

# Financial Plan

*Budget For Fiscal Year  
July 1, 2013 - June 30, 2014*



## At a Glance



*Dedicated to Excellence*  
Cherry Creek Schools

*Cherry Creek School District No. 5  
Arapahoe County, Colorado*  
[www.cherrycreekschools.org](http://www.cherrycreekschools.org)

## Our Mission

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

## MESSAGE FROM OUR SUPERINTENDENT



### ***“The Cherry Creek Schools Experience”***

*“The Cherry Creek Schools Experience”* is a story filled with rich and rigorous curriculum—including Honors, Advanced Placement, and International Baccalaureate courses taught by exceptional educators, 99% of whom are Highly Qualified under *“No Child Left Behind.”* These dedicated professionals are committed to helping each and every student reach his or her academic potential.

**As a result, our students consistently outscore their peers on TCAP, ACT, and SAT tests.**

*“The Cherry Creek Schools Experience”* is also filled with outstanding arts, athletics, and activities; life-enriching opportunities for students to discover and develop their talents and passions. Up to 85% of our students participate in one or more extracurricular activity. Research shows that such involvement promotes school attendance, academic achievement and success later in life.

**While *“The Cherry Creek Schools Experience”* is unique to each student, our commitment is that EVERY student will be challenged and supported academically, and prepared for success in higher education, the military, the workforce, or wherever his or her dreams take them. Our students will not be limited by the education they receive in Cherry Creek Schools. Rather, their futures will be limitless because of it.**

*“The Cherry Creek Schools Experience”* is a story dedicated to our students and the community that has supported them for 62 years.

**To our Students:** You are the reason our schools have been built. We will provide you with a caring and safe learning environment in which you can optimize your learning with an exemplary staff and become the next *“Greatest Generation”* for our country.

**To our Cherry Creek Community:** You built our schools. We pledge that your investment in an educated citizenry is realized by college and workforce-ready graduates, and that your monetary investment is reflected by high property values and a safe community.

## 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

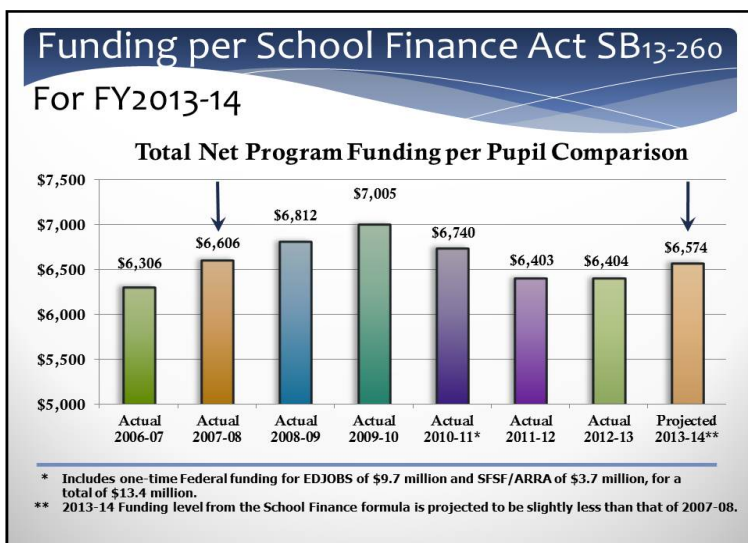
The Cherry Creek Schools community is respected as a leader in advocacy for top quality educational programs. Community efforts have resulted in continued success in funding educational initiatives for our District. Our electorate understands the importance of funding quality educational programs on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

## FY2013-14 BUDGET PLANNING

### Public School Finance Act

Cherry Creek Net Total Program Funding for FY2013-14 is projected to be \$334.74 million based on the anticipated funded pupil count in October 2013 of 50,915. This is an increase of \$11.75 million from the adjusted FY2012-13 funding of \$322.99 million. The Net Total Program Funding per pupil is estimated to increase by 2.7% or \$170 per pupil, from \$6,404 to \$6,574.

The State of Colorado General Fund Budget of \$8.1 billion under the Long Bill (SB13-230), has 38% of funds dedicated to K-12 education, approximately \$3.1 billion, for schools throughout the State. The School Finance Act (SB13-260), provides improved funding for FY2013-14. Per pupil funding would increase from \$6,404 to \$6,574, an increase of 2.7%. Funding per pupil in FY2013-14 is anticipated to be slightly less than FY2007-08 funding levels as shown in the chart below.



This trend caused by the decline in State funding has continued to jeopardize the capability of Cherry Creek to prepare our students for success in post-secondary education and careers, as State revenue sources have been depleted over the last five years through State funding reductions.

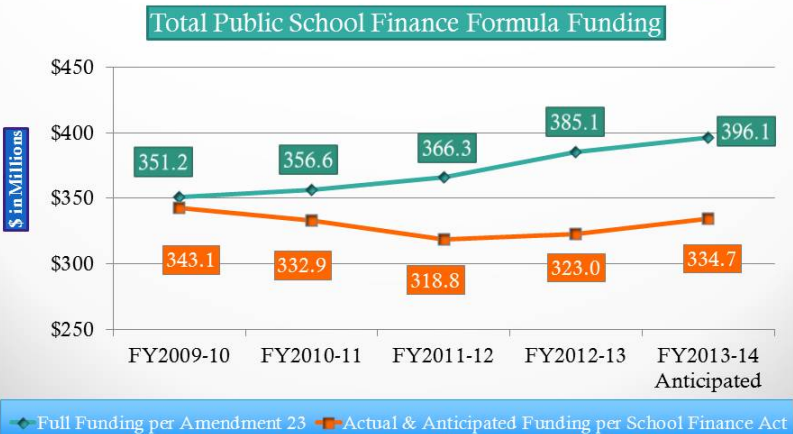
## FY2013-14 BUDGET PLANNING

### Amendment 23

Funding under the Public School Finance Program formula for Amendment 23, adopted by the voters in the State of Colorado in 2000, has not been maintained by the State in accordance with the anticipated level of funding under that measure. A “*Negative Factor*” enacted through a legislative legal opinion, under the formula has reduced funding levels to 15.49% below Amendment 23. For Cherry Creek, under the School Finance Act (SB13-260), funding on an annual basis is now \$61.4 million below Amendment 23 requirements as presented in the graph below, at a level of \$334.7 million, as compared to Total Program Funding under Amendment 23 of \$396.1 million.

