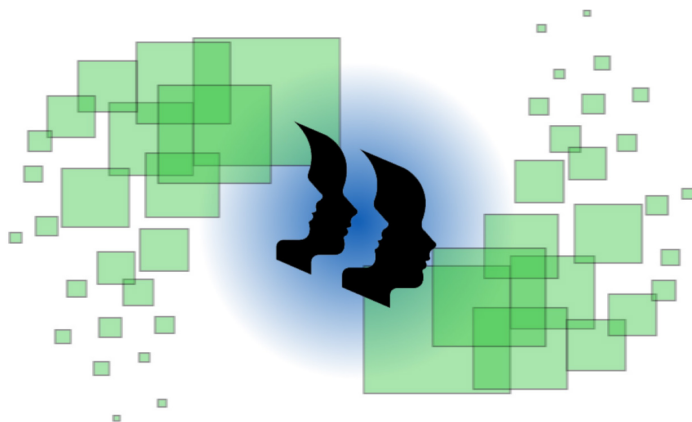


FINANCIAL PLAN

BUDGET FOR FISCAL YEAR:
JULY 1, 2011 - JUNE 30, 2012



At a Glance

2011 - 2012

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



“The Best Example of the Best Hope”

In looking forward to FY2011-12, my feeling is that Cherry Creek School District is positioned well to advance the academic achievement of our 51,000 students so that they may be successful and prepare them for college and post-secondary endeavors.

Our staff and community have a special emphasis on educating the whole child and maintaining neighborhood schools that support families in a way that differentiates the educational experience for each child. Our schools are nationally known for their focus on excellence.

We are committed to meeting the individual needs of each and every student by 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.

During the 2010-11 school year, eight of our Cherry Creek schools received the “Governor’s Distinguished Improvement Award” which recognizes the top 8% of public schools that demonstrate the highest rates of student longitudinal growth, as measured by the Colorado Growth Model. Also, thirteen of our schools received the “John Irwin Schools of Excellence Award” that recognizes the top 8% of public schools for highest student achievement on statewide assessments.

Our 51,000 students are a family of learners, and it is a special privilege for teachers, support staff, and principals to lead them to a distinctive place where their talents can be explored and cherished. I am so thankful for the contributions that our staff makes each day toward our Cherry Creek School District Culture of Excellence.

Mary F. Chesley
Superintendent

“ In Cherry Creek it is not about averages, it is about individuals.”

Mary F. Chesley

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.

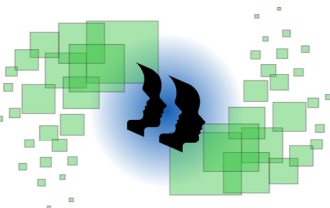
How We Relate to our Community

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.



FY2011-12 BUDGET PLANNING

School Finance Act



State funding reductions for the fourth year in a row, continue to deteriorate funding per pupil in Cherry Creek, resulting in budget expenditure reductions. Senate Bill 11-230, the School Finance Act, reduces K-12 statewide net total program funding for FY2011-12 by \$227.5 million, from \$5.438 billion to \$5.211 billion. For FY2011-12, Cherry Creek funding reductions total \$14.7 million, reducing funding per pupil by 5%, from \$6,740 in FY2010-11 to \$6,400 in FY2011-12. In addition, anticipated expenditure increases of \$12 million, mostly associated with negotiated personnel policies and State pension statutes, offset by an estimated \$3 million operating margin for FY2010-11, result in a \$24 million funding gap.

The chart below reflects a FY2010-11 & FY2011-12 comparison of the calculated School Finance funding for Cherry Creek School District.

