	21,897	22,170	23,128	23,616	24,140	25,205
Finance and Insurance	25,665	25,584	25,177	23,890	21,848	22,328
Government	13,891	13,619	13,833	14,744	15,362	15,407
Health Care and Social Assistance	44,215	45,714	46,405	48,813	51,390	52,827
Information	18,283	18,428	17,703	17,353	15,789	15,328
Management of Companies/Enterprises	8,698	8,137	8,420	9,088	9,008	8,941
Manufacturing	8,317	8,702	9,277	8,925	8,493	8,323
Mining	532	438	441	431	442	300
Non-Classifiable	20	17	28	92	57	7
Other Services	9,038	9,086	9,478	9,798	9,929	9,781
Professional and Technical Services	34,842	35,939	38,073	40,008	39,630	38,682
Real Estate, Rental and Leasing	6,672	7,025	7,250	7,011	7,233	6,972
Retail Trade	31,917	32,772	32,567	32,406	32,210	30,816
Transportation and Warehousing	6,758	6,799	6,804	7,095	7,406	7,901
Utilities	270	290	275	276	253	219
Wholesale Trade	<u>14,732</u>	<u>14,575</u>	<u>14,667</u>	<u>14,773</u>	<u>14,774</u>	<u>14,302</u>
Total All Industries ⁽¹⁾	<u>319,812</u>	<u>328,224</u>	<u>335,570</u>	<u>340,784</u>	<u>339,977</u>	<u>337,023</u>

(1) Figures may not equal totals when added due to the rounding of averages or the inclusion in the total figure of employees that were not disclosed in individual classifications.

(2) Figures are averaged through the first quarter of 2025.

Source: State of Colorado, Department of Labor and Employment, Labor Market Information, Quarterly Census of Employment and Wages (QCEW).

The following table shows the number of individuals employed within selected Denver-Aurora CBSA industries that are covered by unemployment insurance. In 2024, the largest employment sector in the Denver-Aurora CBSA was health care and social assistance (comprising approximately 12.8% of the metro area's work force), followed in order by professional and technical services, accommodation and food services, retail trade, and educational services. For the twelve-month period ending December 31, 2024, total average employment in the Denver-Aurora CBSA increased approximately 0.1% as compared to the twelve-month period ending December 31, 2023.

Average Number of Employees within Selected Industries – Denver-Aurora CBSA

Industry	2020	2021	2022	2023	2024	2025 ⁽²⁾
Accommodation and Food Services	111,871	124,453	139,924	145,310	144,028	139,447
Administrative and Waste Services	91,081	95,917	100,893	100,181	97,542	93,004
Agriculture, Forestry, Fishing, Hunting	4,436	4,743	4,335	3,714	3,294	3,013
Arts, Entertainment and Recreation	22,827	26,168	30,491	33,574	34,371	31,635
Construction	100,672	101,561	105,030	106,780	106,910	103,649
Educational Services	108,109	107,869	111,338	115,999	117,883	121,271
Finance and Insurance	78,237	79,799	80,971	78,892	76,292	77,258
Government	73,823	73,285	74,475	79,376	81,500	80,803
Health Care and Social Assistance	181,129	186,992	190,774	199,449	206,398	210,587
Information	51,884	53,283	55,109	53,616	50,202	48,112
Management of Companies/Enterprises	33,887	34,748	35,937	37,065	36,548	36,150
Manufacturing	69,354	70,204	71,774	69,805	67,261	65,723
Mining	8,883	8,188	8,135	8,079	7,764	7,665
Non-Classifiable	129	173	275	531	267	36
Other Services	42,663	44,789	47,737	49,831	50,609	50,237
Professional and Technical Services	149,456	160,278	175,622	181,428	183,456	184,072
Real Estate, Rental and Leasing	30,384	32,375	34,065	34,300	34,348	33,454
Retail Trade	132,282	136,947	136,864	138,518	137,776	132,269
Transportation and Warehousing	72,725	74,830	79,193	81,867	84,239	85,809
Utilities	6,037	6,186	6,431	6,762	6,716	6,826
Wholesale Trade	72,945	74,020	78,318	78,976	78,162	76,325
Total All Industries ⁽¹⁾	<u>1,444,289</u>	<u>1,498,191</u>	<u>1,569,810</u>	<u>1,606,400</u>	<u>1,607,995</u>	<u>1,589,752</u>

(1) Figures may not equal totals when added due to the rounding of averages or the inclusion in the total figure of employees that were not disclosed in individual classifications.

(2) Figures are averaged through the first quarter of 2025.

Source: State of Colorado, Department of Labor and Employment, Labor Market Information, Quarterly Census of Employment and Wages (QCEW).

The following table presents information on employment within Arapahoe County, the Denver-Aurora CBSA, the State and the nation for the time period indicated.

Labor Force and Employment

Year	Arapahoe County ⁽¹⁾		Denver-Aurora CBSA ⁽¹⁾		Colorado ⁽¹⁾		United States
	Labor Force	Percent Unemployed	Labor Force	Percent Unemployed	Labor Force	Percent Unemployed	Percent Unemployed
2020	359,106	7.4%	1,665,078	6.9%	3,079,767	6.8%	8.1%
2021	368,721	5.8	1,710,847	5.5	3,146,263	5.5	5.3
2022	372,539	3.1	1,738,712	3.0	3,184,962	3.1	3.6
2023	374,588	3.3	1,761,926	3.2	3,231,187	3.3	3.6
2024	377,424	4.2	1,776,989	4.2	3,267,766	4.3	4.0
<u>Month of August</u>							
2024	380,164	4.5%	1,790,627	4.5%	3,290,782	4.6%	4.2%
2025	379,571	3.7	1,785,041	3.7	3,273,826	3.7	4.3

(1) Figures for Arapahoe County, the Denver-Aurora CBSA and the State are not seasonally adjusted.

Sources: State of Colorado, Department of Labor and Employment, Labor Market Information; and United States Department of Labor, Bureau of Labor Statistics.

Major Employers

The following table provides a brief description of selected major employers located within Arapahoe County. No independent investigation of the stability or financial condition of the employers listed hereafter has been conducted and, therefore, no representation can be made that such employers will continue to maintain their status as major employers in Arapahoe County.

Major Employers in Arapahoe County

Name of Employer	Product or Service	Number of Employees
Cherry Creek School District No. 5	Education	6,900
Adams Arapahoe Aurora Public Schools	Education	5,100
City of Aurora	Government	4,400
Arapahoe County	Government	2,300
Littleton School District	Education	2,200
Colorado State Department of Health	Government	2,000
Columbia HCA Swedish	Healthcare	2,000
Fidelity Brokerage Services LLC	Financial services	1,900
Columbia HCA Medical Center of Aurora	Healthcare	1,600
United Launch Alliance LLC	Rocket launch services	1,500

Source: Colorado Department of Labor and Employment as posted in the Arapahoe County *Annual Comprehensive Financial Report* for the year ended December 31, 2024.

Current Construction

The following table provides a history of building permits issued for residential and commercial construction in unincorporated Arapahoe County for the years indicated.

Building Permits Issued in Unincorporated Arapahoe County

Year	Single Family		Multi-Family ⁽¹⁾		Commercial/Industrial ⁽²⁾	
	Permits	Value	Units	Value	Permits	Value
2020	419	\$131,472,243	495	\$10,384,727	411	\$114,346,207
2021	451	142,849,938	149	20,032,301	164	114,050,341
2022	225	70,339,747	56	11,365,772	155	100,684,136
2023	184	58,639,165	281	70,026,747	166	138,305,601
2024	265	78,569,005	226	198,074,949	149	115,325,500
2025 ⁽³⁾	173	55,517,946	8	4,696,923	145	202,382,832

(1) Includes apartments, condominiums and townhomes.

(2) Includes commercial remodel, new structure or tenant finish.

(3) Figures are for permits issued from January 1 through November 30, 2025.

Source: Arapahoe County Public Works and Development Department, Building Division.

Foreclosure Activity

The following table presents historical information on foreclosure filings in Arapahoe County. Such information represents the number of foreclosures filed, but it does not take into account the number of foreclosures that were filed and subsequently redeemed or withdrawn.

History of Foreclosures – Arapahoe County

<u>Year</u>	<u>Number of Foreclosures Filed</u>	<u>Percent Change</u>
2020	217	--
2021	103	(52.5)%
2022	625	506.8
2023	546	(12.6)
2024	566	3.7
2025 ⁽¹⁾	634	--

(1) Figures are for foreclosures filed from January 1 through October 31, 2025.

Sources: Colorado Division of Housing (2020 figure) and the Arapahoe County Office of the Public Trustee (2021 to 2025 figures).

TAX MATTERS

General Matters. In the opinion of Bond Counsel, under existing laws, regulations, published rulings and judicial decisions and assuming the accuracy of certain representations and continuous compliance with certain covenants described herein, interest on the Bonds (including any original issue discount properly allocable to the owner of a Bond) is excludable from gross income under federal income tax laws pursuant to the Tax Code, and interest on the Bonds is not a specific item of tax preference for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Tax Code) for the purpose of computing the alternative minimum tax imposed on corporations. The opinions described above assume the accuracy of certain representations and compliance by the District with covenants designed to satisfy the requirements of the Tax Code that must be met subsequent to the issuance of the Bonds. Failure to comply with such requirements could cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The District has covenanted to comply with such requirements. Bond Counsel has expressed no opinion regarding other federal tax consequences arising with respect to the Bonds.

The accrual or receipt of interest on the Bonds may otherwise affect the federal income tax liability of the owners of the Bonds. The extent of these other tax consequences will depend on such owners' particular tax status and other items of income or deduction. Bond Counsel has expressed no opinion regarding any such consequences. Purchasers of the Bonds, particularly purchasers that are corporations (including S corporations and foreign corporations operating branches in the United States of America), property or casualty insurance companies, banks, thrifts or other financial institutions, certain recipients of social security or railroad retirement benefits, taxpayers entitled to claim the earned income credit, taxpayers entitled to claim the refundable credit in Section 36B of the Tax Code for coverage under a qualified health plan or taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, should consult their tax advisors as to the tax consequences of purchasing or owning the Bonds.

Bond Counsel is also of the opinion that, under laws of the State of Colorado in effect on the date of delivery of the Bonds, interest on the Bonds is exempt from Colorado income tax. Bond Counsel has expressed no opinion regarding other tax consequences arising with respect to the Bonds under the laws of the State of Colorado or any other state or jurisdiction.

Original Issue Discount. The Bonds that have an original yield above their respective interest rates, as shown on the inside cover of this Official Statement (collectively, the "Discount Bonds"), are being sold at an original issue discount. The difference between the initial public offering prices of such Discount Bonds and their stated amounts to be paid at maturity constitutes original issue discount treated in the same manner for federal income tax purposes as interest, as described above.

The amount of original issue discount that is treated as having accrued with respect to a Discount Bond or is otherwise required to be recognized in gross income is added to the cost basis of the owner of the Bond in determining, for federal income tax purposes, gain or loss upon disposition of such Discount Bond (including its sale, redemption or payment at maturity). Amounts received on disposition of such Discount Bond that are attributable to accrued or

otherwise recognized original issue discount will be treated as federally tax-exempt interest, rather than as taxable gain, for federal income tax purposes.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discount Bond, on days that are determined by reference to the maturity date of such Discount Bond. The amount treated as original issue discount on such Discount Bond for a particular semiannual accrual period is equal to (a) the product of (i) the yield to maturity for such Discount Bond (determined by compounding at the close of each accrual period) and (ii) the amount that would have been the tax basis of such Discount Bond at the beginning of the particular accrual period if held by the original purchaser, less (b) the amount of any interest payable for such Discount Bond during the accrual period. The tax basis for purposes of the preceding sentence is determined by adding to the initial public offering price on such Discount Bond the sum of the amounts that have been treated as original issue discount for such purposes during all prior periods. If such Discount Bond is sold between semiannual compounding dates, original issue discount that would have been accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

Owners of Discount Bonds should consult their tax advisors with respect to the determination and treatment of original issue discount accrued as of any date, with respect to when such original issue discount must be recognized as an item of gross income and with respect to the state and local tax consequences of owning a Discount Bond. Subsequent purchasers of Discount Bonds that purchase such Discount Bonds for a price that is higher or lower than the “adjusted issue price” of the Discount Bonds at the time of purchase should consult their tax advisors as to the effect on the accrual of original issue discount.

Original Issue Premium. The Bonds that have an original yield below their respective interest rates, as shown on the inside cover of this Official Statement (collectively, the “Premium Bonds”), are being sold at a premium. An amount equal to the excess of the issue price of a Premium Bond over its stated redemption price at maturity constitutes premium on such Premium Bond. A purchaser of a Premium Bond must amortize any premium over such Premium Bond’s term using constant yield principles, based on the purchaser’s yield to maturity (or, in the case of Premium Bonds callable prior to their maturity, generally by amortizing the premium to the call date, based on the purchaser’s yield to the call date and giving effect to any call premium). As premium is amortized, the amount of the amortization offsets a corresponding amount of interest for the period, and the purchaser’s basis in such Premium Bond is reduced by a corresponding amount resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Premium Bond prior to its maturity. Even though the purchaser’s basis may be reduced, no federal income tax deduction is allowed. Purchasers of the Premium Bonds should consult their tax advisors with respect to the determination and treatment of premium for federal income tax purposes and with respect to the state and local tax consequences of owning a Premium Bond.

Backup Withholding. As a result of the enactment of the Tax Increase Prevention and Reconciliation Act of 2005, interest on federally tax-exempt obligations such as the Bonds is subject to information reporting in a manner similar to interest paid on taxable obligations. Backup withholding may be imposed on payments to any owner of the Bonds that fail to provide certain required information including an accurate taxpayer identification number to any person required to collect such information pursuant to Section 6049 of the Tax Code. The reporting requirement

does not in and of itself affect or alter the excludability of interest on the Bonds from gross income for federal income tax purposes or any other federal tax consequence of purchasing, holding or selling federally tax-exempt obligations.

Changes in Federal and State Tax Law. From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to under this heading “TAX MATTERS” or adversely affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds or the market value thereof would be impacted thereby. Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based on existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

Prospective purchasers of the Bonds are advised to consult their own tax advisors prior to any purchase of the Bonds as to the impact of the Code upon their acquisition, holding or disposition of the Bonds.

LEGAL MATTERS

Litigation

There is no litigation now pending or threatened which questions the validity of the Bonds or any proceedings the District has taken with respect to the issuance or sale thereof or which would affect the District’s ability to pay the Bonds from the sources pledged therefore. The District is, however, subject to certain pending and threatened litigation or administrative proceedings regarding various other matters arising in the ordinary course of the District’s business. It is the opinion of General Counsel to the District that the pending litigation will not result in final judgments against the District which would, individually or in the aggregate, materially adversely affect the District’s financial position or its ability to perform its obligations to the owners of the Bonds.

Sovereign Immunity

The Colorado Governmental Immunity Act, Title 24, Article 10, Part 1, C.R.S. (the “Immunity Act”), provides that, with certain specified exceptions, sovereign immunity acts as a bar to any action against a public entity, such as the District, for injuries which lie in tort or could lie in tort.

The Immunity Act provides that sovereign immunity is waived by a public entity for injuries occurring as a result of certain specified actions or conditions, including: the operation of a non-emergency motor vehicle (including a light rail car), owned or leased by the public entity; the operation of any public hospital, correctional facility or jail; a dangerous condition of any public building; certain dangerous conditions of a public highway, road or street; failure to perform

an education employment required background check; and the operation and maintenance of any public water facility, gas facility, sanitation facility, electrical facility, power facility or swimming facility by such public entity. Financial immunity is also waived for serious bodily injury or death resulting from an incident of school violence (murder, first degree assault or felony sexual assault). In such instances, the public entity may be liable for injuries arising from an act or omission of the public entity, or an act or omission of its public employees, which occur during the performance of their duties and within the scope of their employment.

The maximum amounts that may be recovered under the Immunity Act for injuries occurring on or after January 1, 2026, whether from one or more public entities and public employees, are as follows: (a) for any injury to one person in any single occurrence, the sum of \$505,000; (b) for an injury to two or more persons in any single occurrence, the sum of \$1,421,000; except in such instance, no person may recover in excess of \$505,000. These amounts increase every four years pursuant to a formula based on the Denver-Aurora-Greeley Consumer Price Index, and the maximum recovery amounts for injuries occurring before January 1, 2026, are lower than the amounts listed in this paragraph. The District may increase any maximum amount that may be recovered from the District for certain types of injuries. However, the District may not be held liable either directly or by indemnification for punitive or exemplary damages unless the District voluntarily pays such damages in accordance with State law. The District has not acted to increase the damage limitations in the Immunity Act.

The District may be subject to civil liability and damages including punitive or exemplary damages under federal laws, and it may not be able to claim sovereign immunity for actions founded upon various federal laws. Examples of such civil liability include suits filed pursuant to Section 1983 of Title 42 of the United States Code, alleging the deprivation of federal constitutional or statutory rights of an individual. In addition, the District may be enjoined from engaging in anti-competitive practices which violate federal and State antitrust laws.

Approval of Certain Legal Proceedings

The approving opinion of Butler Snow LLP, as Bond Counsel, will be delivered with the Bonds. The form of the Bond Counsel opinion is attached to this Official Statement as Appendix D. Butler Snow LLP, Denver, Colorado, has also acted as Special Counsel to the District in connection with this Official Statement. Certain matters will be passed upon for the District by its General Counsel. Stradling Yocca Carlson & Rauth LLP, Denver, Colorado, is acting as counsel to the Underwriters.

Certain Constitutional Limitations

TABOR - General. In 1992, Colorado voters approved TABOR as Article X, Section 20 of the Colorado constitution. In general, TABOR restricts the ability of the State and local governments to increase revenues and spending, to impose taxes and to issue debt and certain other types of obligations without voter approval in advance. TABOR generally applies to the State and all local governments, including school districts (“local governments”), but does not apply to “enterprises,” defined as government-owned businesses authorized to issue revenue bonds and receiving under 10% of annual revenue in grants from all state and local governments combined.

Because some provisions of TABOR are unclear, litigation seeking judicial interpretation of its provisions has been commenced on numerous occasions since its adoption and

additional litigation may be commenced in the future seeking further interpretation of TABOR. No representation can be made as to the overall impact of TABOR on the future activities of the District, including its ability to generate sufficient revenues for its general operations, to undertake additional programs or to engage in any subsequent financing activities.

Voter Approval Requirements and Limitations on Taxes, Spending, Revenues and Borrowing. TABOR requires voter approval in advance for: (a) any new tax, tax rate increase, mill levy above that imposed in the prior year, valuation for assessment ratio increase, extension of an expiring tax, or a tax policy change causing a net tax revenue gain; (b) any increase in a local government's spending from one year to the next in excess of the limitations described below; (c) any increase in the real property tax revenues of a local government from one year to the next in excess of the limitations described below; or (d) creation of any multiple-fiscal year direct or indirect debt or other financial obligation whatsoever (subject to certain exceptions such as the refinancing of obligations at a lower interest rate). Issuance of the Bonds was approved by District voters at the Election.

TABOR limits increases in government spending and property tax revenues to, generally, the rate of inflation and a local growth factor which is based, for school districts, upon the percentage change in enrollment from year to year. Unless voter approval is obtained as described above, revenues collected in excess of these permitted spending limitations must be rebated. Debt service, however, including the debt service on the Bonds, can be paid without regard to any spending limits, assuming revenues are available to do so.

At the November 2020 election, the District's voters approved an election question which authorizes the District to collect, retain and spend all revenues of the District as a voter approved revenue change and an exception to the limits that would otherwise apply under TABOR.

Emergency Reserve Funds. TABOR also requires local governments to establish emergency reserve funds. The reserve fund must consist of at least 3% of fiscal year spending. TABOR allows local governments to impose emergency taxes (other than property taxes) if certain conditions are met. Local governments are not allowed to use emergency reserves or taxes to compensate for economic conditions, revenue shortfalls, or local government salary or benefit increases. According to the District, it has budgeted emergency reserves as required by TABOR.

