

FINANCIAL PLAN

*Budget for Fiscal Year
July 1, 2010 - June 30, 2011*

At a Glance



2010 - 2011



Dedicated to Excellence
Cherry Creek Schools

*Cherry Creek School District No. 5,
Arapahoe County, Colorado*

OUR MISSION

**"To inspire every student to think, to learn,
to achieve, to care"**

MESSAGE FROM OUR SUPERINTENDENT



50,000 Students, 50,000 Stories

"Everyone is necessarily the hero of his own life story."

- John Barth, American novelist and short-story writer

In the Cherry Creek School District, we want the life story of each of our students to be one of success; in college, career, and especially, in life.

We are committed to meeting the individual needs of each and every one of our 50,000 students. We accomplish this by intentionally supporting individual strengths and needs in traditional schools and classrooms, as well as in alternative learning environments. We further meet our students' diverse needs through special programming such as Gifted and Talented Education, Special Education and English Language Acquisition.

Cherry Creek is about Excellence and Equity; raising the achievement of all students and closing the achievement gap between the highest- and the lowest-performing students. We are about post-secondary success; ensuring that all students graduate with the knowledge and skills they need to succeed in higher education, vocational training, the military and the workforce of the 21st century.

We couldn't do that without your support. Your approval of ballot issues 3A and 3B is helping us keep the economic downturn from causing an educational downturn. We are tightening our belts and continuing to be good stewards of taxpayer resources by strategically using bond funds to improve technology throughout the District and revitalize older schools, thereby protecting the investment you have already made in those facilities.

The support of our community, coupled with the dedication of our 7,400 employees, has enabled us to create a Culture of Excellence in Cherry Creek Schools. Combine that with the unlimited potential of our 50,000 students, and the future is bright—full of unique and compelling stories, unfolding day by day.

Mary Chesley
Superintendent

CHERRY CREEK VALUES

Intellectual Development of Students

We commit to:

- ◆ Place the needs and welfare of students above all else.
- ◆ Hold high expectations for the growth and achievement of each student.
- ◆ Foster a desire for lifelong learning, achievement, and service to others.
- ◆ Develop meaningful relationships with students and families.

Our People in Support of Learning

We believe in:

- ◆ Attracting quality personnel who reflect the diversity of our community, are knowledgeable, and care deeply about young people.
- ◆ Respecting and understanding the diversity of the students and families we serve.
- ◆ Encouraging creativity and innovation to attain the vision.
- ◆ Demonstrating a strong service orientation to students and parents.

How We Relate to our Community

We will always:

- ◆ Engage students, parents, and community members as partners in the educational process.
- ◆ Promote involvement and empowerment.
- ◆ Improve the organization continuously.
- ◆ Provide a safe and caring environment for learning.

Our Values are Rooted in our Community

The Cherry Creek Schools community is respected as a leader in advocacy for top quality educational programs. Community efforts have resulted in continued success in funding educational initiatives for our District. Our electorate understands the importance of funding quality educational programs on a sustainable level, while at the same time, the District is accountable to them for fiscally responsible approaches to financing education year to year.



FY2010-11 BUDGET PLANNING

Cost and Resource Management Plan

School finance funding, as indicated in the School Finance Bill HB10-1369, sets a FY2010-11 funding level that reduces funding statewide by \$365 million, or 6.35% below statutory levels of Amendment 23. The bill established a “State Budget Stabilization Factor” (“Negative” Factor) that reduces funding to school districts as one of the means used to balance the State’s budget in light of declining income and sales tax revenue.

A series of Budget Town Hall meetings were held in April 2010 to engage staff, parents, and the community in discussion related to the development of a Cost and Resource Management Plan and to inform the public of the impact of State funding reductions to the Cherry Creek School District.