School Finance Funding Per Pupil Estimate

| DESCRIPTION | FY2010-11 | DESCRIPTION | FY2011-12 |
|--|----------------------------|--|----------------------|
| TOTAL PROGRAM (49,395.8 FTE) | \$356,578,281 | TOTAL PROGRAM (49,718.8 FTE) | \$365,729,130 |
| LESS: | | LESS: | |
| -6.6% "STATE BUDGET STABILIZATION FACTOR" | (23,547,185) | -12.97% "NEGATIVE FACTOR" | (47,435,068) |
| FEDERAL FUNDS RESCISSION - ED JOBS - SFSF ARRA | (9,708,777) (3,727,878) | | |
| PLUS: | | | |
| FEDERAL FUNDS DISTRIBUTION - ED JOBS - SFSF ARRA | 9,708,777 3,727,878 | | |
| LESS: | | LESS: | |
| SCHOOL FINANCE ADMIN. RESCISSION | (104,177) | SCHOOL FINANCE ADMIN. RESCISSION | (104,177) |
| NET TOTAL PROGRAM | \$332,926,919 | NET TOTAL PROGRAM | \$318,189,885 |
| | | | |
| DIVIDED BY FUNDED PUPIL COUNT (FTE) | / 49,395.8 | DIVIDED BY ESTIMATED FUNDED PUPIL COUNT (FTE) | / 49,718.8 |
| EQUALS FUNDING PER PUPIL ESTIMATE | \$6,740 | EQUALS FUNDING PER PUPIL ESTIMATE | \$6,400 |

FY2011-12 BUDGET PLANNING

Cost and Resource Management Plan

Cherry Creek Schools developed the following \$26 Million Cost and Resource Management Plan that provides a budget planning solution for FY2011-12, which is consistent with the strategic mission and values of Cherry Creek School District, to address the State funding reductions and to achieve a balanced budget for FY2011-12.

This Cost and Resource Management Plan summarizes the State funding reductions enacted by the Legislature under Senate Bill 11-230, the School Finance Act, and specific measures taken to resolve the budget. This Plan was reviewed with the Board of Education and the District Accountability Committee as part of the budget planning process.

| DESCRIPTION | \$ AMOUNT | FTE REDUCTION |
|---|---------------------|------------------|
| - Administrative | \$3,728,210 | 46.8 |
| - Refinancing | 4,944,300 | - |
| - Support Services | 553,979 | 6.0 |
| - School-Based | 1,938,150 | 24.4 |
| - School Staffing Allocations | 3,688,900 | 72.3 |
| TOTAL COST & RESOURCE MANAGEMENT PLAN REDUCTIONS | \$14,853,539 | 149.5 |
| Other Resources | 10,900,000 | - |
| TOTAL COST & RESOURCE MANAGEMENT PLAN | \$25,753,539 | 149.5 |

FY2011-12 BUDGET PLANNING

Cost and Resource Management Plan Details

ADMINISTRATION

| DESCRIPTION | BUDGET REDUCT. | FTE REDUCT. | FY2010-11 BUDGET | REDUCT.% OF PROG. |
|--|--------------------|-------------|------------------|-------------------|
| - Superintendent/Board of Education | \$47,910 | - | \$593,886 | 8.1% |
| - Communication Services | 58,930 | 1.0 | 601,983 | 9.8% |
| - Legal Services | 2,170 | - | 286,162 | 0.8% |
| - Human Resources | 208,200 | 2.0 | 3,842,962 | 5.4% |
| - Health/Risk Insurance Adjustments | 1,269,100 | - | 11,508,624 | 11.0% |
| - Curriculum & Instruction | 225,500 | 2.5 | 1,278,799 | 17.6% |
| - Professional Learning/Media Services | 292,000 | 5.6 | 2,155,268 | 13.5% |
| - Excellence & Equity | 159,500 | 1.0 | 951,256 | 16.8% |
| - Assessment & Evaluation | 5,000 | - | 759,819 | 0.7% |
| - Performance Improvement | 18,000 | 0.2 | 535,562 | 3.4% |
| School Administrative Staffing | | | | |
| - School Administrative Staffing | 1,231,900 | 34.5 | 24,285,137 | 5.1% |
| School Support Departments | | | | |
| - Elementary Education | 40,000 | - | 641,826 | 6.2% |
| - Middle School Education | 30,000 | - | 277,067 | 10.8% |
| - High School Education | 40,000 | - | 473,323 | 8.5% |
| - Student Achievement Services | 50,000 | - | 2,260,436 | 2.2% |
| - Educational Operations | 50,000 | - | 408,261 | 12.2% |
| TOTAL ADMINISTRATIVE REDUCTIONS | \$3,728,210 | 46.8 | | |

REFINANCING

| DESCRIPTION | BUDGET REDUCT. | FTE REDUCT. | FY2010-11 BUDGET | REDUCT.% OF PROG. |
|-------------------------------------|--------------------|-------------|------------------|-------------------|
| - Refinancing of Major Maintenance | \$4,944,300 | - | \$6,944,300 | 71.2% |
| TOTAL REFINANCING REDUCTIONS | \$4,944,300 | - | | |