Other Limitations. TABOR also prohibits new or increased real property transfer tax rates and local government income taxes. TABOR allows local governments to enact exemptions and credits to reduce or end business personal property taxes; provided, however, the local governments' spending is reduced by the amount saved by such action. With the exception of K-12 public education and federal programs, TABOR also allows local governments (subject to certain notice and phase-out requirements) to reduce or end subsidies to any program delegated for administration by the general assembly; provided, however, the local governments' spending is reduced by the amount saved by such action.

Police Power

The obligations of the District are subject to the reasonable exercise in the future by the State and its governmental bodies of the police power inherent in the sovereignty of the State and to the exercise by the United States of America of the powers delegated to it by the Federal Constitution, including bankruptcy.

MUNICIPAL ADVISOR

Hilltop Securities Inc., Denver, Colorado, are serving as Municipal Advisor to the District with respect to the sale of the Bonds. The Municipal Advisor has assisted in the preparation of this Official Statement and in other matters relating to the planning, structuring, rating and issuance of the Bonds. The Municipal Advisor has not undertaken either to make an independent verification of or to assume responsibility for the accuracy or completeness of the information contained in the Official Statement and the appendices hereto.

RATINGS

Moody's Investors Service ("Moody's") and S&P Global Ratings, a business unit of a Standard & Poor's Financial Services LLC ("S&P"), have assigned the Bonds the respective Intercept Ratings shown on the cover page of this Official Statement as a result of the State Intercept Program. Moody's and S&P also have assigned the Bonds the respective Underlying Ratings shown on the cover page of this Official Statement. An explanation of the significance of any ratings given by Moody's may be obtained from Moody's at 7 World Trade Center at 250 Greenwich Street, New York, New York 10007. An explanation of the significance of any ratings given by S&P may be obtained from S&P at 55 Water Street, New York, New York 10041.

Such ratings reflect only the views of the rating agencies, and there is no assurance that the ratings will continue for any given period of time or that the ratings will not be revised downward or withdrawn entirely by the applicable rating agency if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price or liquidity of the Bonds. Other than its obligations under the Disclosure Certificate, the District has not undertaken any responsibility to bring to the attention of the owners of the Bonds any proposed change in or withdrawal of such rating once received or to oppose any such proposed revision.

INDEPENDENT AUDITORS

The audited basic financial statements of the District for the fiscal year ended June 30, 2025, included in this Official Statement as Appendix A, have been audited by CliftonLarsonAllen LLP, independent certified public accountants, Greenwood Village, Colorado, to the extent and for the period indicated in their report thereon.

The District will not obtain a consent letter from its auditor for the inclusion of the audit report in this Official Statement. CliftonLarsonAllen LLP, the District's independent auditor, has not been engaged to perform, and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. CliftonLarsonAllen LLP also has not performed any procedures relating to this Official Statement.

UNDERWRITING

General. The Underwriters have agreed to purchase the Bonds at a purchase price of \$_____ (representing the par amount of the Bonds, plus net original issue premium of \$_____, and less Underwriters' discount of \$_____).

The Underwriters are committed to take and pay for all of the Bonds if any are taken. The Bonds are being offered for sale to the public at the prices or yields shown on the cover

of this Official Statement. The Underwriters may allow concessions from the public offering price to certain dealers who may realow concessions to other dealers. After the initial public offering price, prices may be varied from time to time by the Underwriters, and the Bonds may be offered and sold at prices other than the initial offering prices, including sales to dealers who may sell such Bonds into investment accounts.

No guarantee can be made that a secondary market for the Bonds will develop or be maintained by the Underwriters or by others. Thus, prospective investors should be prepared to hold their Bonds to maturity.

Information Provided by the Underwriters. The Underwriters and their respective affiliates comprise full service financial institutions engaged in activities which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. The Underwriters and their respective affiliates may have provided, and may in the future provide, a variety of these services to the District and to persons and entities with relationships with the District, for which they received or will receive customary fees and expenses.

In the ordinary course of these business activities, the Underwriters and their respective affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the District (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the District.

The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire such assets, securities and instruments. Such investment and securities activities may involve securities and instruments of the District.

Information Provided by Stifel, Nicolaus & Company, Incorporated (“Stifel”). Stifel made a voluntary contribution to the committee that was formed to support the election that authorized the issuance of the Bonds. Stifel has made and may make additional voluntary contributions to various committees or foundations also related to the District.

Information Provided by Piper Sandler & Co (“Piper”). Piper has entered into a distribution agreement (“Distribution Agreement”) with Charles Schwab & Co., Inc. (“CS&Co”) for the retail distribution of certain securities offerings at the original issue prices. Pursuant to the Distribution Agreement, CS&Co will purchase Bonds from Piper at the original issue price less a negotiated portion of the selling concession applicable to any Bonds that CS&Co sells.

Piper made a voluntary contribution to the committee that was formed to support the Election that authorized the issuance of the Bonds. Piper has made and may make additional voluntary contributions to various committees or foundations also related to the District.

Information Provided by Academy Securities, Inc (“Academy”). Academy has entered into third-party distribution agreements with various dealers for the retail distribution of certain municipal securities at the original issue prices. Pursuant to these third-party distribution

agreements, Academy may share a portion of its underwriting compensation with the respective dealers.

OFFICIAL STATEMENT CERTIFICATION

The preparation of this Official Statement and its distribution has been authorized by the Board. This Official Statement is hereby duly approved by the Board as of the date on the cover page hereof.

CHERRY CREEK SCHOOL DISTRICT NO. 5

By: /s/
President, Board of Education

APPENDIX A

AUDITED BASIC FINANCIAL STATEMENTS OF THE DISTRICT FOR THE YEAR ENDED JUNE 30, 2025

NOTE: The audited basic financial statements of the District contained in this Appendix A were excerpted from the District's Annual Comprehensive Financial Report for the year ended June 30, 2025. Certain supplemental schedules (including the combining and individual fund financial statements and other schedules referred to in the attached independent auditor's report) and other information included in the ACFR were purposely excluded from this Official Statement. Such statements provide supporting details and are not necessary for a fair presentation of the basic financial statements of the District.

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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

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, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 Cherry Creek Academy and Heritage Heights Academy were not audited in accordance with *Government Auditing Standards*. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 18 to the financial statements, the District restated beginning net position for governmental activities due to (1) a change in reporting entity resulting from the termination of the charter school contract with Colorado Skies Academy effective June 30, 2024, and (2) the implementation of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, which resulted in the recognition of additional compensated absences liability. Additionally, the District established a new custodial fund to account for the activities of the Front

Range Board of Cooperative Educational Services (BOCES) beginning in fiscal year 2024–2025. Our opinion is not modified with respect to these matters.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension and other postemployment benefit information, and budgetary comparison for the General Fund and the budgetary comparison for the Designated Purpose Grants Fund be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, 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.

Supplementary 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 balance sheet – nonmajor governmental funds, combining statement of revenues, expenditures, and changes in fund balance – nonmajor governmental funds, budgetary comparison schedule for the Bond Redemption Fund, budgetary comparison schedule for the Building Fund, budgetary comparison schedule for the Capital Reserve Fund, budgetary comparison schedule for the Capital Construction, Technology, and Maintenance Fund, budgetary comparison schedule for the Extended Child Services Fund, budgetary comparison schedule for the Food Services Fund, budgetary comparison schedule for the Pupil Activities Fund, the combining statement of net position – component units, combining statement of activities – component units, and the Auditors Integrity Report are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 GAAS. In our opinion, the combining balance sheet – nonmajor governmental funds, combining statement of revenues, expenditures, and changes in fund balance – nonmajor governmental funds, budgetary comparison schedules, combining statement of net position – component units, combining statement of activities – component units, and the Auditors Integrity Report are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and statistical section but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 03, 2025, 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.

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

CliftonLarsonAllen LLP

Denver, Colorado
November 03, 2025

Management's Discussion and Analysis



CherryCreek
Schools
Dedicated to Excellence



CherryCreek
Schools
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Management's Discussion and Analysis

Cherry Creek School District No. 5

Arapahoe County, Colorado

June 30, 2025

As management of the Cherry Creek School District No. 5, Arapahoe County, Colorado (the District), we offer readers of the District's Annual Comprehensive Financial Report (Annual Report) this narrative and analysis of the financial activities of the District for the fiscal year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with additional information that can be found in the Letter of Transmittal.

Financial Highlights

Financial statements presented in the Annual Report include both government-wide financial statements and fund financial statements. The differences in these two presentations are presented in more detail in the following pages.

The District has a negative net position. The governmental liabilities and deferred inflows of resources exceed its assets and deferred outflows of resources by \$683.2 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).

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 \$1,327.2 million as of June 30, 2025. 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. See Note 13 in the Notes to Basic Financial Statements for the full disclosure related to PERA under GASB 68.

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 \$23.5 million as of June 30, 2025. See Note 14 in the Notes to Basic Financial Statements for the full disclosure related to PERA HCTF under GASB 75.

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

Overview of the Financial Statements

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

Government-Wide Financial Statements

The Government-Wide Financial Statements are designed to provide the reader of the District's Annual Report a broad overview of the financial activities in a manner similar to a private sector business. The Government-Wide Financial Statements include the Statement of Net 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 consolidates the General Fund, Debt Service Fund, Capital Projects Funds, and Special Revenue Funds. The District only reports governmental activities since it does not currently have any business-type activities.

Fund Financial Statements

Fund financial statements are designed to demonstrate compliance with finance-related requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific objectives. Fund financial statements are divided

into three categories: governmental funds, fiduciary funds, and proprietary funds. The fund type presented by the District includes governmental funds and a fiduciary fund. The District currently does not have activities that require the use of the proprietary fund.

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 nine different governmental funds. The major funds are the General Fund, the Capital Projects - Building Fund, the Debt Service - Bond Redemption Fund, the Capital Projects - Capital Reserve Fund, and the Special Revenue - Designated Purpose Grants Fund. They are presented separately in the fund financial statements with the remaining governmental funds combined into a single aggregated presentation labeled Nonmajor Governmental Funds. Individual fund information for the nonmajor governmental funds is presented as Supplementary Information elsewhere in this document.

The District adopts an annual appropriated budget for each of the governmental funds. A budgetary comparison schedule for the General Fund and the Special Revenue - Designated Purpose Grants Fund are included in the Required Supplementary information to demonstrate compliance with the adopted budget. The remaining governmental funds budgetary comparisons are reported as Supplementary Information.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because these sources of funds are not available to support the district's direct educational programs. The accounting method used for fiduciary funds is much like that used for proprietary funds. The District has one fiduciary fund – Front Range Board of Cooperative Educational Services (BOCES).

Notes to the Basic Financial Statements

The Notes to the Basic Financial Statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Supplementary Information

In addition to the Basic Financial Statements and accompanying notes, the Annual Report 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.

Accounting Pronouncements

For fiscal year 2024–2025, the District implemented GASB Statement No. 101, *Compensated Absences*. This statement establishes a consistent approach for recognizing and measuring compensated absences, such as vacation and sick leave. Under GASB 101, a liability is recognized as leave is earned, rather than when it becomes vested or payable. The implementation of this standard represents a change in accounting principle, and the District has retrospectively restated prior periods in the government-wide financial statements to reflect the new accounting treatment. As a result, beginning net position was reduced by approximately \$13.5 million, and reported liabilities increased by the same amount to recognize the cumulative effect of this change. This implementation enhances consistency with current accounting guidance and improves comparability with other governmental entities.

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 represent a consumption of net assets that applies to future periods. 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 2025-2026. 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 2025-2026.

Deferred inflows of resources represent an acquisition of net assets that applies to future periods. 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 \$683.2 million.

The net position of the District's governmental activities includes net investment of \$233.4 million in land, improvements, buildings, equipment, and vehicles; net position of \$130.6 million, accumulated due to voter approved bonded debt mill levy assessments, restricted to provide resources to liquidate the current general obligation bond principal and related interest payments; net position of Food Services operations of \$0.3 million restricted for that fund's use only; the required emergency reserves of \$28.1 million have also been restricted; and the remaining balance is an unrestricted net deficit balance of \$1,075.6 million.

The unrestricted balance is negative due to the effects of GASB 68 and GASB 75. The unrestricted balance is also different than what would be reflected on a governmental fund accounting basis due to the accounting treatment in the government-wide statements of accrued salaries and benefits earned but unpaid and compensated absences payable. The \$61.2 million long-term portion of compensated absences is recorded as a liability on the Government-Wide Statements, but not on the governmental fund statements because they are not payable with current funds. The GASB 68 NPL of \$1,327.2 million and the GASB 75 OPEB liability of \$23.5 million are also reported in the same manner.

The total net position of the District's governmental activities decreased by \$28.8 million during fiscal year 2024-2025. While fund balance on a governmental fund basis increased, several large factors impact differences between the two methods. The reconciliation between the two methods is found on the schedule titled Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government-wide Statement of Activities. The last two reconciling items on that schedule shows the effect of GASB 68 and GASB 75 on net position. The District's share of the NPL of PERA decreased by \$61.2 million (from \$1,388.4 million at June 30, 2024 to \$1,327.2 million at June 30, 2025) while deferred inflows of resources related to PERA decreased by \$42.9 million (from \$76.9 million at June 30, 2024 to \$34.0 million at June 30, 2025) and deferred outflows of resources related to PERA decreased by \$125.7 million (from \$401.0 million at June 30, 2024 to \$275.3 million at June 30, 2025).

The net impact of the changes in NPL and deferred inflows and outflows of resources related to PERA is an increase in pension expense reflected in the Statement of Activities. The District's share of the net OPEB liability is \$23.5 million at June 30, 2025, compared to \$33.5 million at June 30, 2024. This decrease of \$10.0 million along with smaller changes in deferred inflows and outflows of resources related to OPEB have the impact of reducing expenses.

The total net position of the District's governmental activities decreased while the fund balance of the District's governmental funds increased. 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 and the spending of funds for capital outlay. On a governmental fund basis, the capital outlays 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 and amortization 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 \$24.0 million increase in net position and the net effect of debt related activity is an decrease of \$320.1 million in net position while the effect of GASB 68 and GASB 75 is a decrease in net position of \$13.1 million on a government-wide basis compared to the impact on changes in fund balance on a governmental fund basis.

Cherry Creek School District No. 5
Comparative Summary of Net Position
as of June 30, 2025 and 2024
(in millions)

	Primary Government Governmental Activities	
	<u>2025</u>	<u>2024</u>
Assets:		
Capital assets	\$ 1,020.2	\$ 996.2
Other assets	<u>653.5</u>	<u>339.1</u>
Total assets	<u>1,673.7</u>	<u>1,335.3</u>
Deferred Outflows of Resources	<u>281.2</u>	<u>406.3</u>
Liabilities:		
Current liabilities	190.2	114.9
Noncurrent liabilities	<u>2,400.8</u>	<u>2,179.7</u>
Total liabilities	<u>2,591.0</u>	<u>2,294.6</u>
Deferred Inflows of Resources	<u>47.1</u>	<u>87.9</u>
Net Position:		
Net investment in capital assets	233.4	270.7
Restricted	159.0	110.0
Unrestricted	<u>(1,075.6)</u>	<u>(1,021.6)</u>
Total Net Position	<u>\$ (683.2)</u>	<u>\$ (640.9)</u>

Net position for 2024 was not restated as presented above for the implementation of GASB 101.

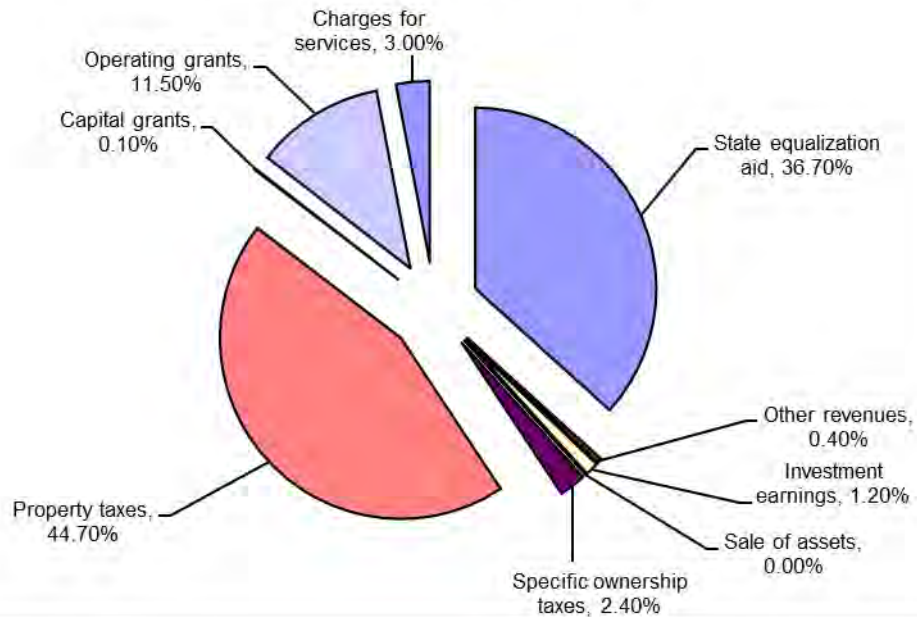


Government-Wide Activities

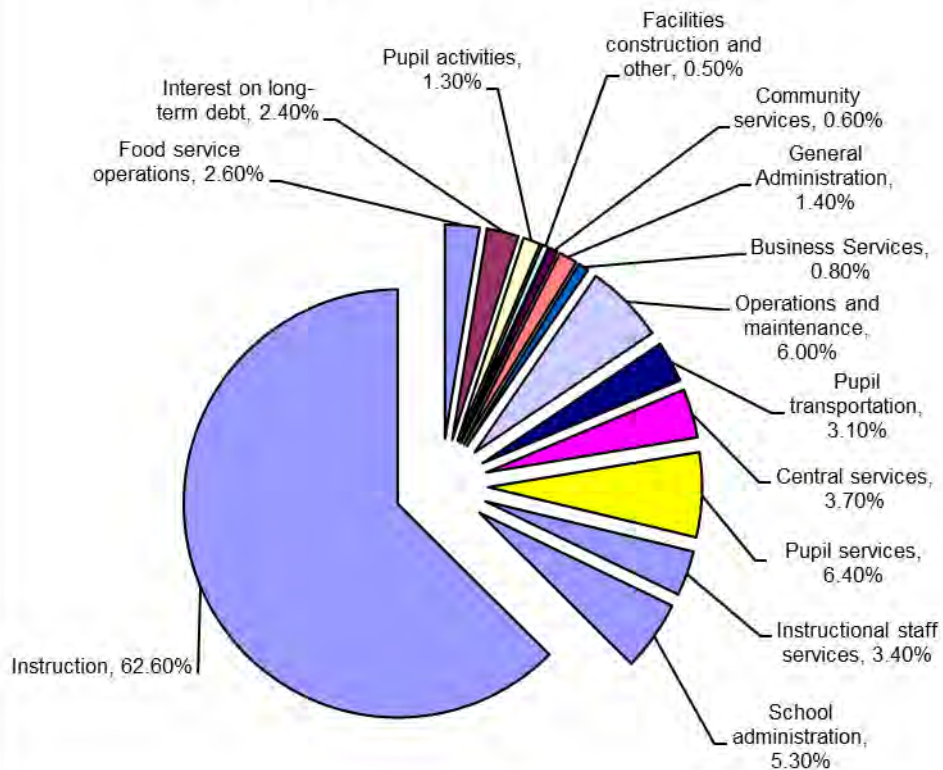
Governmental Activities decreased the net position of the District by \$28.8 million.