The chart below reflects the calculated formula of the “*Negative State Budget Stabilization Factor*” and how it affects the Cherry Creek School District.

| <div style="display: flex; justify-content: space-between; align-items: center;"> <div style="text-align: center;"> School Finance Bill HB10-1369 - Impact on the Cherry Creek School District </div> <div style="border: 1px solid red; padding: 5px; font-size: small;"> \$365.3 M Statewide K-12 Funding Reduction of 6.35% </div> </div> | | |
|--|----------------------|----------------------|
| Public School Finance Act Total Program Funding Illustration | | |
| FY2010-11 | Amount | Funding Per Pupil |
| PRIOR YEAR TOTAL PROGRAM FORMULA FUNDING (48,979.3 FTE) | \$351,205,021 | \$7,170 |
| PLUS: Anticipated Increase in Funding for Pupil Growth (588 FTE) | 4,216,411 | |
| Anticipated Increase in Funding | 1,421,519 | |
| <small>(Amend. 23 – CPI plus 1% = 0.6% Deflation plus 1%)</small> | | |
| ESTIMATED STATUTORY PROGRAM FORMULA FUNDING | \$356,842,951 | \$7,199 |
| LESS: Effect of Reduction in Total Program Funding | (22,659,527) | |
| State Rescission for School Finance Administration | (93,333) | |
| EQUALS: NET ESTIMATED TOTAL PROGRAM FORMULA FUNDING | \$334,090,091 | \$6,740 |
| <small>(Projected 49,567.3 FTE)</small> | | |
| REVENUE DECLINE FROM PUBLIC SCHOOL FINANCE FUNDING FY2009-10 TO FY2010-11 | (\$8,990,038) | |
| FY2009-10 TO FY2010-11 CUMULATIVE REDUCTION PER PUPIL | | (\$459) |

FY2010-11 BUDGET PLANNING

Cost and Resource Management Plan

Due to adverse economic conditions and declining State revenue, statewide K-12 education funding reductions were adopted by the legislature for FY2010-11.

The following Cost and Resource Management Plan was developed for the purpose of:

- ◆ Properly dealing with the funding reductions in order to achieve a balanced budget
- ◆ Managing resources to support the educational values of the District
- ◆ Positioning the District to be successful in its mission

| DEPARTMENT/DESCRIPTION | \$ AMOUNT | FTE REDUCTION |
|---|---------------------|---------------|
| - Educational Support Services | \$2,405,925 | 69.5 |
| - Educational Operations | 4,078,113 | 50.1 |
| - Performance Improvement | 1,124,360 | 10.2 |
| - HR/Fiscal Svcs./ Superintendent/BOE | 965,247 | 4.0 |
| - 1/2 experience step funded for teachers | 2,500,000 | - |
| TOTAL COST & RESOURCE MANAGEMENT PLAN REDUCTIONS | \$11,073,645 | 133.8 |
| Additional Funding Resources | 6,072,500 | - |
| TOTAL COST & RESOURCE MANAGEMENT PLAN | \$17,146,145 | 133.8 |

FY2010-11 BUDGET PLANNING

Cost and Resource Management Plan Details

EDUCATIONAL SUPPORT SERVICES

| DEPARTMENTAL AREA | BUDGET REDUCT. | FTE REDUCT. | FY2009-10 BUDGET | REDUCT. % OF PROG. |
|---|--------------------|-------------|------------------|--------------------|
| - Transportation† | 1,600,000 | 50.0 | 16,586,916 | 9.6% |
| - Security | 361,425 | 14.5 | 3,063,591 | 11.8% |
| - Maintenance & Facility Support | 444,500 | 5.0 | 17,052,213 | 2.6% |
| TOTAL EDUCATIONAL SUPPORT SERVICES | \$2,405,925 | 69.5 | | |

EDUCATIONAL OPERATIONS

| DESCRIPTION | BUDGET REDUCT. | FTE REDUCT. | FY2009-10 BUDGET | REDUCT. % OF PROG. |
|--------------------------------------|--------------------|-------------|------------------|--------------------|
| - School Administrative Personnel | \$853,100 | 10.0 | 12,910,319 | 6.6% |
| - School Support Personnel† | 472,285 | 17.0 | 13,127,648 | 3.6% |
| - Administrator Professional Growth | 140,000 | - | 140,000 | 100.0% |
| - Administrative Operational Budgets | 156,183 | - | 3,152,517 | 5.0% |
| CENTRAL OFFICE PERSONNEL | | | | |
| - District Dept. Office Staff | 92,300 | 2.0 | 1,282,572 | 7.2% |
| - Special Educ. Depart. Support | 345,000 | 2.0 | 2,646,317 | 13.0% |
| | | | | |
| - School Calendar Change | 250,000 | 3.8 | 3,498,939 | 7.1% |
| - School Supply Budgets | 390,000 | - | 7,869,349 | 5.0% |
| - School Equipment Budgets | 221,645 | - | 4,333,035 | 5.1% |
| - Teaching Positions | 1,007,600 | 15.3 | 257,488,827 | 0.4% |
| - Athletics & Activities | 150,000 | - | 5,570,372 | 2.7% |
| TOTAL EDUCATIONAL OPERATIONS | \$4,078,113 | 50.1 | | |