FY2011-12 BUDGET PLANNING

Cost and Resource Management Plan Details

SUPPORT SERVICES

| DESCRIPTION | BUDGET REDUCT. | FTE REDUCT. | FY2010-11 BUDGET | REDUCT.% OF PROG. |
|--|-------------------|----------------|---------------------|----------------------|
| - Maintenance | \$243,979 | 5.0 | \$7,270,766 | 3.4% |
| - Custodial | 40,000 | - | 6,182,906 | 1.6% |
| - Transportation | 40,000 | - | 14,933,468 | 0.3% |
| - Admissions | 50,000 | 1.0 | 526,906 | 9.5% |
| - Information Systems | 155,000 | - | 5,279,589 | 2.9% |
| - Safety & Security | 25,000 | - | 305,921 | 8.2% |
| TOTAL SUPPORT SERVICES REDUCTIONS | \$553,979 | 6.0 | | |

SCHOOL-BASED

| DESCRIPTION | BUDGET REDUCT. | FTE REDUCT. | FY2010-11 BUDGET | REDUCT.% OF PROG. |
|--|--------------------|----------------|---------------------|----------------------|
| - Elementary Education | \$571,000 | 9.9 | \$106,079,965 | 0.5% |
| - Secondary Education | 515,000 | 9.5 | 116,953,373 | 0.4% |
| - Student Achievement Services | 394,400 | 5.0 | 41,697,716 | 0.9% |
| - Athletics/Activities | 271,000 | - | 5,419,645 | 5.0% |
| - School Non-Staffing Alloc. | 186,750 | - | 7,469,453 | 2.5% |
| TOTAL SCHOOL-BASED REDUCTIONS | \$1,938,150 | 24.4 | | |

SCHOOL STAFFING ALLOCATIONS

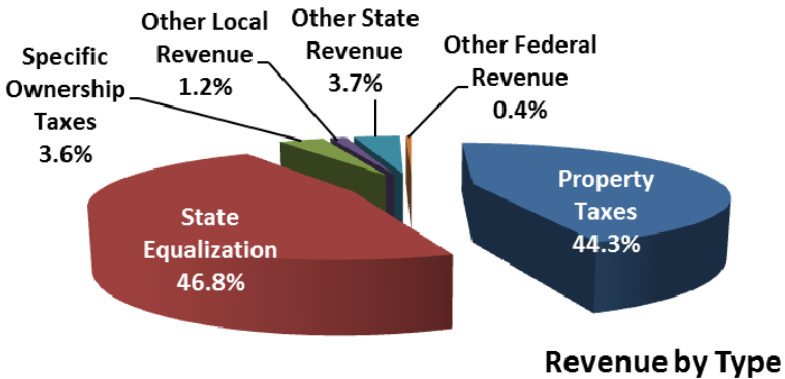
| | | | | |
|---|---------------------|--------------|---------------|------|
| - Change School Instr. Staffing Ratio from 18:1 to 18.5:1 | \$3,688,900 | 72.3 | \$262,599,604 | 1.4% |
| TOTAL SCHOOL STAFFING ALLOCATION | \$3,688,900 | 72.3 | | |
| TOTAL BUDGET EXPENDITURE REDUCTIONS | \$14,853,539 | 149.5 | | |

OTHER RESOURCES

| DESCRIPTION | OTHER RESOURCES | | | |
|--|---------------------|----------|---|---|
| - Use of General Fund Reserves | \$10,900,000 | - | - | - |
| TOTAL OTHER RESOURCES | \$10,900,000 | - | | |
| TOTAL COST & RESOURCE MANAGEMENT PLAN | \$25,753,539 | | | |

GENERAL FUND REVENUE

| REVENUE SOURCES | |
|---|----------------------|
| Property Taxes | \$179,721,813 |
| State Equalization | 189,807,289 |
| Specific Ownership Taxes | 14,529,100 |
| Other Local Revenue | 5,188,923 |
| Other State Revenue | 15,037,850 |
| Other Federal Revenue | 1,572,500 |
| Total Revenue Before Transfers | 405,857,475 |
| Plus: Transfers | 1,665,320 |
| General Fund Revenue and Transfers | 407,522,795 |
| Use of Reserves | 9,227,605 |
| General Fund Resources | \$416,750,400 |