Cherry Creek School District No. 5 Comparative Schedule of Changes in Net Position as of and for the fiscal year ended June 30, 2025 and 2024 (in millions)		
	Primary Government Governmental Activities	
	2025	2024
Revenues:		
Program revenues		
Charges for services	\$ 32.0	\$ 32.3
Operating grants and contributions	122.8	129.8
Capital grants and contributions	0.9	1.3
General unrestricted revenues		
Property taxes	476.5	418.3
Specific ownership taxes	25.8	24.4
Investment earnings	12.7	11.0
Other revenues	4.5	5.0
State equalization aid	391.0	362.1
Total revenues	<u>1,066.2</u>	<u>984.2</u>
Expenses:		
Governmental activities		
Instruction	684.3	642.0
Indirect instruction		
Pupil services	69.7	61.2
Instructional staff services	37.1	36.0
School administration	58.0	51.0
Support services		
General administration	15.7	13.7
Business services	8.7	8.7
Operations and maintenance	66.2	55.1
Pupil transportation	33.6	33.6
Central services	40.4	32.6
Community services	6.4	5.5
Pupil activities	14.0	12.8
Food services operations	28.5	28.0
Facilities construction and other	5.6	5.7
Interest on long-term debt	26.8	20.1
Total expenses	<u>1,095.0</u>	<u>1,006.0</u>
Changes in net position	(28.8)	(21.8)
Net position beginning of year	(654.4) *	(619.1)
Net position end of year	<u>\$ (683.2)</u>	<u>\$ (640.9)</u>
* The prior year net position is restated by (\$13.5) million from the implementation of GASB 101.		

Government-Wide Revenues fiscal year ended June 30, 2025



Government-Wide Expenses fiscal year ended June 30, 2025



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 \$28.9 million during the fiscal year, while property taxes also increased by \$58.2 million during the year. The State economy continued its expansion and was able to substantially increase school funding for the 2024-2025 fiscal year. Per pupil funding for fiscal year 2024-2025 was \$11,428, which is an increase of \$750 per pupil (7.0%) over the prior fiscal year. Student enrollment decreased by a funded FTE count of 740.

Starting in August 2023, Colorado implemented Universal Preschool across the state. This voluntary program aims to ensure that every Colorado child in the year before they are eligible for kindergarten receives up to 15 hours of funded preschool each week for the August through May school year to attend a high-quality preschool of their choice. The District implemented Universal Preschool during the 2023-2024 fiscal year and received \$9.6 million in state funding for the program in fiscal year 2024-2025.

In November 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 \$64.9 million for fiscal year 2024-2025.

In November 2020, District voters approved a budget election to initially raise \$35.0 million in additional operating revenues to be deposited in the Special Revenue - Capital Construction, Technology and Maintenance Fund. The revenue is used for providing ongoing cash funding for the capital construction, new technology, existing technology upgrade, and maintenance needs of the District. This funding is tied to the inflation rate and was funded at \$45.1 million for the 2024-2025 fiscal year.

In November 2024, District voters approved a budget election to initially raise \$9.0 million in additional operating revenue for the 2024-2025 fiscal year with a phased-in mill levy increase to be deposited in the General Fund. The revenue will help supplement the operating budget, including expenses such as salaries

and benefits, staffing to maintain class size, computers and classroom technology, curriculum and instructional supplies and programming, transportation, utility costs, and other expenses.

Investment income increased from prior year due to market interest rates remaining high. Rates were unusually low in prior years. The District saw a significant increase in market interest rates starting in the 2022-2023 fiscal year and rates continued to be high in the current fiscal year.

Charges for services include tuition paid into the District's Extended Child Services Fund along with pupil activities revenue and food services sales. During fiscal year 2024-2025, school activities and the Extended Child Services program were consistent with prior year. Beginning in fiscal year 2023-2024, the Healthy School Meals for All program allowed public School Food Authorities (SFAs) participating in the National School Lunch and School Breakfast Programs to provide free meals to all students. As a result, the District's charges for services remains low while state grant funding is consistent with prior year.

Total governmental activities expenses increased by \$89.0 million. This large variance from year to year is primarily the result of adjustments related to the PERA NPL and OPEB. In the prior year, the changes in these two factors had the effect of increasing expenses by over \$25 million, while the current year adjustment increases expense by over \$13 million when compared to the Governmental Funds Statements. General Fund expenditures increased with the ability to increase staffing and salaries because of increased State funding and the District's unexpected success in hiring permanent staff to provide services for special education and English language learners. These positions had previously been vacant for extended periods of time which caused the District to contract for these services. Furthermore, the Capital Projects – Building Fund had an increase in expenses as a result of the \$950 million bond election, and the Capital Projects - Capital Reserve Fund and capital Construction Technology and Maintenance Fund expenditures increased due to budgeted capital projects. Other funds maintained spending similar to the prior year.

Financial Analysis of the Governmental Funds

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

Fund balance of the District's governmental funds increased \$275.3 million resulting in an ending fund balance of \$530.1 million.

The General Fund had a decrease in fund balance of \$22.8 million. The General Fund is discussed more fully later in this analysis.

The Capital Projects - Building Fund had an increase in fund balance of \$282.0 million. In November 2024, the District voters approved a \$950.0 million bond election to fund safety and security, innovation, new construction/renovations, technology, and maintenance. In the 2024-2025 fiscal year, the District issued one of three planned tranches for the total of \$950.0 million. The remaining proceeds from this bond issue not yet spent on projects reside in the Capital Projects – Building Fund. Planned capital outlay associated with those projects during the year is reflected as expenditure and reduces fund balance.

The Debt Service – Bond Redemption Fund had property tax and earnings on investments in excess of required payments on outstanding debt which resulted in an increase in fund balance of \$47.0 million. The Debt Service - Bond Redemption Fund has adequate resources accumulated to make the December 2025 principal and interest payments. The mill levy to accumulate resources for the June 2026 and December 2026 principal and interest payments will be certified in December 2025.

The Capital Projects - Capital Reserve Fund had a decrease in fund balance of \$17.4 million for budgeted projects related to the safety, security, asset preservation, and the maintenance needs of schools and facilities. The decrease in fund balance primarily reflects expenditures related to these projects.

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

Other governmental funds show a decrease of \$13.5 million in fund balance. The Special Revenue - Capital Construction, Technology and Maintenance Fund shows expenditures in excess of property tax revenue. The accumulation of fund balance in this fund was used for capital construction, new technology, existing technology upgrade, and maintenance needs of the District. Fund balance also decreased in the Extended Child Services Fund as a result of salary increases and increased staffing due to higher participation in the program. Fund balance in the Pupil Activities Fund decreased as student activity levels have normalized following the COVID-19 pandemic. The Food Services Fund experienced a slight decrease in fund balance due to increased purchases associated with the implementation of the Healthy School Meals for All program, as the number of meals served continues to grow.

The unassigned fund balance for the District at the end of the fiscal year includes \$2.5 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, \$6.1 million; 2) restricted for construction, \$300.5 million; restricted to pay debt service, \$126.6 million; restricted for food service operations, \$0.3 million; restricted for capital construction, technology and maintenance, \$1.0 million; and restricted for emergency reserves, \$28.1 million; 3) committed to specific Extended Child Services activities, \$4.1 million; committed to Pupil Activity activities, \$7.9 million; and committed to multiple year commitments of \$1.4 million and 4) assigned for Capital Reserve Fund activities, \$11.6 million and for a variety of other assigned purposes, \$40.1 million. The District maintains required reserves, including the TABOR reserve and a Board-designated reserve equal to a minimum of three percent of fiscal year spending.

The State is required to give an annual direct distribution to PERA. 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 in the amount of \$10.9 million.

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.

During the current fiscal year, the fund balance in the General Fund decreased by \$22.8 million. Per pupil funding for fiscal year 2024-2025 was \$11,428, which is an increase of \$650 per pupil from the prior fiscal year. Student enrollment decreased by a funded FTE count of 740. The Universal Preschool state program continues to be under funded and therefore, actuals were below projections.

Miscellaneous revenue was conservatively budgeted and actual receipts exceeded budget. Other revenue was consistent with budget.

The District was able to keep actual expenditures within budget. The positive expenditure variance is the result of voter approval of a budget election to raise \$45.1 million in additional operating revenues to be deposited in the Special Revenue - Capital Construction, Technology and Maintenance Fund. This helps to offset costs that would otherwise have been spent from the General 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 \$822.9 million. Unassigned fund balance represents 0.3% of expenditures while total fund balance represents 8.7% of budget-based expenditures. The decrease in unassigned fund balance during fiscal year 2024-2025 is due to the assigned fund balance for a budgeted one time spend down of \$12.6 million in fund balance during fiscal year 2025-2026. The District expects to rebuild fund balance over the next two to three years by allocating the growth in its mill levy override tax revenue directly to fund balance.

The components of the fund balance are as follows:

Cherry Creek School District No. 5 Fund Balance Components: General Fund June 30, 2025 and 2024		
	General Fund	
	2025	2024
Nonspendable for:		
Prepayments and deposits	\$ 809,093	\$ 4,767,238
Inventories	1,736,561	1,786,045
Restricted for:		
Emergency Reserve	24,687,000	22,769,000
Committed for:		
Multiple year commitments	1,440,252	1,383,996
Assigned for:		
Future year purchases	1,523,726	1,691,989
Budget carryforward for future year expenditures	1,251,910	6,523,800
Appropriated fund balance for future year expenditures	12,602,289	14,938,607
Board reserve	24,687,000	22,769,000
Unassigned	2,462,440	17,412,582
Total fund balance	<u>\$ 71,200,271</u>	<u>\$ 94,042,257</u>

Capital Assets and Long-term Debt

Capital Assets

The District's investment in capital assets for its governmental activities as of June 30, 2025, amounts to \$1,020.2 million (net of accumulated depreciation and amortization). This investment in capital assets includes land, improvements, buildings, equipment and vehicles, projects in progress, and right-to-use lease equipment and vehicles. The total increase in the District's investment in capital assets for the current fiscal year was \$24.0 million. This increase is the net result of capital additions during the current fiscal year from the \$950.0 million bond election in 2024, less current year depreciation and amortization 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 at various school and administration sites with projects in progress as of the close of the fiscal year at \$135.2 million.
- Major projects included starting work on multiple school and facility renovations as outlined in the \$950.0 million bond issue approved by voters in 2024.

Cherry Creek School District No. 5		
Capital Assets (net of accumulated depreciation and amortization)		
June 30, 2025 and 2024		
(in millions)		
	Governmental Activities	
	<u>2025</u>	<u>2024</u>
Land	\$ 33.0	\$ 33.0
Improvements	23.6	19.2
Buildings	772.2	792.0
Projects in progress	135.2	97.0
Equipment and vehicles	53.6	50.5
Right-to-use lease equipment & vehicles	<u>2.6</u>	<u>4.5</u>
Total capital assets	<u>\$ 1,020.2</u>	<u>\$ 996.2</u>

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

Long-term Debt

At June 30, 2025, the District had total long term debt outstanding of \$1,065.5 million backed by the full faith and credit of the District.

The District’s general obligation bonds increased by \$323.6 million which is the result of the \$950.0 million bond election in 2024. The District issued the first tranche of the total authorized debt during fiscal year 2024-2025.

The District continues to maintain strong General Obligation Bond ratings with an Aa1 rating from Moody’s Investors Service and an AA rating from Standard & Poor’s Corporation.

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 \$1,797.9 million and the legal debt margin was \$1,061.7 million.

Cherry Creek School District No. 5 Long Term Debt June 30, 2025 and 2024 (in millions)		
	Governmental Activities	
	<u>2025</u>	<u>2024</u>
General obligation bonds	\$ 976.9	\$ 653.3
Leases	5.6	8.4
Certificates of participation	<u>83.0</u>	<u>84.3</u>
Total	<u>\$ 1,065.5</u>	<u>\$ 746.0</u>

Additional information on the District’s long-term debt can be found in Notes 9 and 11.

Economic Factors and Next Year’s Budget and Rates

This forecast expects variable federal policies to continue to create uncertainty for consumers and businesses, influencing their behavior, which will have downstream economic impacts. Over the rest of the 2025 year, tariffs are likely to reduce trade volumes, put upward pressure on prices, and dampen consumer spending and business investment.

Based on the State School Finance Act passed in May 2025, the District will receive \$11,797 per pupil which is an increase of \$369 or 3.2% over the prior year. However, the increase in revenue is partially offset by declining student enrollment which is projected to decrease by 1,416 students in fiscal year 2025-2026. The net change to revenue from the School Finance Act when factoring in the increase to the per pupil rate and the decline in enrollment is \$9.3 million for the District’s Operating Plan.

Starting in 2025-26, the School Finance Act reduces the declining-enrollment averaging period from five years to four, and it may be further reduced in future years. This change will create financial pressure for the District as enrollment continues to decline.

The Board of Education assigns the overall responsibility for budget preparation, presentation, and administration to the Superintendent, which is then delegated to the administrative personnel responsible for supervision of school and department operations to develop the annual budget. Senior leadership of the District helped to establish priorities to guide advancement toward a long-term, balanced budget while maintaining commitment to excellence for every student. The District’s proposed budget is prepared considering the needs and values of students, parents, staff, and community. The District’s

proposed budget is prepared using sources and uses from State revenue and new initiatives. Additionally, it is balanced through a combination of a revenue increase and a minimal use of General Fund reserves.

The General Fund budget is typically developed as a balanced budget, aligning expenditures with available revenues. For fiscal year 2025–2026, the District's appropriation contemplates a one-time use of \$15.4 million from fund balance to invest in employees and new educational programs that address the evolving needs of students and advance the District's strategic initiatives. This strategic use of reserves does not jeopardize the District's long-term fiscal stability. The District continues to operate within its means, dedicating new revenues to support investments in its workforce and instructional programs while maintaining a focus on the strategic priorities of Instructional, Workforce, and Operational Excellence. Prudent financial management has ensured sufficient reserves to support this one-time expenditure.

Staffing is planned to use a base 18.50:1 student teacher ratio for instructional staff across Elementary schools, 18.75:1 across Middle schools, 19.00:1 across High schools. Staffing is adjusted to account for student need across all grade levels based on Social Emotional Learning Factors (S.E.L.F.). These factors include poverty indicators, English language learners, average daily attendance (mobility) and home insecurity (homelessness). Baseline mental health support is provided across all locations at the continued 3:2:1 model, along with nursing staff designated for each school. Staff and operational resources in these areas have increased in many locations to meet the ever-growing mental health needs of our students.

Total funds available for compensation adjustments are determined annually based on available funds. A balanced budget remains the goal. On a rotating basis, pay ranges for different employee groups go through a market analysis to determine how far above/below the District is compared to similar positions. If warranted, some pay ranges may be adjusted to align more closely to the market resulting in higher compensation increases than those groups not in the market study. Increases in State funding along with estimated run rate savings, allowed the District to make significant investments in our people, our students and other areas of the organization with minimal use of fund balance. Fiscal year 2025-2026 salary increased by 3% across all staff. Additional

adjustments were made to Certified/Licensed, Professional Technical, and Staff Support employees.

With voter approval in November 2024 in support of ballot measure 4A –Mill Levy Override Initiative, the taxpayers agreed to invest \$9 million in ongoing operational expenses, including expenses such as salaries and benefits, staffing to maintain class size, computers and classroom technology, curriculum and instructional supplies and programming, transportation, utility costs, and other expenses related to District's commitment to academic excellence and the highest quality educational programs. The levy amount includes phased-in annual increases. As of June 30, 2025, the District has seven (8) series of general obligation bonds outstanding for a combined par amount of \$862,810,000. Total debt service outstanding on the District's bonds is \$1,279,915,046 and principal is amortized annually through the final payment in fiscal year 2043-2044. The District's outstanding bonds consist of new money and refunding bonds; new money proceeds were used for capital projects as approved by voters at various elections and refunding proceeds were used to refund previously issued bonds for interest and debt service savings. With voter approval in November 2024, the District received authorization for \$950 million in general obligation bonds and currently has \$633,330,000 unissued general obligation bond authorization outstanding.

As a result of a PERA Bill passed in 2018, PERA rates are subject to an annual "trigger" process that is based on Actuarially Determined Contribution in the Annual Financial Report. For fiscal year 2024-2025, there was "No Trigger" to the PERA rate, the PERA employer contribution rate is set at 21.4%. However, it is possible for another trigger to occur in fiscal year 2025-2026.

Requests for Information

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

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



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Basic Financial Statements



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CHERRY CREEK SCHOOL DISTRICT NO. 5

ARAPAHOE COUNTY, COLORADO

STATEMENT OF NET POSITION

June 30, 2025

	Primary Government Governmental Activities	Component Unit Charter Schools
ASSETS		
Current Assets		
Cash and investments	\$ 615,455,729	\$ 10,469,126
Receivables, net		
Property taxes	21,544,847	-
Other governments	8,176,839	-
Other	2,168,240	161,532
Prepayments and deposits	3,287,022	84,855
Inventories	2,826,433	-
Total Current Assets	653,459,110	10,715,513
Capital Assets		
Land	33,059,180	5,280,529
Improvements	53,975,764	3,461,047
Buildings	1,419,387,242	19,528,192
Equipment and vehicles	185,382,886	998,795
Right-to-use lease equipment and vehicles	18,760,231	169,003
Projects in progress	135,233,957	-
Less accumulated depreciation and amortization	(825,600,225)	(5,025,532)
Total Capital Assets	1,020,199,035	24,412,034
Total Assets	1,673,658,145	35,127,547
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources related to pensions	275,257,288	4,549,350
Deferred outflows of resources related to OPEBs	5,719,590	179,867
Deferred outflows on refunding	224,767	30,785
Total Deferred outflows of resources	281,201,645	4,760,002
LIABILITIES		
Current liabilities		
Accounts and other current payables	37,181,034	140,359
Accrued interest payable	1,720,844	39,015
Accrued salaries and benefits	44,720,555	905,077
Unearned revenues	22,751,882	38,307
General obligation bonds	73,075,000	619,694
Certificates of participation	1,180,000	-
Lease obligations	2,394,328	45,328
Compensated absences payable	7,178,086	-
Total Current liabilities	190,201,729	1,787,780
Noncurrent liabilities		
General obligation bonds	903,803,885	11,726,766
Certificates of participation	81,838,865	-
Lease payable	3,192,572	64,706
Compensated absences payable	61,235,393	-
Net OPEB liability	23,548,015	311,299
Net pension liability	1,327,185,957	17,545,070
Total Noncurrent Liabilities	2,400,804,687	29,647,841
Total Liabilities	2,591,006,416	31,435,621
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources related to pensions	33,980,599	628,483
Deferred inflows of resources related to OPEBs	13,118,797	189,712
Total Deferred Inflows of Resources	47,099,396	818,195
NET POSITION		
Net investment in capital assets	233,439,016	11,986,325
Restricted for:		
Debt service	130,575,376	407,422
Emergency reserve	28,103,000	499,100
Food service	313,645	-
Repair and replacement	-	50,187
Unrestricted	(1,075,677,059)	(5,309,301)
Total Net Position	\$ (683,246,022)	\$ 7,633,733

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, 2025

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES:				
Instruction	\$ 684,307,138	\$ 15,852,960	\$ 72,495,885	\$ 931,735
Indirect instruction				
Pupil services	69,673,425	-	10,546,469	-
Instructional staff services	37,093,818	100,975	6,719,648	-
School administration	57,985,106	-	342,805	-
Support services				
General administration	15,744,250	-	-	-
Business services	8,659,626	58,895	-	-
Operations and maintenance	66,241,220	74,255	-	-
Pupil transportation	33,569,071	42,899	6,538,445	-
Central services	40,396,023	-	1,173	-
Community services	6,399,010	177,411	-	-
Pupil activities	13,965,788	14,250,198	-	-
Food service operations	28,572,781	1,394,482	26,134,788	-
Facilities construction and other services	5,637,313	-	-	-
Interest on long-term debt, unallocated	26,863,973	-	-	-
Total Governmental activities	<u>1,095,108,542</u>	<u>31,952,075</u>	<u>122,779,213</u>	<u>931,735</u>
 Total Primary Government	 <u>\$ 1,095,108,542</u>	 <u>\$ 31,952,075</u>	 <u>\$ 122,779,213</u>	 <u>\$ 931,735</u>
 Component Unit - Charter schools	 <u>\$ 18,254,431</u>	 <u>\$ 1,200,093</u>	 <u>\$ 370,704</u>	 <u>\$ 418,014</u>

GENERAL UNRESTRICTED REVENUES:

Taxes:

Property taxes

Specific ownership taxes

Investment earnings

Other revenues

State equalization aid

Total general unrestricted revenues

Changes in net position

Net Position, Beginning, as Originally Reported

Change in Accounting Principle (GASB 101)