† Modified from April 2010 Proposed Plan

* Total budget reduction represents 2.7% of the FY2009-10 General Fund budget amount of \$410,777,600.

FY2010-11 BUDGET PLANNING

Cost and Resource Management Plan Details

PERFORMANCE IMPROVEMENT

| DEPARTMENTAL AREA | BUDGET REDUCT. | FTE REDUCT. | FY2009-10 BUDGET | REDUCT. % OF PROG. |
|--------------------------------------|--------------------|-------------|------------------|--------------------|
| - Assessment & Evaluation | \$65,091 | - | \$890,237 | 7.3% |
| - Curriculum & Instruction | 225,200 | 2.4 | 1,888,294 | 11.9% |
| - Excellence & Equity | 166,000 | 2.0 | 6,858,319 | 2.4% |
| - Information Systems | 290,430 | 3.0 | 5,495,200 | 5.3% |
| - Professional Learning | 199,950 | 2.8 | 2,444,470 | 8.2% |
| - Administrative Operational Budgets | 177,689 | - | 2,792,193 | 6.4% |
| TOTAL PERFORM. IMPROV. | \$1,124,360 | 10.2 | | |

HR — FISCAL SERVICES —SUPERINTENDENT— BOARD OF EDUCATION

| DESCRIPTION | BUDGET REDUCT. | FTE REDUCT. | FY2009-10 BUDGET | REDUCT. % OF PROG. |
|--|---------------------|--------------|------------------|--------------------|
| - Administrative Operational Budget – HR | \$91,119 | - | \$826,466 | 11.0% |
| - S.T.A.R. Mentor Program | 195,000 | 2.0 | 3,706,567 | 5.3% |
| - Copier Budgets | 100,000 | - | 1,958,346 | 5.1% |
| - Insurance Budgets | 358,000 | - | 3,719,516 | 9.6% |
| - Admin. Ops. Budgets – Fiscal Svc., Superintendent, & BOE | 221,128 | 2.0 | 3,335,537 | 6.6% |
| TOTAL HR, FISCAL SERV., SUPERINTENDENT & BOE | \$965,247 | 4.0 | | |
| NEGOTIATIONS† | | | | |
| - 1/2 experience step funded for teachers | \$2,500,000 | - | \$268,428,578 | 0.9% |
| TOTAL PLAN REDUCTIONS* | \$11,073,645 | 133.8 | | |

ADDITIONAL RESOURCES

| DESCRIPTION | ADDITIONAL FUNDING AMOUNT |
|--|---------------------------|
| - ECS Transfer to General Fund | \$500,000 |
| - Rental Revenue Transfer from High Schools to General Fund | 100,000 |
| - Decrease in General Fund Expenditure Allocation to Capital Reserve | 1,900,000 |
| - Other Federal Revenue Available Under ARRA for Build America Bonds | 1,572,500 |
| - General Fund Reserves (not recommended in FY2010-11) | 2,000,000 |
| TOTAL ADDITIONAL FUNDING RESOURCES | \$6,072,500 |
| Plus: Total Cost & Resource Management Plan Reductions | 11,073,645 |
| TOTAL COST & RESOURCE MANAGEMENT PLAN | \$17,146,145 |