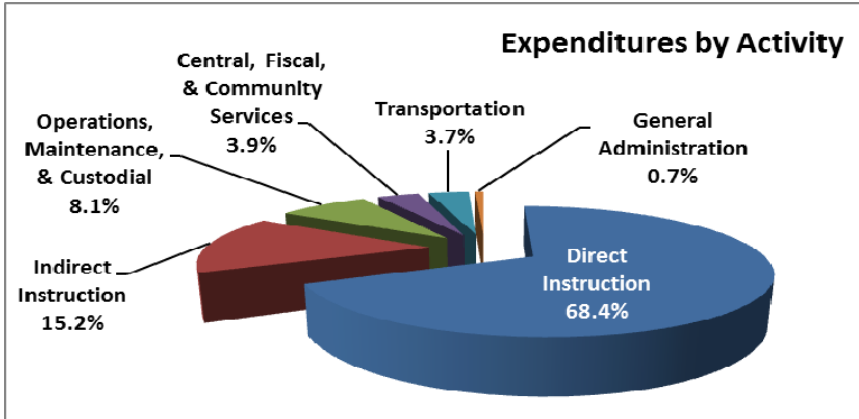


FY2011-12 Revenue Per Student FTE—\$8,197

| STUDENT ENROLLMENT HISTORY | | | | | |
|----------------------------|-------------------|-------------------|-------------------|-------------------|----------------------|
| Students | Actual 2007-08 | Actual 2008-09 | Actual 2009-10 | Actual 2010-11 | Projected 2011-12 |
| Enrollment | 49,978 | 50,329 | 51,005 | 51,388 | 51,711 |
| FTE* | 47,752 | 48,402 | 48,979 | 49,396 | 49,719 |
| FTE Growth | 1.53% | 1.36% | 1.19% | 0.85% | 0.65% |
| * 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.



Instruction Costs are 83.6% of Total Expenditures

FY2011-12 Expenditures Per Student FTE—\$8,382

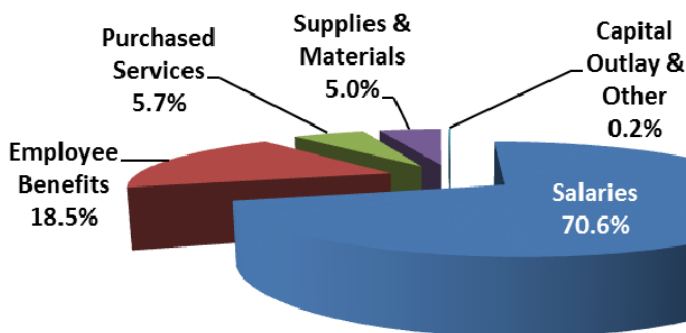
| BUDGETED EXPENDITURES | |
|--|----------------------|
| Direct Instruction | \$283,749,307 |
| Indirect Instruction | 63,058,727 |
| Operations, Maintenance, & Custodial Services | 33,618,979 |
| Central, Fiscal, & Community Services | 15,691,289 |
| Transportation | 15,220,268 |
| General Administration | 3,033,230 |
| Districtwide | 298,100 |
| General Fund Expenditures | \$414,669,900 |
| Transfers | 2,080,500 |
| Total General Fund Expenditures & Transfers | \$416,750,400 |

DISTRICT BUDGETED EXPENDITURES & RESERVES

The Cherry Creek School District FY2011-12 budget is comprised of 9 separate funds. The Operating Fund is the General Fund. Special Revenue funds include Designated Purpose Grants, Extended Child Services, and Pupil Activities. Capital Improvement funds include Capital Reserve and Building funds. Debt Services funds include Capital Finance Corporation and Bond Redemption. The only Enterprise fund is Food Services.