Change to the Financial Reporting

Entity (charter school non-renewal)

Net Position, Beginning, as Restated

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
\$ (595,026,558)	\$ (10,768,750)
(59,126,956)	-
(30,273,195)	-
(57,642,301)	-
(15,744,250)	(5,150,786)
(8,600,731)	-
(66,166,965)	-
(26,987,727)	-
(40,394,850)	-
(6,221,599)	-
284,410	-
(1,043,511)	-
(5,637,313)	-
(26,863,973)	(346,084)
(939,445,519)	(16,265,620)
<u>\$ (939,445,519)</u>	<u>-</u>
-	(16,265,620)
476,455,011	4,161,293
25,826,049	-
12,741,116	344,474
4,502,176	373,761
391,030,704	12,940,840
910,555,056	17,820,368
(28,890,463)	1,554,748
(640,878,126)	2,200,027
(13,477,433)	-
-	3,878,958
(654,355,559)	6,078,985
<u>\$ (683,246,022)</u>	<u>\$ 7,633,733</u>

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

**BALANCE SHEET
GOVERNMENTAL FUNDS**

June 30, 2025

	General Fund	Debt Service - Bond Redemption Fund	Capital Projects - Building Fund	Capital Reserve Fund
ASSETS				
Cash and investments	\$ 104,754,389	\$ 125,299,442	\$ 337,542,307	\$ 12,897,929
Receivables, net				
Property taxes	11,421,112	7,390,095	-	-
Other governments	-	-	-	-
Other	2,102,538	45,337	-	-
Interfund receivables	10,910,582	-	-	-
Prepayments and deposits	809,093	-	476,328	-
Inventories	1,736,561	-	-	-
Total Assets	<u>\$ 131,734,275</u>	<u>\$ 132,734,874</u>	<u>\$ 338,018,635</u>	<u>\$ 12,897,929</u>
LIABILITIES				
Accounts payable and retainage payable	\$ 8,223,971	\$ -	\$ 24,719,342	\$ 621,960
Other payables	88,271	-	1,647,170	150,334
Interfund payables	-	438,654	10,697,867	-
Accrued salaries and benefits	41,869,985	-	-	-
Unearned revenues	-	-	-	-
Compensated absences	4,013,382	-	-	-
Total Liabilities	<u>54,195,609</u>	<u>438,654</u>	<u>37,064,379</u>	<u>772,294</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable property tax revenues	<u>6,338,395</u>	<u>5,697,779</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable for:				
Prepayments and deposits	809,093	-	476,328	-
Inventories	1,736,561	-	-	-
Restricted for:				
Construction	-	-	300,477,928	-
Debt service	-	126,598,441	-	-
Emergency reserve	24,687,000	-	-	561,000
Capital construction, technology, and maintenance	-	-	-	-
Food service operations	-	-	-	-
Committed for:				
Multiple year commitments	1,440,252	-	-	-
Extended Child Services Fund activities	-	-	-	-
Pupil Activities Fund activities	-	-	-	-
Assigned for:				
Future year purchases	1,523,726	-	-	-
Budget carryforward for future year expenditures	1,251,910	-	-	-
Appropriated fund balance for future year expenditures	12,602,289	-	-	-
Board reserve	24,687,000	-	-	-
Capital Reserve Fund activities	-	-	-	11,564,635
Unassigned	2,462,440	-	-	-
Total Fund balances	<u>71,200,271</u>	<u>126,598,441</u>	<u>300,954,256</u>	<u>12,125,635</u>
Total Liabilities, Deferred inflows of resources and Fund balances	<u>\$ 131,734,275</u>	<u>\$ 132,734,874</u>	<u>\$ 338,018,635</u>	<u>\$ 12,897,929</u>

See accompanying notes to basic financial statements.

Special Revenue - Designated Purpose Grants Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 16,553,531	\$ 18,408,131	\$ 615,455,729
-	2,733,640	21,544,847
6,086,660	2,090,179	8,176,839
-	20,365	2,168,240
-	301,651	11,212,233
-	2,001,601	3,287,022
-	1,089,872	2,826,433
<u>\$ 22,640,191</u>	<u>\$ 26,645,439</u>	<u>\$ 664,671,343</u>
\$ 61,030	\$ 1,668,956	\$ 35,295,259
-	-	1,885,775
-	75,712	11,212,233
1,307,799	1,542,771	44,720,555
21,271,362	1,480,520	22,751,882
-	614,704	4,628,086
<u>22,640,191</u>	<u>5,382,663</u>	<u>120,493,790</u>
-	2,034,928	14,071,102
-	2,001,601	3,287,022
-	1,089,872	2,826,433
-	-	300,477,928
-	-	126,598,441
-	2,855,000	28,103,000
-	981,782	981,782
-	313,645	313,645
-	-	1,440,252
-	4,111,594	4,111,594
-	7,874,354	7,874,354
-	-	1,523,726
-	-	1,251,910
-	-	12,602,289
-	-	24,687,000
-	-	11,564,635
-	-	2,462,440
<u>-</u>	<u>19,227,848</u>	<u>530,106,451</u>
<u>\$ 22,640,191</u>	<u>\$ 26,645,439</u>	<u>\$ 664,671,343</u>

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, 2025

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

Total fund balance - governmental funds		\$ 530,106,451
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	\$ 1,845,799,260	
Accumulated depreciation and amortization is	<u>(825,600,225)</u>	
		1,020,199,035
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.		14,071,102
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	976,878,885	
Leases payable	5,586,900	
Certificates of participation	83,018,865	
Compensated absences payable	63,785,393	
Net OPEB liability	23,548,015	
Net pension liability	<u>1,327,185,957</u>	
		(2,480,004,015)
Deferred outflows from refunding debt are not considered current financial resources and not reported in the governmental funds		224,767
Deferred outflows related to pensions are applicable to future periods and, therefore, are not reported in the funds.		275,257,288
Deferred outflows related to OPEBs are applicable to future periods and, therefore, are not reported in the funds.		5,719,590
Deferred inflows related to pensions are applicable to future periods and, therefore, are not reported in the funds.		(33,980,599)
Deferred inflows related to OPEBs are applicable to future periods and, therefore, are not reported in the funds.		(13,118,797)
Accrued interest payable was recognized for governmental activities, but is not due and payable in the current period and therefore is not reported as a liability in the governmental funds.		<u>(1,720,844)</u>
Total Net Position - governmental activities		<u>\$ (683,246,022)</u>

See accompanying notes to basic financial statements.



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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, 2025

	General Fund	Debt Service - Bond Redemption Fund	Capital Projects - Building Fund	Capital Reserve Fund
REVENUES				
Taxes				
Property taxes	\$ 319,501,753	\$ 106,353,037	\$ -	\$ -
Specific ownership taxes	25,826,049	-	-	-
Intergovernmental				
Federal - grants	3,025	-	-	-
State equalization aid	391,030,704	-	-	-
State transportation	6,538,445	-	-	-
Special education	25,614,799	-	-	-
State vocational education	2,287,150	-	-	-
Universal preschool program	9,631,570	-	-	-
Other state	14,731,678	-	-	-
Earnings on investments	5,678,004	3,599,147	3,339,797	124,168
Other				
Tuition	753,389	-	-	-
Fees and fines	1,169,098	-	-	-
Pupil activities	-	-	-	-
Donations	-	-	-	1,143,028
Food services sales	-	-	-	-
Miscellaneous	8,164,950	-	-	-
Total revenues	<u>810,930,614</u>	<u>109,952,184</u>	<u>3,339,797</u>	<u>1,267,196</u>
EXPENDITURES				
Current				
Instruction	573,634,874	-	-	-
Indirect instructional				
Pupil services	57,821,917	-	-	-
Instructional staff services	27,125,278	-	-	-
School administration	56,630,351	-	-	-
Support services				
General administration	15,385,165	-	-	-
Business services	7,224,115	-	-	-
Operations and maintenance	33,229,389	-	-	-
Pupil transportation	34,974,416	-	-	-
Central services	23,996,505	-	-	-
Community services	2,426,715	-	-	-
Pupil activities	-	-	-	-
Food service operations	-	-	-	-
Non-departmental	915,940	-	-	-
Capital outlay	8,244	-	84,220,376	12,315,756
Debt service				
Principal	391,441	31,020,000	-	3,197,902
Interest and fiscal charges	8,250	31,932,518	-	3,161,319
Total expenditures	<u>833,772,600</u>	<u>62,952,518</u>	<u>84,220,376</u>	<u>18,674,977</u>
Excess of revenues over (under) expenditures	<u>(22,841,986)</u>	<u>46,999,666</u>	<u>(80,880,579)</u>	<u>(17,407,781)</u>
OTHER FINANCING SOURCES (USES)				
Lease proceeds	-	-	-	51,309
General obligation bonds issued	-	-	316,670,000	-
Bond premium	-	-	46,192,842	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>362,862,842</u>	<u>51,309</u>
Net change in fund balances	(22,841,986)	46,999,666	281,982,263	(17,356,472)
Fund balances, Beginning	<u>94,042,257</u>	<u>79,598,775</u>	<u>18,971,993</u>	<u>29,482,107</u>
Fund balances, Ending	<u>\$ 71,200,271</u>	<u>\$ 126,598,441</u>	<u>\$ 300,954,256</u>	<u>\$ 12,125,635</u>

See accompanying notes to basic financial statements.

Special Revenue - Designated Purpose Grants Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 44,263,048	\$ 470,117,838
-	-	25,826,049
27,485,690	15,089,734	42,578,449
-	-	391,030,704
-	-	6,538,445
-	-	25,614,799
-	-	2,287,150
-	-	9,631,570
5,138,330	11,045,054	30,915,062
-	-	12,741,116
-	12,587,323	13,340,712
-	-	1,169,098
-	12,327,711	12,327,711
5,005,470	-	6,148,498
-	1,394,482	1,394,482
-	54,273	8,219,223
<u>37,629,490</u>	<u>96,761,625</u>	<u>1,059,880,906</u>
20,019,395	10,487,606	604,141,875
10,546,469	-	68,368,386
6,719,648	1,371,978	35,216,904
342,805	-	56,973,156
-	-	15,385,165
-	1,254,959	8,479,074
-	32,893,159	66,122,548
-	-	34,974,416
1,173	16,190,815	40,188,493
-	3,857,411	6,284,126
-	13,965,788	13,965,788
-	28,190,709	28,190,709
-	-	915,940
-	2,019,794	98,564,170
-	-	34,609,343
-	-	35,102,087
<u>37,629,490</u>	<u>110,232,219</u>	<u>1,147,482,180</u>
-	(13,470,594)	(87,601,274)
-	-	51,309
-	-	316,670,000
-	-	46,192,842
<u>-</u>	<u>-</u>	<u>362,914,151</u>
-	(13,470,594)	275,312,877
-	32,698,442	254,793,574
<u>\$ -</u>	<u>\$ 19,227,848</u>	<u>\$ 530,106,451</u>

**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, 2025

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

Total net change in fund balances - governmental funds	\$	275,312,877
<p>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 and amortization expenses in the statement of activities. This is the amount by which depreciation and amortization exceeds capital outlay in the period.</p>		
Capital outlay	\$ 89,779,496	
Depreciation and amortization expense	<u>(65,778,346)</u>	24,001,150
<p>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.</p>		
		14,071,102
<p>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.</p>		
		(7,733,929)
<p>In the statement of activities, only the loss on the sale or disposal of capital assets is reported, whereas in the governmental funds, the entire loss from the sale decreases financial resources.</p>		
		(22,242)
<p>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.</p>		
		(1,347,945)
<p>Repayment of bond, certificates of participation, and 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.</p>		
		34,609,343
<p>Governmental funds report the issuance of debt, including premiums and discounts, as an other financing source or use. In the governmental activities, however, the issuance of debt is reflected as a liability instead. This amount is shown net of payments made to the bond refunding escrow agent.</p>		
Bond issuance		(316,670,000)
Premium on Bond Issuance		(46,192,842)
Leases		(51,309)
<p>The premium received on the issuance of bonds and the book loss on refunding of bonds are amortized over the life of the bonds. Current year amortization of the premium on the bonds, net of the amortization on the loss on refunding and the amortization of the discount on the bonds, is reported as a reduction to interest expense on the statement of activities.</p>		
		8,752,232
<p>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.</p>		
		(514,118)
<p>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, 2022 and not reflected as expenses on the statement of activities. These consist of:</p>		
Pension		(21,632,707)
OPEB		8,527,925
<p>Total change in net position - governmental activities</p>		
	<u>\$</u>	<u>(28,890,463)</u>

See accompanying notes to basic financial statements.

CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
June 30, 2025

	<u>Front Range BOCES Custodial Fund</u>
ASSETS	
Cash and investments	\$ 214,940
Receivables - other, net	<u>6,149</u>
Total Assets	<u><u>\$ 221,089</u></u>
LIABILITIES	
Accounts payable	\$ 5,432
Due to other government entity - district	<u>3,553</u>
Total Liabilities	<u>8,985</u>
NET POSITION	
Restricted for other government	<u>212,104</u>
Total Net Position and Liabilities	<u><u>\$ 221,089</u></u>

See accompanying notes to basic financial statements.

CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUND
For The Year Ended June 30, 2025

	<u>Front Range BOCES Custodial Fund</u>
ADDITIONS	
Contributions and investment earnings	\$ 243,353
	<u>243,353</u>
DEDUCTIONS	
Personnel	181,748
Purchased services	77,778
Other	<u>11,842</u>
Total Deductions	<u>271,368</u>
Change in Net Position	<u>(28,015)</u>
Total Net Position, Beginning, as Originally Reported	-
Change in Reporting Entity	<u>240,119</u>
Total Net Position, Beginning, as Restated	<u>240,119</u>
Total Net Position, Ending	<u><u>\$ 212,104</u></u>

See accompanying notes to basic financial statements.

Notes to
Basic
Financial
Statements



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Schools
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Notes to Basic Financial Statements

Cherry Creek School District No. 5

Arapahoe County, Colorado

June 30, 2025

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 29, 1950. The District operates under a five-member publicly elected board of education. The District includes 108 square miles and operates forty-three elementary schools, eleven middle schools, eight high schools, one K-8 school, three charter schools (discretely presented component units), six alternative school programs, two stadiums, three central administrative facilities, and seven support facilities providing educational services to approximately 52,700 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 Cherry Creek Academy in the leasing of its facilities separately from the District.

The Charter Schools have issued separate financial statements for the fiscal year ended June 30, 2025. 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 nonfiduciary 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 and the District's fiduciary fund. The fiduciary fund's statements are excluded from the government-wide financial statements. Major individual governmental funds (General Fund, Debt Service - Bond Redemption Fund, Capital Projects - Building Fund, Capital Reserve 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. Property tax revenues collected after 60 days are shown as unavailable revenue. 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 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 *Capital Projects – Capital Reserve Fund* accounts 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 *Special Revenue – Designated Purpose Grants Fund* accounts for the many restricted federal, state and private grants and contracts, parent-teacher community organization funds, and donations that are obtained primarily to provide for specific instructional programs.

The District reports the following fiduciary fund:

The *Fiduciary Fund* accounts for resources held by the District in a custodial capacity in order to provide administrative support to the Front Range Board of Cooperative Educational Services (BOCES) entity. The fund uses the economic resources measurement focus and the accrual basis of accounting. See Note 19 for information on the Front Range BOCES.

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, fair value, or net

asset 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 2024 but not yet collected in 2025 are identified as property taxes receivable and deferred inflows of resources in the governmental funds balance sheet at June 30, 2025, and are presented in the amount of \$14,071,102.

Intergovernmental receivable of \$6,086,660 in the Designated Purpose Grants Fund includes amounts due from grantors for specific program grants. Intergovernmental receivable of \$2,090,179 in the Food Service Fund includes amounts due from the State of Colorado related to state and 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 \$2,826,433.

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 prepayment and deposit balances in the governmental funds in the amount of \$3,287,022.

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 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.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 \$224,767 for governmental activities and \$30,785 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 Notes 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 2025 is as follows:

Tax Year

Property taxes are recorded initially at the budgeted collection rate as deferred inflows in the year they are levied and measurable. The deferred inflow property tax revenues are recorded as revenue in the year they are available or collected. The District has deferred inflows from property tax collection at June 30, 2025, in the amount of \$14,071,102.

Property taxes are remitted to the District by the Arapahoe County Treasurer by the tenth of the month following collections by the county, except for the months of March, May, and June in which the District receives an additional remittance from the Arapahoe County Treasurer for collections through the twentieth of such months.

Beginning of fiscal year for taxes

- January 1

Assessed valuation initially certified by County Assessor

- August 25

Property tax levy by Board of Education for ensuing calendar year

- December 10

Tax levy certified to County Commissioners

- December 15

County Commissioners certify levy to County Treasurer

- January 10

Collection Year

Mailing of tax bills (lien date)

- January 1

First installment due

- February 28

Taxes due in full (unless installments elected by taxpayer)

- April 30

Second installment due

- June 15

A fee of 0.25% 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. For fiscal year 2024-2025, the total treasurer fee paid to the County totaled \$915,940.

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 uses an independent consultant to evaluate its outstanding tax-exempt debt for arbitrage liability. Arbitrage rebate liability is disclosed in Note 11.

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 and early separation agreements payable are serviced from property taxes and other revenues of the General Fund from future appropriations.

O) Compensated Absences

Leave

The liability for compensated absences reported in the government-wide and proprietary fund statements consists of leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability also includes amounts for leave that has been used for time off but has not yet been paid in cash or settled through noncash means and certain other types of leave.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

District policy allows unlimited accumulation of leave for all employee groups, as allowed according to their employment policies. Payment for unused 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 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.

Retirement and Service Bonus

Teachers have the option of receiving a 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, 2025, was \$13,122,410 with a current portion due within one year of \$4,013,382. 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 Notes 13 and 14 for additional information.

Q) Fund Balance and Net Position

As of June 30, 2025, fund balances of the governmental funds are classified as follows:

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

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

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

only through resolutions approved by the Board of Education. For the year ended June 30, 2025, the District has \$1,440,252 committed in the General Fund for multiple year commitments relating to employment contracts that were 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.

Net position is the excess of assets minus liabilities and is shown in the government-wide and fiduciary fund financial statements. Net position includes the following three classifications:

Net investment in capital assets – consists of capital assets, net of accumulated depreciation, and reduced by the outstanding amount of debt which was issued to acquire or construct the capital assets.

Restricted net position – report amount legally segregated for a specific future use.

Unrestricted net position – includes all net position not invested in capital assets or restricted for specific future use.

R) Pensions

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

The District participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit OPEB fund administered by the Public Employees' Retirement Association of Colorado (PERA). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position (FNP) and additions to/deductions from the FNP of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the 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.

U) Leases – District as Lessee

The District is a lessee for noncancellable leases of equipment. The District recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the applicable governmental activities in the government-wide financial statements. The District recognizes lease liabilities with an initial individual value of \$1,000 or more for technology equipment and \$5,000 or more for all other assets

The District recognizes lease liabilities with an initial individual value of \$1,000 or more for technology equipment and \$5,000 or more for all other assets.

At the commencement of a lease, the District initially measures the lease liability at the

present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease payments included in the measurement of the lease liability are composed of fixed payments and the purchase option price that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure in the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with capital assets and lease liabilities are reported with long-term debt on statement of net position.

2) RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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:

	Primary Government
Cash	\$ 407,886
Equity in pooled cash	6,550,262
Cash held by county treasurer	3,661,158
Investments held by the District	479,918,954
Investments held by an escrow agent	124,917,469
Cash held in fiduciary fund	214,940
Total Cash and Investments	<u>\$ 615,670,669</u>

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, 2025, 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, 2025, the District had bank deposits of \$14,866,632 and a carrying balance of \$7,173,088, the difference is checks issued but not yet cashed. The District had cash of \$3,661,158 held by the county treasurer.

As of June 30, 2025, the District was in compliance with the PDPA.