GENERAL FUND REVENUE

Revenue Sources

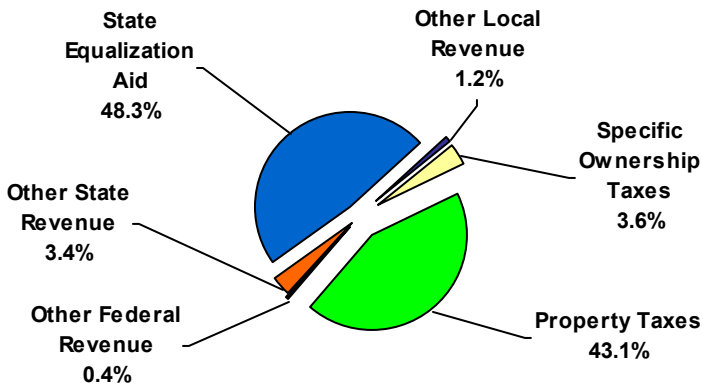
| | |
|--------------------------|---------------|
| Property Taxes | \$181,142,048 |
| State Equalization | 203,274,126 |
| Specific Ownership Taxes | 15,320,000 |
| Other Local Revenue | 5,115,743 |
| Other State Revenue | 14,379,863 |
| Other Federal Revenue | 1,572,500 |

| | |
|---------------------------------------|--------------------|
| Total Revenue Before Transfers | 420,804,280 |
|---------------------------------------|--------------------|

| | |
|-----------------|-----------|
| Plus: Transfers | 1,774,320 |
|-----------------|-----------|

| | |
|-------------------------------------|-------------|
| Less: Allocation to Capital Reserve | (6,944,300) |
|-------------------------------------|-------------|

| | |
|---|----------------------|
| General Fund Revenue and Transfers | \$415,634,300 |
|---|----------------------|



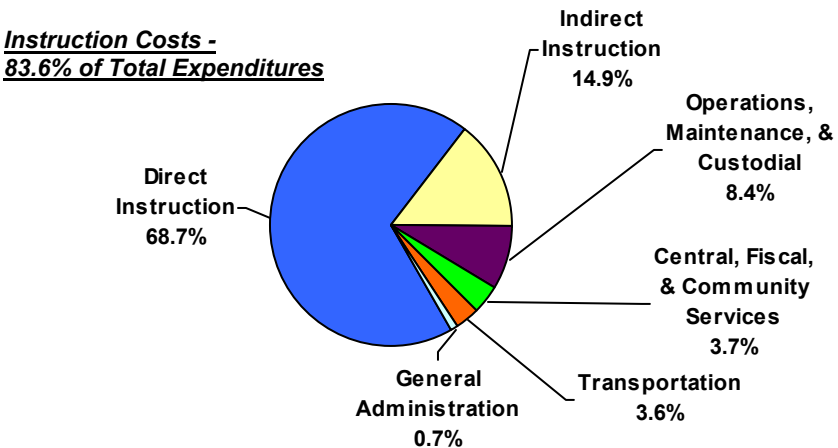
Resources Per Student FTE—\$8,385

| Student Enrollment History | | | | | |
|----------------------------|-------------------|-------------------|-------------------|-------------------|----------------------|
| Students | Actual 2006-07 | Actual 2007-08 | Actual 2008-09 | Actual 2009-10 | Projected 2010-11 |
| Enrollment | 49,155 | 49,978 | 50,329 | 51,005 | 51,593 |
| FTE* | 47,033 | 47,752 | 48,402 | 48,979 | 49,567 |
| FTE Growth | 2.15% | 1.53% | 1.36% | 1.19% | 1.20% |
| *Funded Students | | | | | |

GENERAL FUND EXPENDITURES

General Fund operating expenditures are spent primarily on instruction, which includes direct instruction and indirect instruction. Direct instruction costs are associated with delivery of instructional services to students, including teachers, supplies, and equipment for education programs. Indirect instruction costs pertain to student support services, instructional staff, curriculum, staff development, and school-level administration. These costs are 83.6% of the General Fund expenditures.