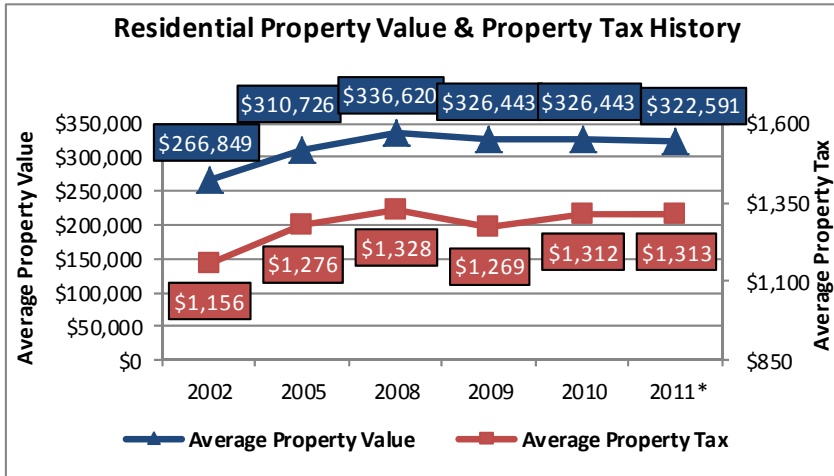
| FUND | Expenditures & Transfers | Per Student FTE |
|---|-------------------------------------|------------------------|
| General Fund | \$416,750,400 | \$8,382 |
| Designated Purpose Grants Fund | 24,147,300 | 486 |
| Extended Child Services Fund | 15,922,100 | 320 |
| Pupil Activities Fund | 12,075,000 | 243 |
| Building Fund | 33,362,600 | 671 |
| Bond Redemption Fund | 52,771,433 | 1,061 |
| Capital Reserve Fund | 2,670,482 | 54 |
| Capital Finance Corporation | 41,000 | 1 |
| Food Services Fund | 16,167,100 | 325 |
| Total Expenditures & Transfers | 573,907,415 | 11,543 |
| Appropriated Reserves | 16,566,510 | 333 |
| Total Appropriation | \$590,473,925 | \$11,876 |

General Fund Expenditures by Object



PROPERTY TAXES & MILL RATES

The assessed valuations of real estate properties in the District are being revised in 2011 by the Arapahoe County Assessor. School taxes on a residence valued at \$322,591 in 2011 are estimated to be \$1,313.



* 2011 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 2011.



| Mill Rates | | | | | |
|---|---------------|---------------|---------------|---------------|---------------|
| | 2007 | 2008 | 2009 | 2010 | *2011 |
| State Required | 25.712 | 25.712 | 25.712 | 25.712 | 25.712 |
| Hold Harmless Override | 1.449 | 1.510 | 1.445 | 1.449 | 1.467 |
| 1991, 1998, 2003, & 2008 Budget Elections | 7.890 | 11.643 | 11.141 | 11.177 | 11.311 |
| Abatements, etc. | 0.499 | 0.772 | 0.626 | 1.440 | 0.981 |
| Bond Redemption | <u>11.847</u> | <u>9.932</u> | <u>9.901</u> | <u>10.719</u> | <u>11.658</u> |
| Total | 47.397 | 49.569 | 48.825 | 50.497 | 51.129 |
| * 2011 Mill Rates are Estimated | | | | | |

BUILDING CONSTRUCTION 2008 BUDGET & BOND ELECTION

The voter approval at the November 2008 election is paving the way to the Cherry Creek School District students' success. We are grateful to the voters in the community for their support which has given 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.

Construction and renovation efforts have been underway since the spring of 2009 with significant progress being made.

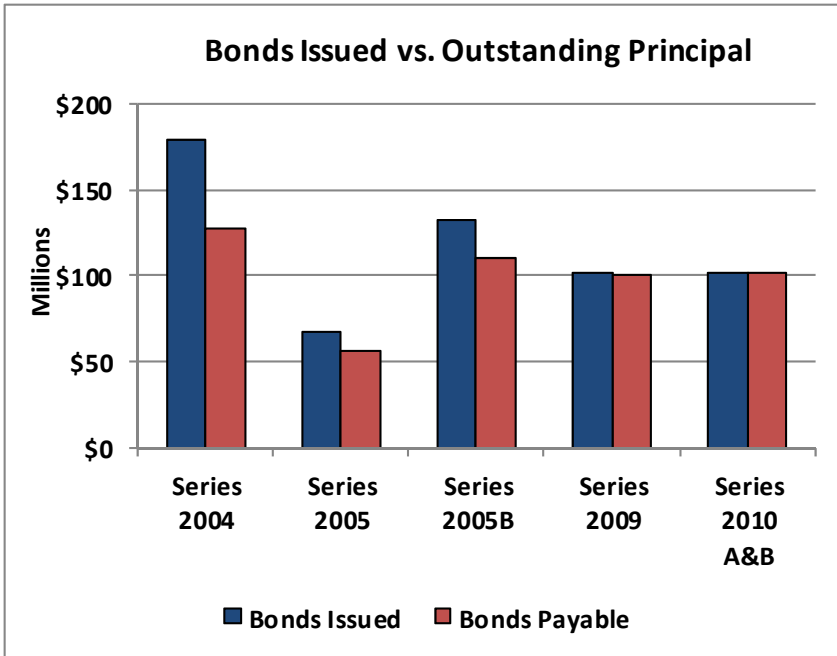
PROJECTS FUNDED WITH THE 2008 BOND ISSUE*