Component Units:

As of June 30, 2025, the charter schools had bank deposits of \$2,648,091 at Cherry Creek Academy and \$263,302 at Heritage Heights Academy. The charter schools had a carrying balance of \$2,530,444 at Cherry Creek Academy and \$262,302 at Heritage Heights Academy. At June 30, 2025, State regulatory commissioners have indicated that all financial institutions holding deposits for the charter school are eligible public depositories.

INVESTMENTS

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

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

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by the District's investment policy, and the actual rating at year-end for each investment type.

Investment Type	Total	% of Total	Rating as of Year End				
			A-1	A+	Aaa	AAAf	AAAm
CSIP LGIP	\$ 288,937,016	47.8%					\$ 288,937,016
CSIP Fixed Term	233,005,000	38.5%				\$ 233,005,000	
Corporate Bonds	35,895,049	5.9%	\$ 18,003,491	\$ 17,891,558			
Commercial Paper	20,753,331	3.4%	20,753,331				
Money Market	26,246,027	4.3%			\$ 4,124,205		22,121,822
Total	\$ 604,836,423	100.0%	\$ 38,756,822	\$ 17,891,558	\$ 4,124,205	\$ 233,005,000	\$ 311,058,838



5) CASH AND INVESTMENTS (Continued)

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 5% 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 5% for any one issuer.

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

Interest Rate Risk

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

<u>Investment Type</u>	<u>Remaining Maturity</u>	
	<u>(in Months)</u>	
	<u>12 Months</u>	
		<u>Or Less</u>
CSIP LGIP	\$ 288,937,016	\$ 288,937,016
CSIP Fixed Term	233,005,000	233,005,000
Corporate Bonds	35,895,049	35,895,049
Commercial Paper	20,753,331	20,753,331
Money Market	26,246,027	26,246,027
Total	<u>\$ 604,836,423</u>	<u>\$ 604,836,423</u>

Fair Value of Investments

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

Level 1: Quoted prices (unadjusted) in active markets for an identical asset or liability that a government can access at the

measurement date.

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

Level 3: Unobservable inputs for an asset or liability.

The following table presents the fair value of measurements of assets recognized in the accompanying statement of net position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30, 2025:

<u>Investments by fair value levels</u>	<u>Balance</u> <u>June 30, 2025</u>	<u>Amortized</u> <u>Cost</u>	<u>Net Asset</u> <u>Value</u>	<u>Fair Value</u> <u>Measurement</u> <u>Using Level 2</u>
CSIP LGIP	\$ 288,937,016	\$ 288,937,016	\$ -	\$ -
CSIP Fixed Term	233,005,000	-	233,005,000	-
Corporate Bonds	35,895,049	-	-	35,895,049
Commercial Paper	20,753,331	-	-	20,753,331
Money Market	26,246,027	26,246,027	-	-
Total	<u>\$ 604,836,423</u>	<u>\$ 315,183,043</u>	<u>\$ 233,005,000</u>	<u>\$ 56,648,380</u>

Component Units:

At June 30, 2025, Cherry Creek Academy had invested \$3,863,786 and Heritage Heights Academy had \$3,811,594 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, 2025, is measured using net asset value and is therefore not categorized in a level.

Additionally, Heritage Heights Academy had \$56,397 in restricted cash and investments that have been restricted by the Building Corporation's loan agreement for capital outlay and future debt service.



6) CAPITAL ASSETS

A summary of changes in capital assets is as follows:

<u>Governmental activities</u>	Balance <u>July 1, 2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfer</u> ¹	Balance <u>June 30, 2025</u>
Capital assets, not being depreciated:					
Land	\$ 33,044,254	\$ 14,926	\$ -	\$ -	\$ 33,059,180
Projects in progress	97,027,952	68,480,872	30,274,867	-	135,233,957
Total non-depreciable assets	130,072,206	68,495,798	30,274,867	-	168,293,137
Capital assets, being depreciated:					
Land improvements	48,021,237	5,963,712	9,185	-	53,975,764
Buildings	1,398,102,863	21,332,570	48,191	-	1,419,387,242
Equipment & vehicles	157,311,165	24,210,974	309,286	4,170,033	185,382,886
Total depreciable assets	1,603,435,265	51,507,256	366,662	4,170,033	1,658,745,892
Less accumulated depreciation for:					
Land improvements	28,779,266	1,593,547	9,185	-	30,363,628
Buildings	606,085,902	41,209,829	38,974	-	647,256,757
Equipment & vehicles	106,775,893	21,115,605	296,261	4,170,033	131,765,270
Total accumulated depreciation	741,641,061	63,918,981	344,420	4,170,033	809,385,655
Capital assets, being amortized:					
Right-to-use lease equipment & vehicles	22,878,955	51,309	-	(4,170,033)	18,760,231
Total amortized assets	22,878,955	51,309	-	(4,170,033)	18,760,231
Less accumulated amortization for:					
Right-to-use lease equipment & vehicles	18,525,238	1,859,365	-	(4,170,033)	16,214,570
Total accumulated amortization	18,525,238	1,859,365	-	(4,170,033)	16,214,570
Total capital assets being depreciated or amortized, net	866,147,921	(14,219,781)	22,242	-	851,905,898
Net capital assets	\$ 996,220,127	\$ 54,276,017	\$ 30,297,109	\$ -	\$ 1,020,199,035

¹ During 2024-2025, the 2015 bus lease was paid off and related right-to-use vehicles were transferred from leased assets to assets held and being used by the District.



Depreciation and amortization expenses were charged to functions/programs of the District as follows:

Governmental activities:	
Instruction	\$ 62,630,387
Indirect instruction	1,716,690
General administration	71,242
School administration	75,664
Business services	148,158
Operations and maintenance	367,452
Pupil transportation	320,668
Central services	96,904
Food service operations	351,181
Total depreciation and amortization expense - governmental activities	<u>\$ 65,778,346</u>

CONSTRUCTION COMMITMENTS

The District has active construction projects as of June 30, 2025. The projects include renovation, new construction, site improvements, and student devices.

A list of significant commitments as of June 30, 2025, is as follows:

	<u>Commitment Total</u>	<u>Completed to Date</u>	<u>Remaining Commitment</u>
Capital Construction Tech and Maintenance Fund (Non-Major)			
District wide projects	\$ 1,065,798	\$ 870,048	\$ 195,750
Capital Projects - Building Fund			
New construction	37,028,290	2,551,130	34,477,160
Mechanical, maintenance & renovations	258,659,055	28,820,982	229,838,073
Furniture & equipment for buildings	117,631	69,753	47,878
Innovation project	90,545,414	17,590,667	72,954,747
Information services, safety and security projects	1,288,278	287,530	1,000,748
Vehicles	2,970,904	-	2,970,904
Total Capital Projects - Building Fund			341,289,510
Capital Projects - Capital Reserve Fund			
Mechanical, maintenance & renovations	932,087	653,166	278,921
Furniture & equipment for buildings	240,458	68,334	172,124
Land improvements	81,920	75,905	6,015
Innovation project	3,475	-	3,475
Track, turf & playground	47,000	-	47,000
Vehicles	312,792	-	312,792
Total Capital Projects - Capital Reserve Fund			820,327
			<u>\$ 342,305,587</u>

6) CAPITAL ASSETS (Continued)

Component Unit Activities

	Balance <u>July 1, 2024¹</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2025</u>
Governmental activities:				
Land	\$ 5,280,529	\$ -	\$ -	\$ 5,280,529
Improvements	3,381,940	79,107	-	3,461,047
Buildings	19,528,192	-	-	19,528,192
Equipment and Vehicles	960,310	38,485	-	998,795
Right-to-Use Equipment	125,505	89,558	46,060	169,003
Accumulated depreciation and amortization	<u>(4,374,784)</u>	<u>(696,808)</u>	<u>(46,060)</u>	<u>(5,025,532)</u>
Total Capital Assets, net	<u>\$24,901,692</u>	<u>\$ (489,658)</u>	<u>\$ -</u>	<u>\$ 24,412,034</u>

¹ Effective June 30, 2024, the Colorado Skies Academy charter school contract was terminated, as such their capital assets with net balance of \$8,990,972 is not included above.

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. There were no transfers during fiscal year 2024-2025.

Due To/Due From – Amounts owed to one fund or governmental activity by another which are due within one year are reported as due to other funds or governmental activities. These balances arise during the normal course of business and the District's use of pooled cash. Due to/due from funds at year-end were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	
General Fund	Bond Redemption Fund	\$ 438,654
General Fund	Building Fund	10,396,216
General Fund	Food Services Fund	75,712
Food Services Fund	Building Fund	301,651
Total		<u>\$ 11,212,233</u>

8) ACCRUED SALARIES AND BENEFITS

The major component of accrued salaries and benefits relates to salaries and benefits of certain contractually employed personnel paid over a twelve-month period from September to August but are earned during a school year of approximately nine to ten months. The salaries and benefits earned but unpaid at June 30, 2025, are estimated

to be \$41,869,985 for the General Fund and \$1,307,799 for the Designated Purpose Grants Fund. Additional accrued salaries and benefits earned by non-contracted employees, including other hourly employees, are \$1,542,771 at June 30, 2025.

9) COMPENSATED ABSENCES PAYABLE

As of June 30, 2025, compensated absences payable are as follows:

	<u>Current</u>	<u>Long-term</u>	<u>Total</u>
Governmental activities	\$ 7,178,086	\$ 61,235,393	\$ 68,413,479
Total	<u>\$ 7,178,086</u>	<u>\$ 61,235,393</u>	<u>\$ 68,413,479</u>

The current portion for Governmental Funds of accrued compensated absences have been recorded in the respective funds and as current liabilities in the governmental financial statements in the amount of \$4,628,086. District policy imposes an annual spending cap of \$2,550,000 for teachers and mental health employees related to compensated absences payable. This amount is also included as a current liability in the government-wide financial statements while the remaining balance is reflected as a long

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

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

	<u>Balance July 1, 2024 ¹</u>	<u>Net Change ²</u>	<u>Balance June 30, 2025</u>
Governmental activities	\$ 66,142,651	\$ 2,270,828	\$ 68,413,479

¹ During 2024-2025, the change in accounting principle for the implementation of GASB Statement No. 101, *Compensated Absences*, (GASB 101) resulted in adjustments to and restatement of beginning net position of \$13,477,433. See Note 18 for more information on GASB 101.

² The change in the compensated absence liability is presented as a net change.

The deletions shown above reflect the combination of an annual cap on the teachers' accrued compensated absences liability, the experience and longevity plan, and an increase in new retirees.

10) RELATED PARTY TRANSACTIONS

The District provides administrative and other services to its charter schools, shown as component units. The amounts of charges for services, in accordance with governing State statutes, for the fiscal year ended June 30, 2025, was \$1,320,743.

11) LONG-TERM DEBT

General Obligation Bonds Payable

General obligation bonds payable at June 30, 2025, are as follows:

<u>Description, Interest Rates, and Maturity Dates</u>	<u>Balance</u>
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%	\$ 75,885,000
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%	139,135,000
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%	44,695,000
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%	90,765,000
Refunding building bonds in the original amount of \$70,020,000 (Series 2020) due in varying installments through December 15, 2029, interest at 5.0%	45,660,000
School building bonds in the original amount of \$150,000,000 (Series 2021) due in varying installments through December 15, 2040, interest at 2.25-5.0%	150,000,000
School building bonds in the original amount of \$316,670,000 (Series 2024) due in varying installments through December 15, 2044, interest at 5.00%-5.25%	316,670,000
Total general obligation bonds payable	<u>\$ 862,810,000</u>

Long-term debt maturities for all general obligation bonds outstanding at June 30, 2025, including interest, are as follows:

<u>Fiscal year ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 73,075,000	\$ 37,709,878	\$ 110,784,878
2027	48,115,000	34,957,427	83,072,427
2028	32,845,000	33,374,368	66,219,368
2029	34,110,000	32,088,773	66,198,773
2030	35,415,000	30,578,463	65,993,463
2031-2035	178,745,000	128,774,525	307,519,525
2036-2040	204,630,000	85,387,056	290,017,056
2041-2044	255,875,000	34,234,556	290,109,556
Total	<u>\$ 862,810,000</u>	<u>\$ 417,105,046</u>	<u>\$ 1,279,915,046</u>

Arbitrage Rebate Liability

The Internal Revenue Code requires that the proceeds of tax-exempt debt be expended by the District within a certain schedule. The purpose of this requirement is to prevent the District from generating what the federal government considers excessive revenue by investing the borrowed money at rates that exceed the interest rate on the debt. If the debt proceeds are retained by the District beyond the scheduled deadlines, the District is required to pay to the federal government a portion of the investment earnings. As of June 30, 2025, the District performed calculations of excess investment earnings and recorded arbitrage liabilities in the Building Fund and Capital Reserve Fund totaling \$1,797,505.

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 March 15, 2022, the District issued \$60,405,000 in certificates of participation for acquiring, constructing and equipping District buildings with energy upgrades and improvements. The certificates of participation have interest rates between 4.00% and 5.00%, due in varying installments through December 15, 2044.



Future payments for all certificates of participation outstanding at June 30, 2025 are as follows:

<u>Fiscal year ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 1,180,000	\$ 2,907,684	\$ 4,087,684
2027	1,360,000	2,864,254	4,224,254
2028	1,555,000	2,810,940	4,365,940
2029	1,860,000	2,745,244	4,605,244
2030	2,095,000	2,665,769	4,760,769
2031-2035	14,675,000	11,650,531	26,325,531
2036-2040	22,135,000	7,843,722	29,978,722
2041-2045	28,165,000	3,004,500	31,169,500
Total	<u>\$ 73,025,000</u>	<u>\$ 36,492,644</u>	<u>\$ 109,517,644</u>

11) LONG-TERM DEBT (Continued)

Lease Obligations

Lease obligations at June 30, 2025, are as follows:

<u>Description, Interest Rates, and Maturity Dates</u>	<u>Balance</u>
Bus lease in the original amount of \$3,368,178 (2016) due in varying installments through January 25, 2026, interest at 1.990%	\$ 367,614
Bus lease in the original amount of \$3,552,683 (2017) due in varying installments through March 3, 2027, interest at 2.296%	776,855
Bus lease in the original amount of \$7,262,050 (2018) due in varying installments through January 31, 2028, interest at 2.910%	2,402,820
Copier lease in the original amount of \$284,001 (2020) due in varying installments through December 16, 2025, interest at 1.519%	29,380
Copier lease in the original amount of \$228,860 (2021) due in varying installments through January 22, 2026, interest at 1.556%	27,626
Copier lease in the original amount of \$223,434 (2021) due in varying installments through February 24, 2026, interest at 1.574%	30,816
Copier lease in the original amount of \$202,183 (2021) due in varying installments through April 7, 2026, interest at 1.680%	34,887
Copier lease in the original amount of \$351,342 (2021) due in varying installments through June 11, 2026, interest at 1.671%	72,635
Copier lease in the original amount of \$213,232 (2021) due in varying installments through July 2, 2026, interest at 1.772%	47,816
Copier lease in the original amount of \$312,573 (2021) due in varying installments through August 15, 2026, interest at 1.766%	75,401
Copier lease in the original amount of \$107,511 (2022) due in varying installments through May 15, 2027, interest at 3.785%	43,652
Vehicle leases in the original total amount of \$1,312,154 (2023) due in varying installments through December 31, 2027, interest at 4.550%	629,849
Vehicle leases in the original total amount of \$1,376,341 (2024) due in varying installments through March 31, 2029, interest at 5.300%	1,005,501
Vehicle leases in the original total amount of \$51,309 (2025) due in varying installments through July 1, 2029, interest at 5.150%	42,048
Total lease obligations payable	<u>\$ 5,586,900</u>

The total amount of assets acquired with the bus, copier, and vehicle leases noted above amount to \$18,760,231 less \$16,241,570 accumulated amortization, and is included in the category of right-to-use equipment and vehicles. For financial reporting purposes, the District follows the requirements of

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

Future payments for all leases outstanding at June 30, 2025 are as follows:

<u>Fiscal year ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 2,394,328	\$ 159,857	\$ 2,554,185
2027	1,794,382	92,662	1,887,044
2028	1,208,098	37,207	1,245,305
2029	189,144	3,555	192,699
2030	948	4	952
Total	<u>\$ 5,586,900</u>	<u>\$ 293,285</u>	<u>\$ 5,880,185</u>

Other

Payment of principal and interest for general obligation bonds is made from the Bond Redemption Debt Service Fund. The legal debt limit and debt margin as of June 30, 2025, are \$1,797,948,862 and \$1,061,737,303, respectively.

As of June 30, 2025, the management of the District is of the opinion that it is in compliance with all significant limitations and restrictions in the bond indentures.

Changes in Long-term Debt

During the fiscal year ended June 30, 2025, the following changes occurred in long-term debt:

	<u>Balance</u>			<u>Outstanding</u>
	<u>July 1, 2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2025</u>
Governmental Activities:				
General obligation bonds payable	\$ 577,160,000	\$ 316,670,000	\$ 31,020,000	\$ 862,810,000
Unamortized premiums	76,160,046	46,192,842	8,284,003	114,068,885
Total bonds payable	653,320,046	362,862,842	39,304,003	976,878,885
Leases	8,389,934	51,309	2,854,343	5,586,900
Certificates of participation	73,760,000	-	735,000	73,025,000
Unamortized discounts & premium	10,502,516	-	508,651	9,993,865
Compensated absences ^{1,2}	66,142,651	2,270,828	-	68,413,479
Total	<u>\$ 812,115,147</u>	<u>\$ 365,184,979</u>	<u>\$ 43,401,997</u>	<u>\$ 1,133,898,129</u>

¹ During 2024-2025, the change in accounting principle for the implementation of GASB 101 resulted in adjustments to and restatement of beginning net position of \$13,477,433. See Note 18 for more information on GASB 101.

² The change in the compensated absence liability is presented as a net change.

11) LONG-TERM DEBT (Continued)

Due within one year:	
Governmental activities:	
General obligation bonds payable	\$ 73,075,000
Leases	2,394,328
Certificates of participation	1,180,000
Compensated absences	7,178,086
Total	<u>\$ 83,827,414</u>

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

Component Unit Debt

Building Loan – Cherry Creek Academy

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

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

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

<u>Fiscal year ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 205,000	\$ 67,212	\$ 272,212
2027	215,000	57,475	272,475
2028	225,000	47,263	272,263
2029	240,000	36,575	276,575
2030	530,000	25,175	555,175
Totals	<u>\$1,415,000</u>	<u>\$233,700</u>	<u>\$1,648,700</u>

Leases – Cherry Creek Academy

The charter school has entered into a lease agreement involving equipment with a lease term of 3-6 years. The total costs of these right-to-use lease assets are recorded as \$131,607, less accumulated amortization of \$47,374.

The future lease payments under lease agreements as of June 30, 2025 are as follows:

<u>Fiscal year ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 38,231	\$ 3,699	\$ 41,930
2027	39,978	1,952	41,930
2028	8,167	123	8,290
Totals	<u>\$ 86,376</u>	<u>\$ 5,774</u>	<u>\$ 92,150</u>

Changes in Long-Term Debt – Cherry Creek Academy

During the year ended June 30, 2025, the following changes occurred in the Cherry Creek Academy's long-term debt:

	<u>Balance</u>			<u>Balance</u>
	<u>July 1, 2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2025</u>
Building Loan, Series 2012	\$ 1,615,000	\$ -	\$ 200,000	\$ 1,415,000
Loan Discount	(6,952)	-	(1,209)	(5,743)
Leases	33,381	89,558	36,563	86,376
Total	<u>\$ 1,641,429</u>	<u>\$ 89,558</u>	<u>\$ 235,354</u>	<u>\$ 1,495,633</u>
Due within one year:				
Building Loan				\$ 205,000
Leases				38,231
Total				<u>\$ 243,231</u>

Bonds Payable – Heritage Heights Academy

In February 2021, the Colorado Educational and Cultural Facilities Authority (CECFA) issued \$12,500,000 Charter School Revenue Bond, Series 2021. Bond proceeds were loaned to the Heritage Heights Academy to finance the purchase and construction of educational facilities. The

Heritage Heights Academy is required to make equal loan payments to the Trustee, for payment of the bonds. The bonds accrue interest at rates of 2.35%. Interest payments are due monthly beginning in April 2021 through February 2031. Principal payments are due monthly from July 2021 through February 2031 with a final balloon payment totaling \$8.9 million due at maturity.