Expenditures by Activity



Expenditures Per Student FTE—\$8,339

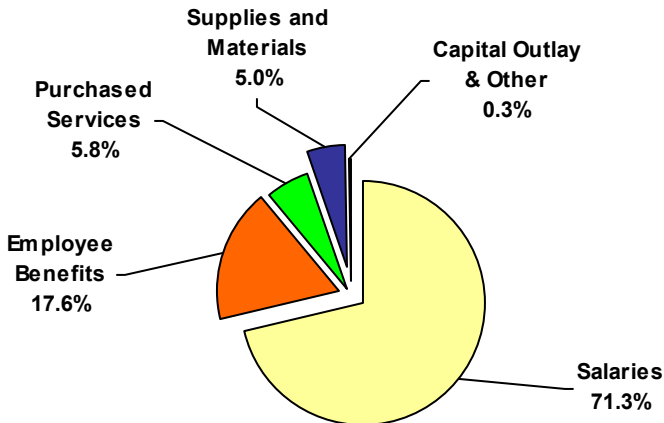
| Budgeted Expenditures | |
|---|----------------------|
| Direct Instruction | \$283,921,166 |
| Indirect Instruction | 61,568,595 |
| Operations, Maintenance, & Custodial Services | 34,578,143 |
| Central, Fiscal, & Community Services | 15,197,322 |
| Transportation | 14,726,349 |
| General Administration | 2,975,325 |
| Districtwide | 378,500 |
| General Fund Expenditures | \$413,345,400 |

DISTRICT BUDGETED EXPENDITURES & RESERVES

The Cherry Creek School District budget is comprised of 9 separate funds. The Operating Fund is the General Fund. Special Revenue funds include Designated Purpose Grants, Extended Child Services, Pupil Activities, Capital Reserve, and Capital Finance. The Capital Improvement and Debt Service funds include the Building and Bond Redemption funds. The only Enterprise fund is Food Services.

| FUND | Expenditures | Per Student FTE |
|--------------------------------|----------------------|------------------------|
| General Fund | \$413,345,400 | \$8,339 |
| Designated Purpose Grants Fund | 31,158,000 | 629 |
| Extended Child Services Fund | 17,122,600 | 345 |
| Pupil Activities Fund | 12,355,000 | 249 |
| Capital Reserve Fund | 6,944,300 | 140 |
| Capital Finance Corporation | 41,000 | 1 |
| Building Fund | 124,085,000 | 2,504 |
| Bond Redemption Fund | 52,033,933 | 1,050 |
| Food Services Fund | 16,366,420 | 330 |
| Total Expenditures | 673,451,653 | 13,587 |
| Appropriated Reserves | 16,334,086 | 329 |
| Total Appropriation | \$689,785,739 | \$13,916 |

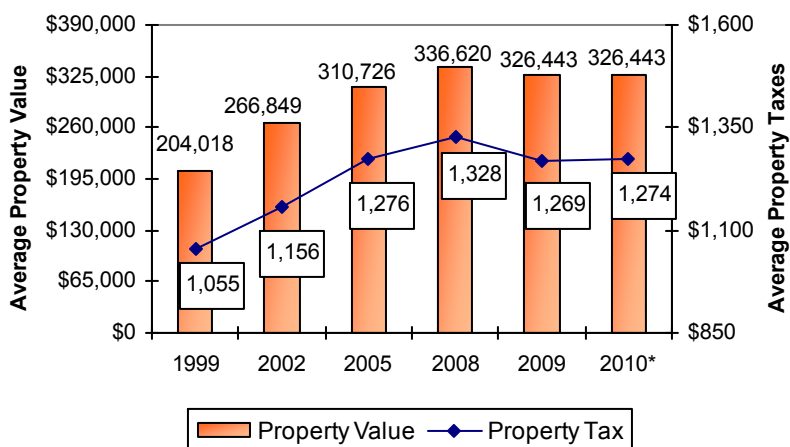
General Fund Expenditures by Object



PROPERTY TAXES & MILL RATES

The assessed valuations of real estate properties in the District were revised in 2009. A taxpayer with a residence valued at \$326,443 in 2009 paid \$1,269 in school taxes.

Residential Property Value and Property Tax History



* 2010 Property Value and Taxes are estimated.