| PROJECT RENOVATIONS COMPLETED | DATE | PROJECTS SCHEDULED | ESTIMATED DATE |
|--|-------------|--|-----------------------|
| West Middle School— HVAC & Energy Efficiency Lighting System | 08/09 | 14 Elementary School Renovations (Schools Built Prior to 1982) | 08/10 |
| Eaglecrest & Cherry Creek High Schools— HVAC & Mechanical | 08/09 | West Middle School— Classrooms, Science Lab, Technology Infrastructure | 08/10 |
| Horizon & Thunder Ridge Middle Schools— Energy Efficiency Lighting | 08/09 | Pine Ridge Elementary | 08/10 |
| I-Team Outback— Transformed into a Preschool Facility | 08/09 | Smoky Hill High School Renovation | 11/10 |
| I-Team Estate— HVAC, Lighting & Plumbing | 08/09 | Special Programs Center (SPC) Renovation | 12/10 |
| Arapahoe Park Transportation— School Bus Terminal | 02/10 | Instructional Support Facility | 02/11 |
|   | | Campus Middle School & Overland High School Renovations | 08/11 |
| | | Science, Technology, Engineering, & Math (STEM) Program Facility | 08/11 |
| | | Elementary #42 | 08/12 |
| | | Elementary #43 | 08/13 |
| | | High School #7 (Design only) | TBD |

* Projects are being funded from the \$203.55 million bond issue approved in the November 2008 Bond Election.