11) LONG-TERM DEBT (Continued)

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

<u>Fiscal year ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 414,694	\$ 256,097	\$ 670,791
2027	424,683	246,108	670,791
2028	434,268	236,523	670,791
2029	445,373	225,418	670,791
2030	456,102	214,689	670,791
2031	8,762,083	137,966	8,900,049
Totals	<u>\$ 10,937,203</u>	<u>\$ 1,316,801</u>	<u>\$ 12,254,004</u>

Leases – Heritage Heights Academy

In the year ended June 30, 2024, the Heritage Heights Academy has entered into a lease agreement directly with a vendor to lease a copier machine. Monthly payments are required by the lease agreements, with terms of sixty-three months.

<u>Fiscal year ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 7,097	\$ 343	\$ 7,440
2027	7,215	225	7,440
2028	7,334	106	7,440
2029	2,012	9	2,021
Totals	<u>\$ 23,658</u>	<u>\$ 683</u>	<u>\$ 24,341</u>

Changes in Long-Term Debt – Heritage Heights Academy

During the year ended June 30, 2025, the following changes occurred in the Heritage Heights Academy's long-term debt:

	<u>Balance</u>			<u>Balance</u>
	<u>July 1, 2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2025</u>
2021 Bonds Payable	\$ 11,342,142	\$ -	\$ 404,939	\$ 10,937,203
Leases	31,098	-	7,440	23,658
Total	<u>\$ 11,373,240</u>	<u>\$ -</u>	<u>\$ 412,379</u>	<u>\$ 10,960,861</u>
Due within one year:				
Building Loan				\$ 414,694
Leases				7,097
Total				<u>\$ 421,791</u>

12) SHORT-TERM DEBT

During the year ended June 30, 2025, the District borrowed \$43,685,473 from the State Treasurer's interest-free loan program. The borrowing was necessary to finance seasonal

cash flow requirements of the District during the fiscal year ended June 30, 2025. The amount borrowed was paid in full by the maturity date June 25, 2025.

13) DEFINED BENEFIT PENSION PLAN

General Information About the Pension Plan

Pensions

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

Plan Description

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

Benefits Provided as of December 31, 2024

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

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

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

The lifetime retirement benefit for all eligible retiring employees under the Denver Public Schools (DPS) benefit structure is the greater of the:

- Highest average salary multiplied by 2.5% and then multiplied by years of service credit.

13) DEFINED BENEFIT PENSION PLAN

(Continued)

- \$15 times the first 10 years of service credit plus \$20 times service credit over 10 years plus a monthly amount equal to the annuitized member contribution account balance based on life expectancy and other actuarial factors.

In all cases the service retirement benefit is limited to 100% of highest average salary and 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.

Upon meeting certain criteria, benefit recipients who elect to receive a lifetime retirement benefit generally receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Subject to the automatic adjustment provision (AAP) under C.R.S. § 24-51-413, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, and all eligible benefit recipients of the

DPS benefit structure will receive the maximum annual increase (AI) or AI cap of 1.00% unless adjusted by the AAP. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007, will receive the lesser of an annual increase of the 1.00% AI cap or the average increase of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed a determined increase that would exhaust 10% of PERA's Annual Increase Reserve (AIR) for the SCHDTF. The AAP may raise or lower the aforementioned AI cap by up to 0.25% based on the parameters specified in C.R.S. § 24-51-413.

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

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

Contributions Provisions as of June 30, 2025
Eligible employees of the District and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. § 24-

51-401, et seq. and § 24-51-413. Eligible employees are required to contribute 11.00% of their PERA-includable salary during the period of July 1, 2024 through June 30, 2025.

Employer contribution requirements are summarized in the table below:

	July 1, 2024 Through June 30, 2025
Employer Contribution Rate ¹	11.40 %
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)%
Amount Apportioned to the SCHDTF ¹	10.38 %
Amortization Equalization Disbursement (AED) as Specified in C.R.S. § 24-51-411 ¹	4.50 %
Supplemental Amortization Equalization Disbursement (SAED) as Specified in C.R.S. § 24-51-411 ¹	5.50 %
Total Employer Contribution Rate to the SCHDTF ¹	20.38 %

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were \$127,027,117 for the year ended June 30, 2025.

For purposes of GASB 68 paragraph 15, a circumstance exists in which a nonemployer contributing entity is legally responsible for making contributions to the SCHDTF and is considered to meet the definition of a special funding situation. As specified in C.R.S. § 24-51-414, the State is required to contribute a \$225 million direct distribution each year to PERA starting on July 1, 2018. For 2024, 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.

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, 2024, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023. Standard update procedures were used to roll-forward the TPL to December 31, 2024. The District's proportion of the net pension liability was based on the District's contributions to the SCHDTF for the calendar year 2024 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

13) DEFINED BENEFIT PENSION PLAN (Continued)

At June 30, 2025, the district reported a liability of \$1,327,185,957 for its proportionate share of the net pension liability that reflected a reduction for support from the State as a nonemployer contributing entity. The amount recognized by the District as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the District were as follows:

District's Proportionate Share of the Net Pension Liability		\$ 1,327,185,957
State's Proportionate Share of the Net Pension Liability Associated with the District		119,202,368
Total		\$ 1,446,388,325

At December 31, 2024, the District's proportion was 7.69165% which was a decrease of 0.15973% from its proportion measured as of December 31, 2023.

For the year ended June 30, 2025, the District recognized pension expense of \$85,957,787 and revenue of \$10,879,616 for support from the State as a nonemployer contributing entity. At June 30, 2025, 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	\$ 75,156,546	\$ -
Changes of Assumptions or other Inputs	9,950,069	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	25,040,311	-
Changes in Proportion and Differences between Contributions Recognized and Proportionate Share of Contributions	100,785,282	33,980,599
Contributions Subsequent to the Measurement Date	64,325,080	-
Total	\$ 275,257,288	\$ 33,980,599

\$64,325,080 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, 2026.

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

<u>Year Ended June 30.</u>	<u>Amount</u>
2026	\$ 122,970,780
2027	111,089,541
2028	(39,250,014)
2029	(17,858,698)
2030	-
Thereafter	-

Actuarial Assumptions

The TPL in the December 31, 2023, actuarial valuation was determined using the following actuarial cost method, actuarial assumptions, and other inputs:

Actuarial Cost Method	Entry Age
Price Inflation	2.30%
Real Wage Growth	0.70%
Wage Inflation	3.00%
Salary Increases, Including Wage Inflation	3.40 - 11.00%
Long-Term Investment Rate of Return, Net of Pension Plan	
Investment Expenses, Including Price Inflation	7.25%
Discount rate	7.25%
Future Post Retirement Benefit Increases:	
PERA Benefit Structure Hired Prior to January 1, 2007; and DPS Benefit Structure (Automatic)	1.00% Compounded Annually
PERA Benefit Structure hired after December 31, 2006 (Ad Hoc, Substantively Automatic) ¹	Financed by the Annual Increase Reserve

¹ Post-retirement benefit increases are provided by the AIR, accounted separately within each Division Trust Fund, and subject to moneys being available; therefore, liabilities related to increases for members of these benefit tiers can never exceed available assets.

All mortality assumptions are developed on a benefit-weighted basis and apply generational mortality. Note that in all categories, displayed as follows, the mortality tables are generationally projected using scale MP-2019.

13) DEFINED BENEFIT PENSION PLAN (Continued)

	Mortality Table	Adjustments, as Applicable
Pre-Retirement	PubT-2010 Employee	N/A
Post-Retirement (Retiree), Non-Disabled	PubT-2010 Healthy Retiree	Males: 112% of the rates prior to age 80/ 94% of the rates age 80 and older Females: 83% of the rates prior to age 80/ 106% of the rates age 80 and older
Post-Retirement (Beneficiary), Non-Disabled	Pub-2010 Contingent Survivor	Males: 97% of the rates for all ages Females: 105% of the rates for all ages
Disabled	PubNS-2010 Disabled Retiree	99% of the rates for all ages

The actuarial assumptions used in the December 31, 2023, valuation were based on the 2020 experience analysis, dated October 28, 2020, for the period January 1, 2016, through December 31, 2019. Revised economic and demographic assumptions were adopted by the PERA Board on November 20, 2020.

calculation of the total pension liability from December 31, 2023, to December 31, 2024.

- Salary increases, including wage inflation: 4.00%-13.40%.
- Salary scale assumptions were altered to better reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The estimated administrative expense as a percentage of covered payroll was increased from 0.40% to 0.45%.

Based on the 2024 experience analysis, dated January 3, 2025, for the period January 1, 2020, to December 31, 2023, revised actuarial assumptions were adopted by PERA's Board on January 17, 2025, and were effective as of December 31, 2024. The following assumptions were reflected in the roll forward

The adjustments for credibility applied to the Pub-2010 mortality tables for active and retired lives, including beneficiaries, were updated based on the experience. All mortality assumptions are developed on a benefit-weighted basis. Note that in all categories, displayed as follows, the mortality tables are generationally projected using the 2024 adjusted MP-2021 projection scale.

	Mortality Table	Adjustments, as Applicable
Pre-Retirement	PubT-2010 Employee	N/A
Post-Retirement (Retiree), Non-Disabled	PubT-2010 Healthy Retiree	Males: 106% of the rates for all ages Females: 86% of the rates prior to age 85/ 115% of the rates age 85 and older
Post-Retirement (Beneficiary), Non-Disabled	Pub-2010 Contingent Survivor	Males: 92% of the rates for all ages Females: 100% of the rates for all ages
Disabled	PubNS-2010 Disabled Retiree	99% of the rates for all ages

The long-term expected return on plan assets is monitored on an ongoing basis and reviewed as part of periodic experience studies prepared every four years, and asset/liability studies, performed every three to five years for PERA. The most recent analyses were outlined in the 2024 Experience Study report dated January 3, 2025.

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

The PERA Board first adopted the 7.25% long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the November 15, 2019, meeting, and again at the Board's September 20, 2024, meeting. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>30-Year Expected Geometric Real Rate of Return</u>
Global Equity	51.00 %	5.00%
Fixed	23.00	2.60
Private Equity	10.00	7.60
Real Estate	10.00	4.10
Alternatives	6.00	5.20
Total	100%	

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 nominal rate of return assumption of 7.25%.

Discount Rate

The discount rate used to measure the TPL 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:

scheduled increases in SB 18-200 and required adjustments resulting from the 2018 and 2020 AAP assessments. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

- 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 3.00%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the



13) DEFINED BENEFIT PENSION PLAN

(Continued)

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200 and required adjustments resulting from the 2018 and 2020 AAP assessments. 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 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As specified in law, the State, as a nonemployer contributing entity, will provide an annual direct distribution of \$225 million, commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial FNP, 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 FNP 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 SCHDTF's FNP 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 TPL. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

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

The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 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	\$ 1,799,356,566	\$ 1,327,185,957	\$ 931,677,074

Pension Plan Fiduciary Net Position

Detailed information about the SCHDTF's FNP is available in PERA's ACFR which can be obtained at www.copera.org/forms-resources/financial-reports-and-studies.

Events Subsequent to Measurement Date

SB 25-310, enacted June 2, 2025, and effective immediately, allows PERA to accept a series of warrants from the State Treasurer totaling \$500 million on or after July 1, 2025, and before October 1, 2025. These dollars are to be proportioned over time to replace reductions to future direct distributions intended to fund the Peace Officer Training and Support Fund and, at that time, will be allocated to the appropriate Division Trust Fund(s) within PERA. SB 25-310 also allows for an alternative actuarial method to allocate the direct distribution if the allocation, based on the reported payroll of each participating division, results in an AAP assessment ratio below the 98% benchmark.

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 are statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the charter schools were \$1,655,651 for the year ended June 30, 2025.

December 31, 2023. Standard update procedures were used to roll forward the total pension liability to December 31, 2024.

The charter school's proportion of the net pension liability was based on charter school's contributions to the SCHDTF for the calendar year 2024 relative to the total contributions of participating employers to the SCHDTF.

At June 30, 2025, the charter schools reported a liability of \$17,545,070 for their proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of

At December 31, 2024, the charter schools' proportion was 0.10168166970%, which was an increase of 0.0013726857% from their proportion measured as of December 31, 2023.

For the year ended June 30, 2025, the charter schools recognized pension expense of \$1,994,488 and pension revenue of \$166,183. At June 30, 2025, 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	\$ 993,551	\$ -
Changes of Assumptions or other Inputs	131,537	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	331,023	-
Changes in Proportion and Differences between Contributions Recognized and Proportionate Share of Contributions	2,236,751	628,483
Contributions Subsequent to the Measurement Date	856,488	-
Total	<u>\$ 4,549,350</u>	<u>\$ 628,483</u>

13) DEFINED BENEFIT PENSION PLAN

(Continued)

\$856,488 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, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2026	\$ 2,170,233
2027	1,634,043
2028	(503,809)
2029	(236,087)
2030	(1)
Total	<u>\$ 3,064,379</u>

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

	<u>1% Decrease</u> <u>(6.25%)</u>	<u>Current Discount Rate</u> <u>(7.25%)</u>	<u>1% Increase</u> <u>(8.25%)</u>
Proportionate Share of the Net Pension Liability	<u>\$ 23,787,048</u>	<u>\$ 17,545,070</u>	<u>\$ 12,316,540</u>

14) POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS

General Information about the OPEB Plan

OPEB

The District participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit OPEB fund administered by the Public Employees' Retirement Association of Colorado (PERA). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position (FNP) and additions to/deductions from the FNP of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized

when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

Plan Description

Eligible employees of the District are provided with OPEB through the HCTF—a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended, and 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 by the Colorado General Assembly. PERA issues a publicly available annual comprehensive financial report (ACFR) 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, School, Local Government, and Judicial), the premium subsidy is allocated between the HCTF and the Denver Public Schools Health Care Trust Fund (DPS HCTF). The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

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

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

PERA Benefit Structure

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

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.

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

Contributions

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were \$6,357,589 for the year ended June 30, 2025.

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

At June 30, 2025, the District reported a liability of \$23,548,015 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2024, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2023. Standard update procedures were used to roll-forward the TOL to December 31, 2024. The district's proportion of the net

OPEB liability was based on the District's contributions to the HCTF for the calendar year 2024 relative to the total contributions of participating employers to the HCTF .

At December 31, 2024, the District's proportion was 4.92464%, which was an increase of 0.22758% from its proportion measured as of December 31, 2023.

For the year ended June 30, 2025, the District recognized OPEB expense of \$5,308,518. At June 30, 2025, 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	\$ -	\$ 5,194,217
Changes of Assumptions or other Inputs	270,018	7,527,119
Net Difference between Projected and Actual		
Earnings on OPEB Plan Investments	79,828	-
Changes in Proportion and Differences between		
Contributions Recognized and Proportionate Share		
Share of Contributions	2,150,337	397,461
Contributions Subsequent to the Measurement Date	3,219,407	-
Total	<u>\$ 5,719,590</u>	<u>\$ 13,118,797</u>

\$3,219,407 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2026	\$ (3,302,440)
2027	(1,723,294)
2028	(2,645,182)
2029	(1,521,928)
2030	(939,674)
Thereafter	(486,096)

Actuarial Assumptions

The TOL in the December 31, 2023 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial Cost Method	Entry Age
Price Inflation	2.30%
Real Wage Growth	0.70%
Wage Inflation	3.00%
Salary Increases, Including Wage Inflation	3.40%-11.00%
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	16.00% in 2024, then 6.75% in 2025, gradually decreasing to 4.50% in 2034
MAPD PPO #2	105.00% in 2024, then 8.55% in 2025, gradually increasing to 4.50% in 2035
Medicare Part A Premiums	3.50% in 2024, gradually increasing to 4.50% in 2033

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

As of the December 31, 2024 measurement date, the FNP and related disclosure components for the HCTF reflect additional payments related to the disaffiliation of Tri-County Health Department (Tri-County Health) as a PERA-affiliated employer,

effective December 31, 2022. The additional employer disaffiliation payment allocations to the HCTF and Local Government Division Trust Fund were \$0.020 million and \$0.486 million, respectively.

Each year the per capita health care costs are developed by plan option. As of the December 31, 2023 actuarial valuation, costs are based on 2024 premium rates for the UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #1, the UnitedHealthcare MAPD PPO plan #2, and the Kaiser Permanente MAPD HMO plan. Actuarial morbidity factors were then applied to estimate individual retiree and spouse costs by age, gender, and health care cost trend. This approach applies for all members and is adjusted accordingly for those not eligible for premium-free Medicare Part A for the PERA benefit structure.

Age-Related Morbidity Assumptions		
Participant Age	Annual Increase (Male)	Annual Increase (Female)
65-68	2.20%	2.30%
69	2.80%	2.20%
70	2.70%	1.60%
71	3.10%	0.50%
72	2.30%	0.70%
73	1.20%	0.80%
74	0.90%	1.50%
75-85	0.90%	1.30%
86 and older	0.00%	0.00%

Sample Age	MAPD PPO #1 with Medicare Part A		MAPD PPO #2 with Medicare Part A		MAPD HMO (Kaiser) with Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
65	\$1,710	\$1,420	\$585	\$486	\$1,897	\$1,575
70	\$1,921	\$1,589	\$657	\$544	\$2,130	\$1,763
75	\$2,122	\$1,670	\$726	\$571	\$2,353	\$1,853
Sample Age	MAPD PPO #1 without Medicare Part A		MAPD PPO #2 without Medicare Part A		MAPD HMO (Kaiser) without Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
65	\$6,536	\$5,429	\$4,241	\$3,523	\$7,063	\$5,866
70	\$7,341	\$6,073	\$4,764	\$3,941	\$7,933	\$6,563
75	\$8,110	\$6,385	\$5,262	\$4,143	\$8,763	\$6,900

The 2024 Medicare Part A premium is \$505 per month. All costs are subject to the health care cost trend rates, discussed as follows.

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

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in

conjunction with actual plan experience (if credible), building block models, and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. PERACare Medicare plan rates are applied where members have no premium-free Part A and where those premiums are already exceeding the maximum subsidy. MAPD PPO #2 has a separate trend because the first year rates are still below the maximum subsidy and to reflect the estimated impact of the Inflation Reduction Act for that plan option.

The PERA benefit structure health care cost trend rates used to measure the TOL are summarized in the table below:

Year	PERACare Medicare Plans	MAPD PPO #2 ¹	Medicare Part A Premiums
2024	16.00%	105.00%	3.50%
2025	6.75%	8.55%	3.75%
2026	6.50%	8.10%	3.75%
2027	6.25%	7.65%	4.00%
2028	6.00%	7.20%	4.00%
2029	5.75%	6.75%	4.25%
2030	5.50%	6.30%	4.25%
2031	5.25%	5.85%	4.25%
2032	5.00%	5.40%	4.25%
2033	4.75%	4.95%	4.50%
2034+	4.50%	4.50%	4.50%

¹ MAPD PPO #2 - Increase in 2024 trend rates due to the effect of the Inflation Reduction Act.

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

Mortality assumptions used in the December 31, 2023 valuation for the Division Trust Funds as shown in the following table, reflect generational mortality and were applied, as applicable, in the December 31, 2023 valuation for the HCTF, but developed using a headcount-weighted basis. Note that in all categories, displayed as follows, the mortality tables are generationally projected using scale MP-2019. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

Pre-Retirement	Mortality Table	Adjustments, as Applicable
School Division	PubT-2010 Employee	N/A

Post-Retirement (Retiree), Non-Disabled	Mortality Table	Adjustments, as Applicable
School Division	PubT-2010 Healthy Retiree	Males: 112% of the rates prior to age 80/ 94% of the rates age 80 and older Females: 83% of the rates prior to age 80/ 106% of the rates age 80 and older

Post-Retirement (Beneficiary), Non-Disabled	Mortality Table	Adjustments, as Applicable
All Beneficiaries	Pub-2010 Contingent Survivor	Males: 97% of the rates for all ages Females: 105% of the rates for all ages

Disabled	Mortality Table	Adjustments, as Applicable
Members other than Safety Officers	PubNS-2010 Disabled Retiree	99% of the rates for all ages

The following health care costs assumptions were updated and used in the roll-forward calculation for the HCTF:

- Per capita health care costs in effect as of the December 31, 2023 valuation date for those PERACare enrollees under the PERA benefit structure who are expected to be age 65 and older and are not eligible for premium-free Medicare Part A benefits were updated to reflect costs for the 2024 plan year.
- The health care cost trend rates applicable to health care premiums were

revised to reflect the current expectation of future increases in those premiums. A separate trend rate assumption set was added for MAPD PPO #2 as the first-year rate is still below the maximum subsidy and also the assumption set reflects the estimated impact of the Inflation Reduction Act for that plan option.