Mill levy is the rate of taxation based on dollars per thousand of taxable assessed value. Local tax rates for property are always computed in mills. One mill produces \$1 in tax revenue for every \$1,000 of taxable value. The taxable assessed value is 7.96% of the residential property value for 2010.

| Mill Rates | | | | | |
|---|---------------|---------------|---------------|---------------|---------------|
| | 2006 | 2007 | 2008 | 2009 | *2010 |
| State Required | 27.710 | 25.712 | 25.712 | 25.712 | 25.712 |
| Hold Harmless Override | 1.740 | 1.449 | 1.510 | 1.445 | 1.445 |
| 1991, 1998, 2003, & 2008 Budget Elections | 8.841 | 7.890 | 11.643 | 11.141 | 11.141 |
| Abatements, etc. | 0.605 | 0.499 | 0.772 | 0.626 | 0.817 |
| Bond Redemption | <u>12.233</u> | <u>11.847</u> | <u>9.932</u> | <u>9.901</u> | <u>9.901</u> |
| Total | 51.129 | 47.397 | 49.569 | 48.825 | 49.016 |
| * 2010 Mill Rates are Estimated | | | | | |

BUILDING CONSTRUCTION 2008 BUDGET & BOND ELECTION

We would like to thank the voters in the Cherry Creek School District community for their support in passing ballot issues 3A and 3B on November 4, 2008. The success of this election gives the District critical financial resources needed to fund academic programs, maintain, and improve existing schools (many of which were built before 1982), and build new schools to accommodate enrollment growth.

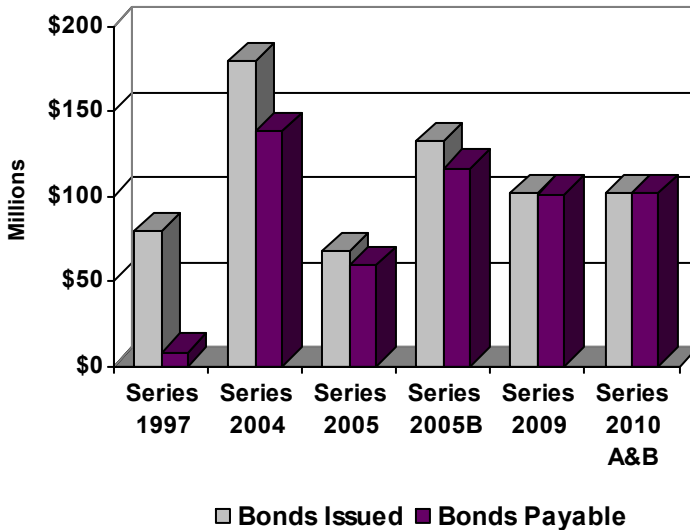
| Major Construction Projects with 2008 Bond Issue Funds * | | | |
|---|------------------|---|--------|
| New Construction | Date** | Renovations | Date** |
| Transportation East | 02/10 | I-Team Renovation | 08/09 |
| Pine Ridge Elementary | 08/10 | Arrowhead, Cimarron, Cottonwood Creek, Greenwood, Heritage, High Plains, Homestead, Independence, Meadow Point, Mission Viejo, Ponderosa, Sagebrush, Trails West, & Willow Creek Elementaries; West Middle School | 08/10 |
| Instructional Support Facility | 02/11 | Smoky Hill High School | 11/10 |
| Science, Technology, Engineering, & Math (STEM) Program Facility | 08/11 | Special Programs Center (SPC) | 12/10 |
| Elementary #42 | 08/12 | Campus Middle School; Overland High School | 08/11 |
| Elementary #43 | To Be Determined | | |
| High School #7 (Design Only) | To Be Determined | | |
| * Projects will be funded from the \$203.55 million bond issue approved in the November 2008 Bond Election. | | | |
| ** Date provided is an “Estimated Completion” date for the project | | | |



BONDS PAYABLE

The Bond Redemption Fund is used to account for property taxes levied which provide for payment of general long-term debt principal retirement and semi-annual interest payments. The District's long-term debt is in the form of general obligation bonds. Bond issue and outstanding bond payable principal amounts are presented below:

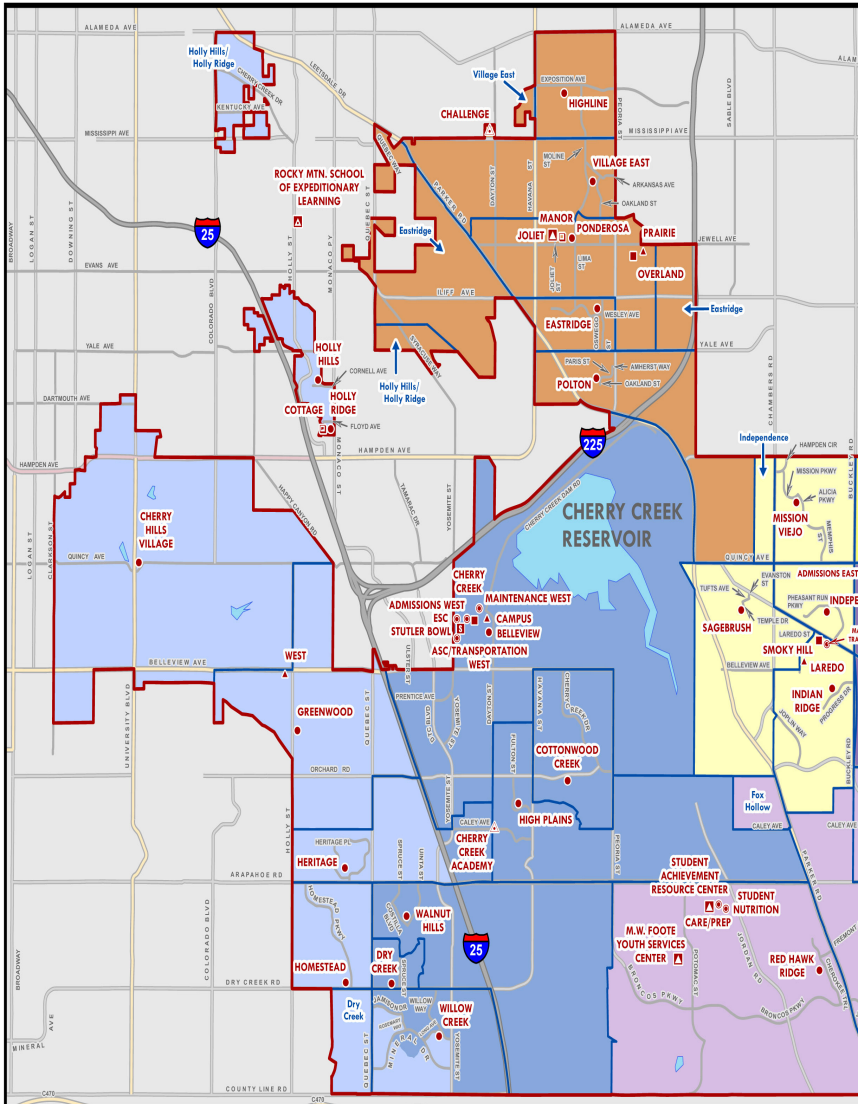
Bonds Issued vs. Outstanding Principal









Bonds Issued
 Bonds Payable

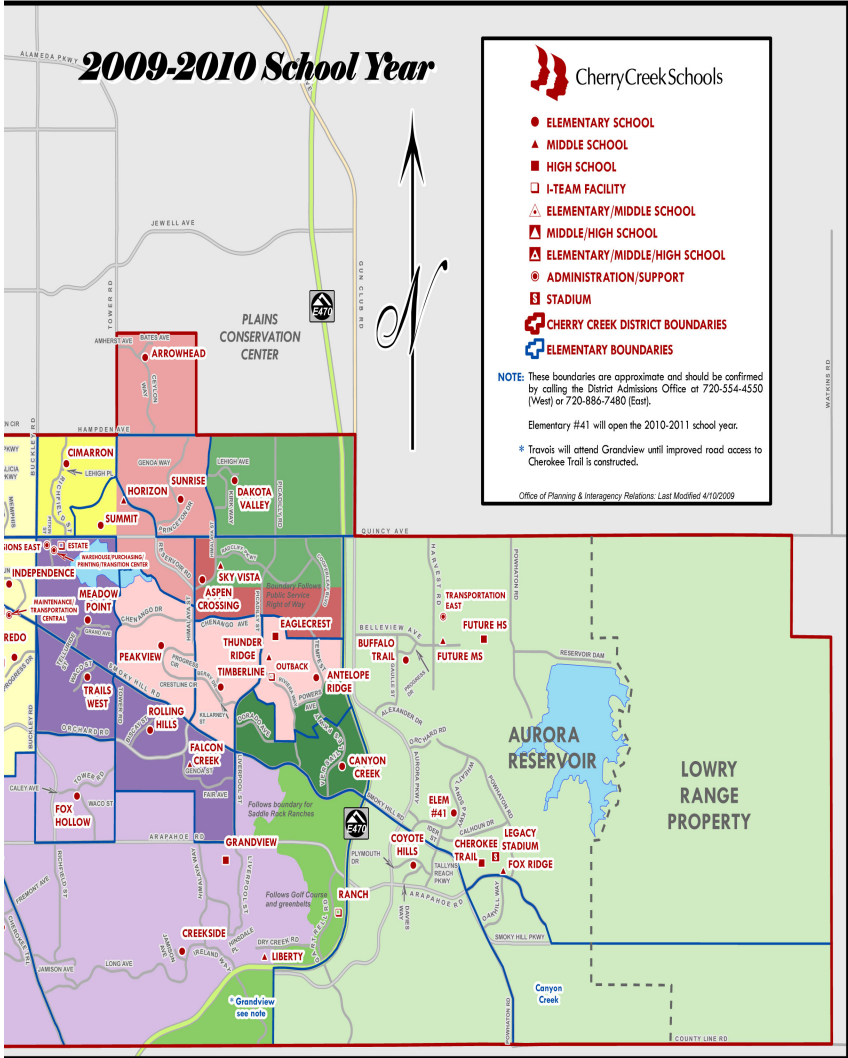
| General Obligation Bonds Payable | | |
|----------------------------------|------------------------|---|
| Series | Original Amount Issued | Outstanding Principal As of June 30, 2010 |
| Series 1997 | \$79,420,000 | \$7,950,000 |
| Series 2004 | \$179,750,000 | \$138,230,000 |
| Series 2005 | \$67,500,000 | \$59,475,000 |
| Series 2005B | \$132,215,000 | \$116,635,000 |
| Series 2009 | \$101,775,000 | \$101,250,000 |
| Series 2010 A & B | \$101,775,000 | \$101,775,000 |
| Total Bonds Payable | \$662,435,000 | \$525,315,000 |

CHERRY CREEK DISTRICT MAP



| | |
|---|--|
|  Cherry Creek/Campus |  Grandview/Falcon Creek |
|  Cherry Creek/West |  Grandview/Liberty |
|  Overland/Prairie |  Smoky Hill/Laredo |

CHERRY CREEK DISTRICT MAP



| | |
|--------------------------|------------------------------|
| Eaglecrest/Horizon | Cherokee Trail/Fox Ridge |
| Eaglecrest/Sky Vista | Cherokee Trail/Liberty |
| Eaglecrest/Thunder Ridge | Cherokee Trail/Sky Vista |
| Smoky Hill/Horizon | Cherokee Trail/Thunder Ridge |

The Cherry Creek School District No. 5 educates over 51,000 children and serves over 267,000 residents within 108 square miles that spread across eight communities in the southeast portion of the Denver Metropolitan area. The communities served include Glendale, Foxfield, Greenwood Village, and portions of Aurora, Centennial, Cherry Hills Village, and Englewood. Certain areas of unincorporated Arapahoe County are served as well.



Schools and Facilities:

- 39 Elementary Schools
- 2 K-8 Schools
- 10 Middle Schools
- 6 High Schools—2 Stadiums
- 8 Alternative School Programs
- 11 Student Support Facilities



FINANCIAL PLANS AVAILABLE

You are encouraged to review and comment on the District's budget and financial plans. Your support is important to provide the education our children deserve. The complete Financial Plan is available at the following locations:

*Educational Services Center
4700 South Yosemite Street
Greenwood Village, CO 80111*

*Auxiliary Services Center
4850 South Yosemite Street
Greenwood Village, CO 80111*

Also available at all District schools and on the District Website:
www.cherrycreekschools.org

*Questions may be directed to:
Guy Bellville, Chief Financial Officer
720-554-4344*

June 2010