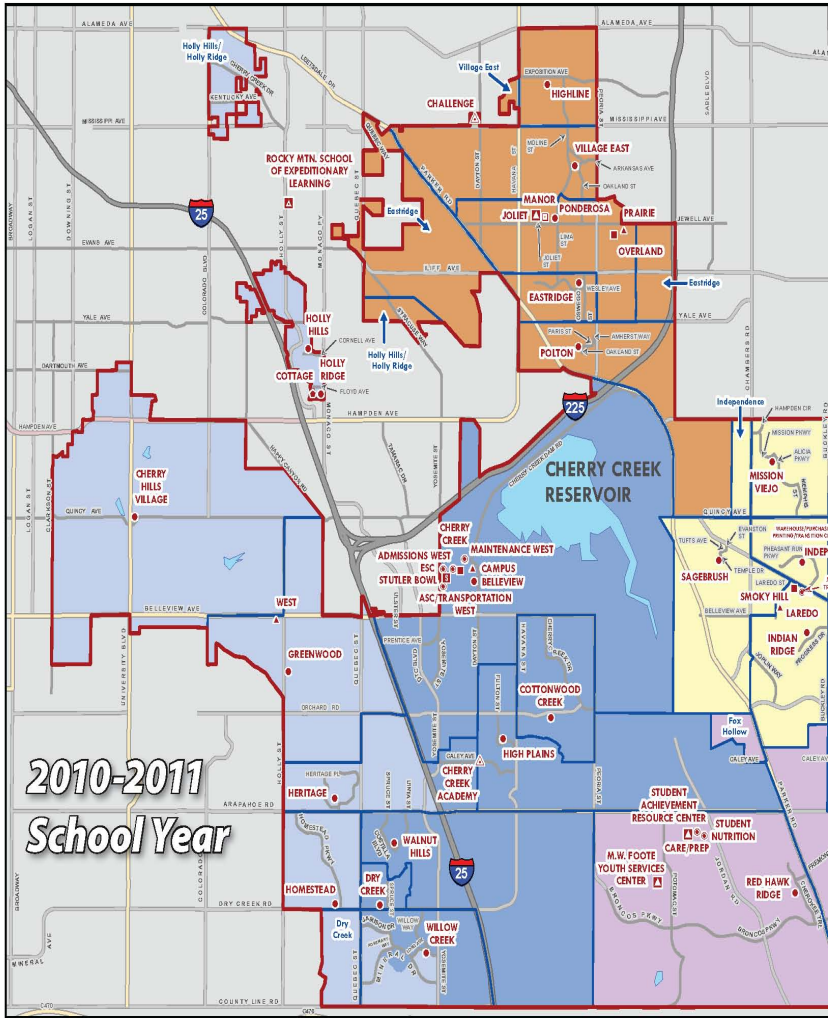
BONDS PAYABLE







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:



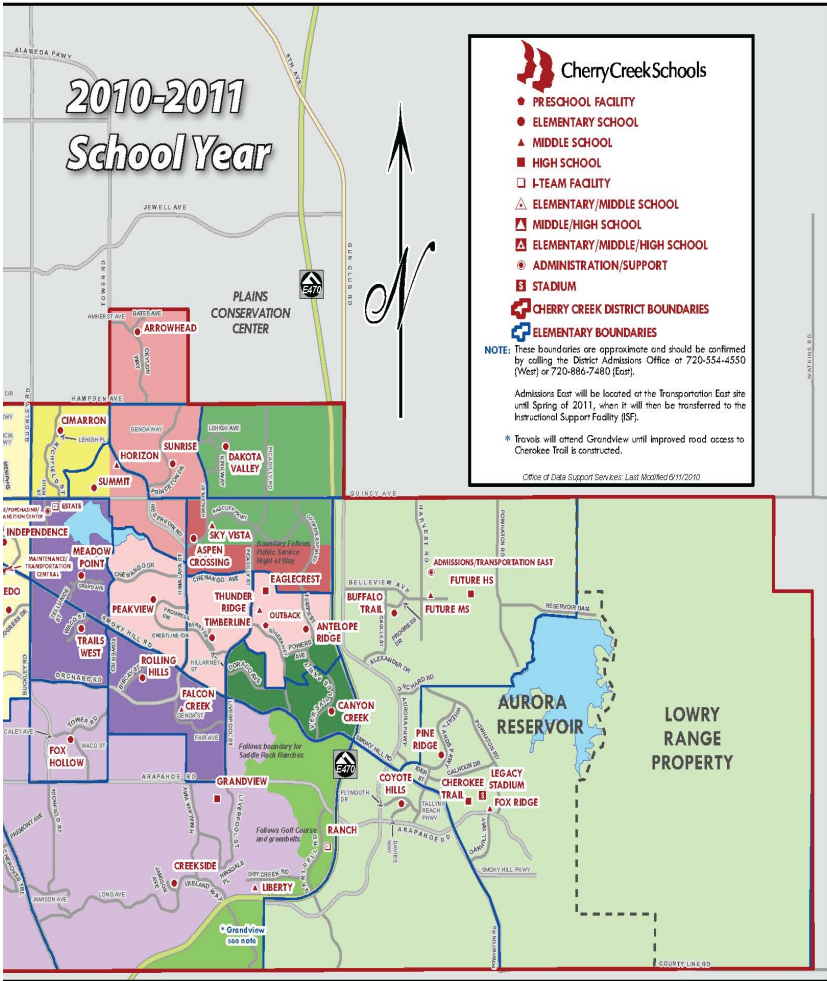
| General Obligation Bonds Payable | | |
|----------------------------------|------------------------|---|
| Series | Original Amount Issued | Outstanding Principal As of June 30, 2011 |
| Series 2004 | \$179,750,000 | \$127,470,000 |
| Series 2005 | \$67,500,000 | \$56,490,000 |
| Series 2005B | \$132,215,000 | \$110,695,000 |
| Series 2009 | \$101,775,000 | \$100,685,000 |
| Series 2010 A & B | \$101,775,000 | \$101,775,000 |
| Total Bonds Payable | \$583,015,000 | \$497,115,000 |

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
- 9 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 on the District Website:
www.cherrycreekschools.org**

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

June 2011