- The Medicare health care plan election rate assumptions were updated effective as of the December 31, 2023 valuation date based on an experience analysis of recent data.

The actuarial assumptions used in the December 31, 2023 valuations were based on the 2020 experience analysis, dated October 28, 2020, and November 4, 2020, for the period January 1, 2016 through

December 31, 2019. Revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020.

Based on the 2024 experience analysis, dated January 3, 2025, for the period January 1, 2020 to December 31, 2023, revised actuarial assumptions were adopted by PERA's Board on January 17, 2025, and were effective as of December 31, 2024. The following assumptions were reflected in

the roll forward calculation of the total OPEB liability from December 31, 2023 to December 31, 2024.

Salary increases including wage inflation for school division is 4.00% to 13.40%.

The following health care costs assumptions were used in the roll forward calculation for the HCTF:

- Salary scale assumptions were altered to better reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- Participation rates were reduced.
- MAPD premium costs are no longer age graded.

	With Medicare Part A	Without Medicare Part A
MAPD PPO #1	\$1,824	\$6,972
MAPD PPO #2	624	4,524
MAPD HMO (Kaiser)	2,040	7,596



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

The adjustments for credibility applied to the Pub-2010 mortality tables for active and retired lives, including beneficiaries, were updated based on the experience. Note that in all categories, the mortality tables are generationally projected using the 2024 adjusted MP-2021 project scale. These assumptions updated for the Division Trust Funds, were also applied in the roll forward calculations for the HCTF using a headcount-weighted basis. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

Pre-Retirement	Mortality Table	Adjustments, as Applicable
School Division	PubT-2010 Employee	N/A

Post-Retirement (Retiree), Non-Disabled	Mortality Table	Adjustments, as Applicable
School Division	PubT-2010 Healthy Retiree	Males: 106% of the rates for all ages Females: 86% of the rates prior to age 85/ 115% of the rates age 85 and older

Post-Retirement (Beneficiary), Non-Disabled	Mortality Table	Adjustments, as Applicable
All Beneficiaries	Pub-2010 Contingent Survivor	Males: 92% of the rates for all ages Females: 100% of the rates for all ages

Disabled	Mortality Table	Adjustments, as Applicable
Members other than Safety Officers	PubNS-2010 Disabled Retiree	95% of the rates for all ages

The actuarial assumptions pertaining to per capita health care costs and their related trend rates are analyzed annually and updated, as appropriate, by the PERA Board's actuary.

The long-term expected return on plan assets is monitored on an ongoing basis and reviewed as part of periodic experience studies prepared every four years, and asset/liability studies, performed every three to five years for PERA. The most recent analyses were outlined in the 2024 Experience Study report dated January 3, 2025.

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

The PERA Board first adopted the 7.25% long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the November 15, 2019 meeting, and again at the Board's September 20, 2024, meeting. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>30-Year Expected Geometric Real Rate of Return</u>
Global Equity	51.00 %	5.00 %
Fixed Income	23.00	2.60
Private Equity	10.00	7.60
Real Estate	10.00	4.10
Alternatives	6.00	5.20
Total	<u>100%</u>	

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected nominal rate of return assumption of 7.25%.

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates

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

	<u>1% Decrease in Trend Rates</u>	<u>Current Trend Rates</u>	<u>1% Increase in Trend Rates</u>
Initial PERACare Medicare Trend Rate ¹	5.75%	6.75%	7.75%
Ultimate PERACare Medicare Trend Rate	3.50%	4.50%	5.50%
Initial MAPD PPO#2 Trend Rate ¹	7.55%	8.55%	9.55%
Ultimate MAPD PPO#2 Trend Rate	3.50%	4.50%	5.50%
Initial Medicare Part A Trend Rate ¹	2.75%	3.75%	4.75%
Ultimate Medicare Part A Trend Rate	3.50%	4.50%	5.50%
Proportionate Share of the Net OPEB Liability	\$ 22,913,573	\$ 23,548,015	\$ 24,266,028

¹ For the January 1, 2025 plan year.

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

Discount Rate

The discount rate used to measure the TOL was 7.25%. The basis for the projection of liabilities and the FNP used to determine the discount rate was an actuarial valuation performed as of December 31, 2023 and the financial status of the HCTF as of the current measurement date (December 31, 2024). 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, 2024, 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 3.00%.
- 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 to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.

- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.
- As of the December 31, 2024 measurement date, the FNP and related disclosure components for the HCTF reflect additional payments related to the disaffiliation of Tri-County Health as a PERA-affiliated employer, effective December 31, 2022. The additional employer disaffiliation payment allocations to the HCTF and Local Government Division Trust Fund were \$0.020 million and \$0.486 million, respectively.

Based on the above assumptions and methods, the FNP for the HCTF 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 OPEB plan investments was applied to all periods of projected benefit payments to determine the TOL. The discount rate determination did not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

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

The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 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 OPEB Liability	\$28,858,454	\$ 23,548,015	\$ 18,969,772

OPEB Plan Fiduciary Net Position

Detailed information about the HCTF's FNP is available in PERA's ACFR which can be obtained at www.copera.org/forms-resources/financial-reports-and-studies.

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 \$82,864 for the year ended June 30, 2025.

At June 30, 2025, the charter schools reported a liability of \$311,299 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of

December 31, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2023.

Standard update procedures were used to roll forward the total OPEB liability to December 31, 2023. 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 2023 relative to the total contributions of participating employers to the HCTF.



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

At December 31, 2024, the charter school's proportion was 0.0651024944%, which was an increase of 0.0084224652% from its proportion measured as of December 31, 2024. For the year ended June 30, 2025, the charter schools recognized OPEB expense benefit of 141,183. At June 30, 2025, 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	\$ -	\$ 68,665
Changes of Assumptions or other Inputs	3,570	99,505
Net Difference between Projected and Actual		
Earnings on OPEB Plan Investments	1,056	-
Changes in Proportion and Differences between		
Contributions Recognized and Proportionate Share		
Share of Contributions	132,374	21,542
Contributions Subsequent to the Measurement Date	42,867	-
Total	<u>\$ 179,867</u>	<u>\$ 189,712</u>

\$42,867 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, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended June 30.</u>	<u>Amount</u>
2026	\$ (26,306)
2027	178
2028	(14,991)
2029	(4,927)
2030	(7,113)
Thereafter	447
Total	<u>\$ (52,712)</u>

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate Share of the Net OPEB Liability	\$ 381,502	\$ 311,299	\$ 250,776

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

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
ACare Medicare Trend Rate ¹	5.75%	6.75%	7.75%
Ultimate PERACare Medicare Trend Rate	3.50%	4.50%	5.50%
'D PPO#2 Trend Rate ¹	7.55%	8.55%	9.55%
Ultimate MAPD PPO#2 Trend Rate	3.50%	4.50%	5.50%
icare Part A Trend Rate ¹	2.75%	3.75%	4.75%
Ultimate Medicare Part A Trend Rate	3.50%	4.50%	5.50%
Proportionate Share of the Net OPEB Liability	\$ 302,912	\$ 311,299	\$ 320,790

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 \$550,000 are pooled between the member districts, and losses in excess of \$550,000 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).

15) RISK MANAGEMENT (Continued)

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 \$1,000,000 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 \$27,000,000 annual aggregate. Flood and earthquake coverage provided by the Colorado Pool has limits of \$100,000,000 per occurrence or 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, \$50,000 for automobile liability, and \$100,000 per occurrence for property losses.

At June 30, 2025, the amount of workers compensation prepaid was \$459,704. Changes in the reported prepaid/liability for the years ended June 30, 2025, and 2024, were as follows:

	<u>2025</u>	<u>2024</u>
Beginning of fiscal year liability	\$ 760,834	\$ 1,057,579
Current-year claims and changes in estimate	2,981,868	3,123,749
Claim payments	<u>(2,522,164)</u>	<u>(2,362,915)</u>
Balance at fiscal year-end prepaid	<u>\$ 459,704</u>	<u>\$ 760,834</u>

Other

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

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

16) COMMITMENTS

CONSTRUCTION COMMITMENTS

The District had commitments of \$342,305,587 for capital projects at June 30, 2025, of which \$341,289,510 have been encumbered in the Capital Projects – Building Fund, \$820,327 have been encumbered in the Capital Reserve Fund, and \$195,750 have been encumbered in the Capital Construction, Technology and Maintenance Fund 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.

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.

17) CONTINGENCIES (Continued)

As of June 30, 2025, the District has restricted 3 percent of its fiscal year 2024-2025 spending as follows:

Governmental Activities:	
General Fund	\$ 24,687,000
Capital Projects Fund: Capital Reserve Fund	561,000
Special Revenue Funds:	
Technology, and Maintenance Fund	1,532,000
Extended Child Services Fund	509,000
Food Services Fund	395,000
Pupil Activities Fund	419,000
Total	<u>\$ 28,103,000</u>

18) RESTATEMENT OF BEGINNING NET POSITION

A) CHANGE IN ACCOUNTING PRINCIPLE - GASB 101 COMPENSATED ABSENCES IMPLEMENTATION

Effective July 1, 2024, the District implemented GASB Statement No. 101, *Compensated Absences*. This statement updated the recognition and measurement guidance for compensated absences and associated salary-related payments and amended certain previously required disclosures. As a result of the implementation of this standard, the compensated absences liability as of July 1, 2024 was understated by \$13,477,433 in the governmental activities. The effect of the implementation of this standard is shown in table below.

B) CHANGE IN REPORTING ENTITY – COLORADO SKIES ACADEMY (CSA) COMPONENT UNIT

Pursuant to Board Resolution #24.2.2, the District's Board of Education determined that the charter school contract for Colorado Skies Academy would not be renewed for fiscal year 2025 and the contract was terminated effective June 30, 2024.

As of June 30, 2024, the changes in reporting entity as previously reported included Colorado Skies Academy. position as restated in the Statement of Activities reflect a reporting entity change to exclude the net position of Colorado Skies Academy for \$3,878,958.

The component units combining financial statements reflect changes in reporting entity to exclude the reporting of the charter school that is no longer a part of the District. Additionally, the effect of the change in reporting entity is shown in table below.

**C) CHANGE IN REPORTING ENTITY –
FRONT RANGE BOCES AND
CUSTODIAL FUND ADDED**

Starting in fiscal year 2024-2025, the District began providing administrative support to the Front Range Board of Cooperative Educational Services (BOCES). In order to facilitate the administrative support functions, the District has created the Front Range BOCES Fund, a custodial fund, to

account for the activities of the Front Range BOCES. The activities for fiscal year 2024-2025 for Front Range BOCES are presented in the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position. Additionally, the effect of that change to and within the financial reporting entity is shown in the table below.

Adjustments to and Restatements of Beginning Balances

During fiscal year 2024-2025, changes to the financial reporting entities, and the change in accounting principle for the implementation of GASB 101 resulted in adjustments to and restatements of beginning net position, as follows:

	June 30, 2024, as Originally Reported	Change in Accounting Principle	Change to Financial Reporting Entity	Change in Financial Reporting Entity	June 30, 2024, as Restated
Government-Wide:					
Governmental Activities	\$ (640,878,126)	\$ (13,477,433)	\$ -		\$ (654,355,559)
Total Primary Government	<u>\$ (640,878,126)</u>	<u>\$ (13,477,433)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (654,355,559)</u>
Discretely Presented Component Units:					
Charter School - Nonrenewal	\$ 2,200,027	\$ -	\$ 3,878,958	\$ -	\$ 6,078,985
Total Discretely Presented Component Units	<u>\$ 2,200,027</u>	<u>\$ -</u>	<u>\$ 3,878,958</u>	<u>\$ -</u>	<u>\$ 6,078,985</u>
Fiduciary Fund:	\$ -	\$ -	\$ -	\$ 240,119	\$ 240,119
Front Range BOCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 240,119</u>	<u>\$ 240,119</u>

19) SUBSEQUENT EVENT

On October 23, 2025, the District refunded \$214.1 million of the 2012B Series General Obligation Bonds and 2017 Series General Obligation Bonds with the proceeds from the issuance of the 2025 Series Refunding General Obligation Bonds.

Total debt service on the 2025 refunding bonds will be \$231,313,219 through December 15, 2033. This refunding decreases total debt service and will result in savings to taxpayers of \$36.0 million over the life of the new debt and an economic gain on a net present value basis of \$16.4 million.



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Required Supplementary Information

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



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CHERRY CREEK SCHOOL DISTRICT NO. 5

ARAPAHOE COUNTY, COLORADO

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

PERA PENSION PLAN

Last Ten Years*

(In Thousands of Dollars)

	2016	2017	2018	2019
Plan measurement date	12/31/2015	12/31/2016	12/31/2017	12/31/2018
Proportion of the Net Pension Liability	8.287%	7.951%	8.031%	7.180%
Proportionate share of the Net Pension Liability	\$ 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	<u>\$ 1,267,410</u>	<u>\$ 2,367,204</u>	<u>\$ 2,596,852</u>	<u>\$ 1,445,235</u>
District's Covered payroll	\$ 347,291	\$ 357,027	\$ 372,922	\$ 391,443
District's Proportionate share of Net Pension Liability as a percentage of its covered payroll	364.9%	663.0%	696.4%	324.8%
Plan Fiduciary Net Position as a percentage of Total Pension Liability	59.20%	43.10%	43.96%	57.01%

*HB 20-1379 suspended the direct distribution scheduled for July 1, 2020 in fiscal year 2021.

**For calendar year 2023, the District's covered payroll includes approximately \$4.2 million in longevity compensation for which contributions were remitted to PERA. During calendar year 2024, PERA determined that these contributions are not PERA salary includable and refunded the PERA contributions to the District. The refund contributions have been reduced in the period that they were received by the District.

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023	12/31/2024
7.192%	8.040%	7.262%	6.199%	7.851%	7.692%
\$ 1,074,427	\$ 1,215,422	\$ 845,137	\$ 1,128,743	\$ 1,388,391	\$ 1,327,186
<u>136,277</u>	<u>-</u>	<u>96,884</u>	<u>328,927</u>	<u>30,443</u>	<u>119,202</u>
<u>\$ 1,210,704</u>	<u>\$ 1,215,422</u>	<u>\$ 942,021</u>	<u>\$ 1,457,670</u>	<u>\$ 1,418,834</u>	<u>\$ 1,446,388</u>
\$ 421,541	\$ 430,378	\$ 453,324	\$ 476,753	\$ 524,929	\$ 623,293
254.9%	282.4%	186.4%	236.8%	264.5%	212.9%
64.52%	67.00%	74.90%	61.80%	64.70%	67.20%

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

SCHEDULE OF CONTRIBUTIONS

PERA PENSION PLAN

Last Ten Fiscal Years

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Contractually required contribution	\$ 65,062,685	\$ 66,439,413	\$ 71,666,521	\$ 78,396,192
Contributions in relation to the contractually required contribution	<u>65,062,685</u>	<u>66,439,413</u>	<u>71,666,521</u>	<u>78,396,192</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 367,224,349	\$ 361,430,140	\$ 379,540,091	\$ 409,807,588
Contributions as a percentage of covered payroll	17.72%	18.38%	18.88%	19.13%



Fiscal Year					
<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
\$ 84,337,844	\$ 86,036,555	\$ 92,833,250	\$ 99,192,548	\$ 115,218,453	\$ 127,027,117
<u>84,337,844</u>	<u>86,036,555</u>	<u>92,833,250</u>	<u>99,192,548</u>	<u>115,218,453</u>	<u>127,027,117</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 435,179,792	\$ 432,779,450	\$ 466,968,060	\$ 486,715,151	\$ 565,350,603	\$ 623,293,017
19.38%	19.88%	19.88%	20.38%	20.38%	20.38%

CHERRY CREEK SCHOOL DISTRICT NO. 5

ARAPAHOE COUNTY, COLORADO

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY

PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO HEALTH CARE TRUST FUND

Last Ten Years*

(In Thousands of Dollars)

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

* The amounts presented for each fiscal year were determined as of December 31 based on the measurement date of the Plan. Information earlier than 2017 was not available.



<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
12/31/2020	12/31/2021	12/31/2022	12/31/2023	12/31/2024
4.651%	4.742%	4.711%	4.697%	4.925%
\$ 44,196	\$ 40,888	\$ 38,468	\$ 33,524	\$ 23,548
\$ 430,378	\$ 453,324	\$ 476,754	\$ 524,929	\$ 590,729
10.27%	9.02%	8.07%	6.39%	3.99%
32.78%	39.40%	38.60%	46.20%	59.80%

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

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

	Fiscal Year			
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Contractually required contribution	\$ 3,745,688	\$ 3,686,587	\$ 3,871,309	\$ 4,180,037
Contributions in relation to the contractually required contribution	<u>3,745,688</u>	<u>3,686,587</u>	<u>3,871,309</u>	<u>4,180,037</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 367,224,349	\$ 361,430,140	\$ 379,540,091	\$ 409,807,588
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%



Fiscal Year					
<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
\$ 4,438,834	\$ 4,414,350	\$ 4,763,074	\$ 4,964,495	\$ 5,766,576	\$ 6,357,589
<u>4,438,834</u>	<u>4,414,350</u>	<u>4,763,074</u>	<u>4,964,495</u>	<u>5,766,576</u>	<u>6,357,589</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 435,179,792	\$ 432,779,450	\$ 466,968,060	\$ 486,715,151	\$ 565,350,303	\$ 623,293,017
1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

CHERRY CREEK SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For The Year Ended June 30, 2025

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Taxes				
Property taxes	\$ 326,250,381	\$ 319,493,419	\$ 319,501,753	\$ 8,334
Specific ownership taxes	27,536,007	25,836,007	25,826,049	(9,958)
Intergovernmental - State				
State equalization aid	373,684,222	391,030,978	391,030,704	(274)
Transportation	6,236,366	6,536,366	6,538,445	2,079
Special education	24,210,560	25,614,146	25,614,799	653
Vocational education	2,074,031	2,288,031	2,287,150	(881)
Universal preschool program	12,820,000	12,820,000	9,631,570	(3,188,430)
Other state	3,481,426	3,852,426	3,852,062	(364)
Intergovernmental - Federal	-	-	3,025	3,025
Earnings on Investments	5,250,000	5,678,000	5,678,004	4
Other				
Tuition	750,000	750,000	753,389	3,389
Fees and fines	750,000	1,170,000	1,169,098	(902)
Miscellaneous	3,500,000	5,876,000	8,164,950	2,288,950
Total revenues	<u>786,542,993</u>	<u>800,945,373</u>	<u>800,050,998</u>	<u>(894,375)</u>
EXPENDITURES				
Current				
Instruction	594,299,789	576,333,914	565,600,523	10,733,391
Indirect instructional				
Pupil services	55,402,536	59,513,894	57,012,023	2,501,871
Instructional staff services	24,614,335	28,361,530	26,853,739	1,507,791
School administration	47,993,955	58,397,951	55,883,288	2,514,663
Support services				
General administration	13,764,777	17,380,644	15,205,564	2,175,080
Business services	7,241,743	9,302,701	7,139,043	2,163,658
Operations and maintenance	41,292,594	37,580,180	33,076,013	4,504,167
Pupil transportation	35,973,941	37,676,757	34,613,063	3,063,694
Central services	27,063,757	26,294,992	23,784,990	2,510,002
Community services	1,755,029	3,909,802	2,400,863	1,508,939
County treasury fees	900,000	957,576	915,940	41,636
Facilities construction services	724,318	7,960,415	8,244	7,952,171
Debt service				
Principal	398,000	398,000	391,441	6,559
Interest and fiscal charges	8,500	8,500	8,250	250
Total expenditures	<u>851,433,274</u>	<u>864,076,856</u>	<u>822,892,984</u>	<u>41,183,872</u>
Excess of revenues over (under) expenditures	(64,890,281)	(63,131,483)	(22,841,986)	40,289,497
OTHER FINANCING SOURCES (USES)				
Transfers in	789,125	789,125	-	(789,125)
Transfers out	(13,025,318)	(13,025,318)	-	13,025,318
Total other financing sources (uses)	<u>(12,236,193)</u>	<u>(12,236,193)</u>	<u>-</u>	<u>12,236,193</u>
Net change in fund balance	(77,126,474)	(75,367,676)	(22,841,986)	52,525,690
Fund balance, Beginning	100,360,759	94,042,257	94,042,257	-
Fund balance, Ending	<u>\$ 23,234,285</u>	<u>\$ 18,674,581</u>	<u>\$ 71,200,271</u>	<u>\$ 52,525,690</u>
Less effect of on-behalf payments to PERA			(10,879,616)	
Plus effect of on-behalf contributions from PERA			10,879,616	
Fund Balance (GAAP Basis), Ending			<u>\$ 71,200,271</u>	

CHERRY CREEK SCHOOL DISTRICT NO. 5

ARAPAHOE COUNTY, COLORADO

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL REVENUE - DESIGNATED PURPOSE GRANTS FUND**

For The Year Ended June 30, 2025

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Intergovernmental				
Federal - grants	\$ 38,159,137	\$ 41,262,894	\$ 27,485,690	\$ (13,777,204)
State - grants	4,286,335	5,138,319	5,138,330	11
Donations	4,959,741	5,004,000	5,005,470	1,470
Total revenues	<u>47,405,213</u>	<u>51,405,213</u>	<u>37,629,490</u>	<u>(13,775,723)</u>
EXPENDITURES				
Current				
Instruction	23,307,909	23,307,909	20,019,395	3,288,514
Indirect instructional				
Pupil services	13,696,805	13,696,805	10,546,469	3,150,336
Instructional staff services	9,793,974	13,793,974	6,719,648	7,074,326
School administration	374,720	374,720	342,805	31,915
Support services				
Central services	26,980	26,980	1,173	25,807
Operations and maintenance	203,000	203,000	-	203,000
Facilities construction and other services	1,825	1,825	-	1,825
Total expenditures	<u>47,405,213</u>	<u>51,405,213</u>	<u>37,629,490</u>	<u>13,775,723</u>
Net change in fund balance	-	-	-	-
Fund balance, Beginning	-	-	-	-
Fund balance, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(1) Budget is adopted on a basis consistent with GAAP.



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Notes to the Required Supplementary Information

Cherry Creek School District No. 5

Arapahoe County, Colorado

June 30, 2025

1) CHANGES IN PENSION BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS

Changes in assumptions or other input effective for the December 31, 2024 measurement period are as follows:

- Salary scale assumptions were altered to better reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The Pub-2010 Public Retirement Plans Mortality base tables were retained for purposes of active, retired, disabled, and beneficiary lives, with revised adjustments for credibility and gender, where applicable. In addition, the applied generational projection scale was updated to the 2024 adjusted scale MP-2021.
- The estimated administrative expense as a percentage of covered payroll was increased from 0.40% to 0.45%.

Changes in assumptions or other input effective for the December 31, 2023 measurement period are as follows:

- Senate Bill (SB) 23-056, enacted and effective June 2, 2023, intended to recompense PERA for the remaining portion of the \$225 million direct distribution originally scheduled for receipt July 1, 2020, suspended due to the enactment of House Bill (HB) 20-1379, but not fully repaid through the provisions within HB 22-1029. Pursuant to SB 23-056, the State Treasurer

issued a warrant consisting of the balance of the PERA Payment Cash Fund, created in §24-51-416, plus \$10 million from the General Fund, totaling \$14.561 million.

- As of the December 31, 2023, measurement date, the total pension liability (TPL) recognizes the change in the default method applied for granting service accruals for certain members, from a "12-pay" method to a "non-12-pay" method. The default service accrual method for positions with an employment pattern of at least eight months but fewer than 12 months (including, but not limited to positions in the School and DPS Divisions) receive a higher ratio of service credit for each month worked, up to a maximum of 12 months of service credit per year.

There were no changes in terms or assumptions for the December 31, 2022 measurement period for pension compared to the prior year.

Changes in assumptions or other input effective for the December 31, 2021 measurement period are as follows:

- The projected benefit payments reflect the lowered annual increase cap from 1.25% to 1%, resulting from the 2020 AAP assessment, effective July 1, 2022.
- Assumptions on employer and employee contributions were updated to include the additional 0.50% resulting from the 2020 AAP assessment, effective July 1, 2022.

1) CHANGES IN PENSION BENEFIT TERMS AND ACTUARIAL (Continued)

Changes in assumptions or other input effective for the December 31, 2020 measurement period are as follows:

- The price inflation assumption was lowered from 2.40% to 2.30%, and the wage inflation assumption was lowered from 3.50% to 3.00%.
- The real rate of investment return assumption was increased to 4.95% per year, net of investment expenses from 4.85% per year, net of investment expenses.
- Salary scale assumptions were revised to align with the revised economic assumptions and to more closely reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The pre-retirement mortality assumption for the State Division (members other than State Troopers) was changed to the PubG-2010 Employee Table with generational projection using scale MP-2019.
- The pre-retirement mortality assumption for the Judicial Division was changed to the PubG-2010(A) Above Median Employee Table with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for the State Division (Members other than State Troopers) was changed to the PubG-2010 Health Retiree Table, adjusted as follows:

- Males: 94% of the rates prior to age 80 and 90% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- Females: 87% of the rates prior to age 80 and 107% of the rates for ages 80 and older, with generational projection using scale MP-2019.

- The disabled mortality assumption for the Division Trust Funds (Members other than State Troopers) was changed to the PubNS-2010 Disabled Retiree Table with generational projection using scale MP-2019.
- The mortality tables described above are generational mortality tables on a benefit-weighted basis.

Changes in assumptions or other input effective for the December 31, 2019 measurement period are as follows:

- The assumption used to value the annual increase (AI) cap benefit provision was changed from 1.50% to 1.25%.

Changes in assumptions or other inputs effective for the December 31, 2018 measurement period are as follows:

- The assumed investment rate of return of 7.25% was used as the discount rate, rather than using the blended rate of 4.72%

Changes in assumptions or other inputs effective for the December 31, 2017 measurement period are as follows:

- The discount rate was lowered from 5.26% to 4.72%.

2) CHANGES IN OPEB BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS

Changes in assumptions or other input effective for the December 31, 2024 measurement period are as follows:

- As of the December 31, 2024 measurement date, the fiduciary net position (FNP) and related disclosure components for Health Care Trust Fund (HCTF) reflect additional payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. The additional employer disaffiliation payment allocations to the HCTF and Local Government Division Trust Fund were \$0.020 million and \$0.486 million, respectively.
- Salary scale assumptions were altered to better reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The adjustments for credibility applied to the Pub-2010 mortality tables for active and retired lives, including beneficiaries, were updated based on experience. In addition, the mortality projection scale was updated to the 2024 adjusted scale MP-2021 to reflect future improvements in mortality for all groups.
- Participation rates were reduced.
- MAPD premium costs are no longer age graded.

Changes in assumptions or other input effective for the December 31, 2023 measurement period are as follows:

- As of the December 31, 2023, measurement date, the FNP and related disclosure components HCTF reflect payments related to the disaffiliation of Tri-County Health Department (Tri-

County Health) as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a \$24 million payment received on December 4, 2023, and a \$2 million receivable. The employer disaffiliation payment and receivable allocations to the HCTF and Local Government Division Trust Fund were \$1.033 million and \$24.967 million, respectively.

Changes in assumptions or other input effective for the December 31, 2022 measurement period are as follows:

- Per capital health costs were developed by plan option based on 2022 premium rates for the UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #1, UnitedHealthcare MAPD PPO plan #2, and the Kaiser Permanente MAPD HMO plan. Actuarial morbidity factors are then applied to estimate individual retiree and spouse costs by age, gender, and health care cost trend.
- Health care cost trend rates were revised to reflect an expectation of future increases in rates of inflation.

There were no changes in assumptions or other inputs effective for the December 31, 2021 measurement period for OPEB.

Changes in assumptions or other input effective for the December 31, 2020 measurement period are as follows:

- The price inflation assumption was lowered from 2.40% to 2.30%, and the wage inflation assumption was lowered from 3.50% to 3.00%.
- The real rate of investment return assumption was increased to 4.95% per year, net of investment expenses from 4.85% per year, net of investment expenses.

2) CHANGES IN OPEB BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS (Continued)

- Salary scale assumptions were revised to align with the revised economic assumptions and to more closely reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The pre-retirement mortality assumption for the State Division (members other than State Troopers) was changed to the PubG-2010 Employee Table with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for the State Division (Members other than State Troopers) was changed to the PubG-2010 Health Retiree Table, adjusted as follows:
 - Males: 94% of the rates prior to age 80 and 90% of the rates for ages 80 and older, with generational projection using scale MP-2019.
 - Females: 87% of the rates prior to age 80 and 107% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- The disabled mortality assumption for the Division Trust Funds (Members other than State Troopers) was changed to the PubNS-2010 Disabled Retiree Table with generational projection using scale MP-2019.
- The mortality tables described above are generational mortality tables on a benefit-weighted basis.

There were no changes in assumptions or other inputs effective for the December 31, 2019 measurement period for OPEB.

There were no changes in assumptions or other inputs effective for the December 31, 2018 measurement period for OPEB compared to the prior year.

There were no changes in assumptions or other inputs effective for the December 31, 2017 measurement period for OPEB.

3) USE OF GENERAL FUND APPROPRIATED RESERVE

The District sets its expenditure budgets based on detailed forecasts but also appropriates reserves to account for any unexpected expenditures. Therefore, the budgeted use of fund balance is based on the premise that all appropriated reserves could be utilized to cover expenditures. Based on the Supplemental Budget approved by the Board of Education in January 2025, the District anticipated a budget where \$15 million of fund balance from prior year will be used. Upon completion of the fiscal year, the District had expended approximately (1%) more than anticipated and approximately \$8 million of the appropriated reserve.

APPENDIX B

BOOK-ENTRY ONLY SYSTEM

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited,

which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, interest and redemption proceeds on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Paying Agent on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest or redemption proceeds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District or the Registrar and Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

APPENDIX C
FORM OF CONTINUING DISCLOSURE CERTIFICATE

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**CHERRY CREEK SCHOOL DISTRICT NO. 5,
ARAPAHOE COUNTY, COLORADO
GENERAL OBLIGATION BONDS
SERIES 2026**

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the Cherry Creek School District No. 5, Arapahoe County, Colorado (the “Issuer”) in connection with the issuance of its General Obligation Bonds, Series 2026, dated as of [CLOSING DATE], in the aggregate principal amount of \$[_____] (the “Bonds”). The Bonds are being issued pursuant to a resolution adopted by the Board of Education of the Issuer on December 8, 2025 (the “Resolution”). The Issuer covenants and agrees as follows:

SECTION 1. Purpose of this Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission (the “SEC”).

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution or parenthetically defined herein, which apply to any capitalized terms used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Dissemination Agent” shall mean any Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

“Fiscal Year” shall mean the period beginning on July 1 of a calendar year and ending on June 30 of the succeeding calendar year, or such other 12-month period as may be adopted by the Issuer in accordance with law.

“Listed Events” shall mean any of the events listed in Section 5 of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board. As of the date hereof, the MSRB’s required method of filing is electronically via its Electronic Municipal Market Access (EMMA) system, which is currently available at <http://emma.msrb.org>.

“Official Statement” means the final Official Statement prepared in connection with the Bonds.

“Participating Underwriter” shall mean the original underwriter of the Bonds required to comply with the Rule in connection with an offering of the Bonds.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as in effect on the date of this Disclosure Certificate.

SECTION 3. Provision of Annual Reports.

(a) The Issuer shall, or shall cause the Dissemination Agent to, not later than nine (9) months following the end of the Issuer’s Fiscal Year of each year, commencing nine (9) months following the end of the Issuer’s Fiscal Year ending June 30, 20[___], provide to the MSRB (in an electronic format as prescribed by the MSRB), an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than five (5) business days prior to said date, the Issuer shall provide the Annual Report to the Dissemination Agent (if the Issuer has selected one). The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report. The information to be updated may be reported in any format chosen by the Issuer; it is not required that the format reflected in the Official Statement be used in future years.

(b) If the Issuer is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the Issuer shall, in a timely manner, file or cause to be filed with the MSRB a notice in substantially the form attached to this Disclosure Certificate as Exhibit “A.”

SECTION 4. Content of Annual Reports. The Issuer’s Annual Report shall contain or incorporate by reference the following:

(a) A copy of its annual financial statements, if any, prepared in accordance with generally accepted accounting principles audited by a firm of certified public accountants. If audited annual financial statements are not available by the time specified in Section 3(a) above, audited financial statements will be provided when and if available.

(b) An update of the type of information identified in Exhibit “B” hereto, which is contained in the tables in the Official Statement with respect to the Bonds.

Any or all of the items listed above may be incorporated by reference from other documents (including official statements), which are available to the public on the MSRB’s Internet Web Site or filed with the SEC. The Issuer shall clearly identify each such document incorporated by reference.

SECTION 5. Reporting of Listed Events. The Issuer shall file or cause to be filed with the MSRB, in a timely manner not in excess of ten (10) business days after the occurrence of the event, notice of any of the events listed below with respect to the Bonds. All of the events currently mandated by the Rule are listed below; however, some may not apply to the Bonds.

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, *if material*;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;

- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) Modifications to rights of bondholders, *if material*;
- (8) Bond calls, *if material*, and tender offers;
- (9) Defeasances;
- (10) Release, substitution or sale of property securing repayment of the Bonds, *if material*;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the obligated person;¹
- (13) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, *if material*;
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, *if material*;

¹ For the purposes of the event identified in subparagraph (b)(5)(i)(C)(12) of the Rule, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and official or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(15) Incurrence of a financial obligation² of the obligated person, *if material*, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, *if material*; and

(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation² of the obligated person, any of which reflect financial difficulties.

SECTION 6. Format; Identifying Information. All documents provided to the MSRB pursuant to this Disclosure Certificate shall be in the format prescribed by the MSRB and accompanied by identifying information as prescribed by the MSRB.

As of the date of this Disclosure Certificate, all documents submitted to the MSRB must be in portable document format (PDF) files configured to permit documents to be saved, viewed, printed and retransmitted by electronic means. In addition, such PDF files must be word-searchable, provided that diagrams, images and other non-textual elements are not required to be word-searchable.

SECTION 7. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate shall terminate upon the earliest of: (i) the date of legal defeasance, prior redemption or payment in full of all of the Bonds; (ii) the date that the Issuer shall no longer constitute an "obligated person" within the meaning of the Rule; or (iii) the date on which those portions of the Rule which require this written undertaking are held to be invalid by a court of competent jurisdiction in a non-appealable action, have been repealed retroactively or otherwise do not apply to the Bonds.

SECTION 8. Dissemination Agent.

(a) The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist the Issuer in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. If the Issuer elects not to appoint a successor Dissemination Agent, it shall perform the duties thereof under this Disclosure Certificate. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate and any other agreement between the Issuer and the Dissemination Agent.

(b) In addition to the filing duties on behalf of the Issuer described in this Disclosure Certificate, the Dissemination Agent shall:

² For purposes of the events identified in subparagraphs (b)(5)(i)(C)(15) and (16) of the Rule, the term "financial obligation" is defined to mean a (A) debt obligation; (B) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) a guarantee of (A) or (B). The term "financial obligation" shall not include municipal securities as to which a final official statement has been otherwise provided to the MSRB consistent with the Rule. In complying with Listed Events (15) and (16), the Issuer intends to apply the guidance provided by the Rule or other applicable federal securities law, SEC Release No. 34-83885 (August 20, 2018) and any future guidance provided by the SEC or its staff.

(1) each year, prior to the date for providing the Annual Report, determine the appropriate electronic format prescribed by the MSRB;

(2) send written notice to the Issuer at least 45 days prior to the date the Annual Report is due stating that the Annual Report is due as provided in Section 3(a) hereof; and

(3) certify in writing to the Issuer that the Annual Report has been provided pursuant to this Disclosure Certificate and the date it was provided.

(4) If the Annual Report (or any portion thereof) is not provided to the MSRB by the date required in Section (3)(a), the Dissemination Agent shall file with the MSRB a notice in substantially the form attached to this Disclosure Certificate as Exhibit A.

SECTION 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate and may waive any provision of this Disclosure Certificate, without the consent of the holders and beneficial owners of the Bonds, if such amendment or waiver does not, in and of itself, cause the undertakings herein (or action of any Participating Underwriter in reliance on the undertakings herein) to violate the Rule, but taking into account any subsequent change in or official interpretation of the Rule. The Issuer will provide notice of such amendment or waiver to the MSRB.

SECTION 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 11. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate, any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriter and the holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

DATE: [CLOSING DATE].

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

By: _____
President

EXHIBIT “A”

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Cherry Creek School District No. 5, Arapahoe County, Colorado
Name of Bond Issue: General Obligation Bonds, Series 2026
Date of Issuance: [CLOSING DATE]
CUSIP Number: 164555 ____

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Certificate dated [CLOSING DATE]. The Issuer anticipates that the Annual Report will be filed by _____.

Dated: _____, _____

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

EXHIBIT “B”

OFFICIAL STATEMENT TABLES TO BE UPDATED

See page -iv- of the Official Statement

APPENDIX D
FORM OF BOND COUNSEL OPINION

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_____, 2026

Cherry Creek School District No. 5
4850 South Yosemite Street
Greenwood Village, Colorado 80111

\$ _____
Cherry Creek School District No. 5
Arapahoe County, Colorado
General Obligation Bonds
Series 2026

Ladies and Gentlemen:

We have acted as bond counsel to Cherry Creek School District No. 5, Arapahoe County, Colorado (the “District”), in connection with the issuance of its General Obligation Bonds, Series 2026, in the aggregate principal amount of \$ _____ (the “Bonds”), pursuant to an authorizing resolution of the Board of Education of the District adopted on December 8, 2025 (the “Bond Resolution”). In such capacity, we have examined the District’s certified proceedings and such other documents and such law of the State of Colorado and of the United States of America as we have deemed necessary to render this opinion letter. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Bond Resolution.

Regarding questions of fact material to our opinions, we have relied upon the District’s certified proceedings and other representations and certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based upon such examination, it is our opinion as bond counsel that:

1. The Bonds constitute valid and binding general obligations of the District.
2. All of the taxable property in the District is subject to the levy of ad valorem taxes to pay the Bonds without limitation of rate and in an amount sufficient to pay the Bonds when due.
3. Interest on the Bonds is excludable from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date hereof (the “Tax Code”), and interest on the Bonds is not a specific item of tax preference for purposes of the alternative minimum tax, however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Tax Code) for the purpose of computing the

alternative minimum tax imposed on corporations. The opinions expressed in this paragraph assume continuous compliance with the covenants and representations contained in the District's certified proceedings and in certain other documents and certain other certifications furnished to us.

4. Under the laws of the State of Colorado in effect as of the date hereof, interest on the Bonds is exempt from Colorado income tax.

The opinions expressed in this opinion letter are subject to the following:

The rights of the owners of the Bonds and the enforceability of the Bonds are limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

In this opinion letter issued in our capacity as bond counsel, we are opining only upon those matters set forth herein, and we are not passing herein upon the accuracy, adequacy, or completeness of the Official Statement relating to the Bonds or any other statements made in connection with any offer or sale of the Bonds or upon any federal or state tax consequences arising from the receipt or accrual of interest on or the ownership or disposition of the Bonds, except those specifically addressed herein.

This opinion letter is issued as of the date hereof, and we assume no obligation to revise or supplement this opinion letter to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

BUTLER SNOW LLP