### Full Funding vs. Actual Funding Comparison

FOR CHERRY CREEK SCHOOL DISTRICT



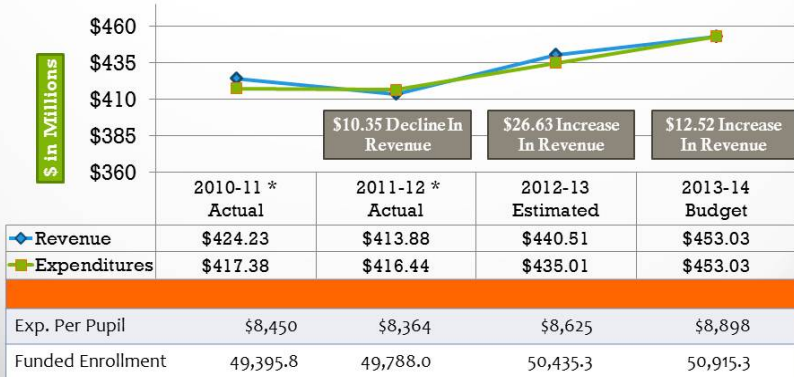
## FY2013-14 BUDGET PLANNING

### *Our Traditions and the New Funding Environment*

Cherry Creek School District traditions of educational excellence and high academic achievement that are among the best in the State of Colorado have been strengthened by the support of our community through the years. The Cherry Creek General Fund Budget for FY2013-14 of \$453.03 million supports the mission with about 83% of the expenditure budget devoted to classroom instruction. As the budget has shrunk due to declines in State funding, the District protected the educational program for students by balancing revenue funding sources with expenditures and aligning resources with the strategic mission of Cherry Creek Schools.

### A Look at Revenue Trend

2010-11 through 2013-14



\* General Fund revenue and expenditure figures on a GAAP basis are per audited financial statements.  
2010-11 figures include \$13.4 million of one-time EDJOBS and SFSE/ARRA Federal funds to reduce State share of funding School Finance Act per SB11-157.

### ***Budget Balancing Measures***

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A Cost and Resource Management Plan for FY2013-14 utilizes funds from the successful November 2012 override election to achieve a balanced budget that is consistent with the strategic mission and values of Cherry Creek Schools for FY2013-14. The General Fund budget includes \$453.0 million of revenue and \$453.0 million of expenditures, both including transfers.



### ***General Fund Budget***

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The General Fund Budget has been impacted by revenue decline since FY2009-10. Resources have been depleted through State funding reductions and rescissions for each of the past five years. In FY2013-14, budgeted revenue and transfers increases by \$12.52 million over FY2012-13, from \$440.51 million in FY2012-13 to \$453.03 million in FY2013-14. Total Program Funding increases, approved with the School Finance Act of \$11.7 million, include \$3.1 million in funding for projected enrollment increase of 480 FTE. State categorical revenue increases of \$0.3 million are based on the 1.9% inflation increase. Cherry Creek's allocation from Special Education Tier B funding is estimated to increase \$1.5 million as approved in Senate Bill 13-260, which will offset existing General Fund expenditures for Special Education.

Increases of \$18.0 million in expenditures and transfers are concentrated on the resources to serve our student population and maintain class sizes in our schools. Included in the Expenditure budget are teacher and other staffing increases of \$3.2 million associated with projected school enrollment increases of 405 students in FY2013-14. Budgeted increases in Public Employees Retirement Association (PERA) contributions total \$3.4 million due to the statutory change in the PERA contribution rate from 16.55% to 17.45%.

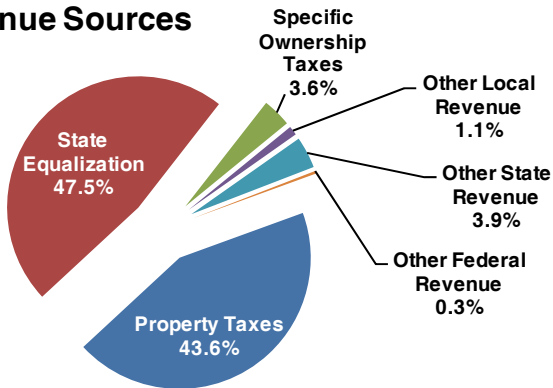
Compensation and benefit increases for employee work groups are anticipated to increase \$13.3 million. Increased educational support for school programs was included for a combined total of \$1.1 million, and a total of \$2.0 million was included for instructional support to support student achievement initiatives. Other budget adjustments include \$1.9 million in estimated savings for employee retirements. One-time budget adjustments for curriculum purchases that were included in the FY2012-13 budget but not included in the FY2013-14 budget total \$1.7 million. A cost containment measure is included for a decrease in the transfer to the Capital Reserve Fund of \$1.4 million to achieve a balanced budget.

## GENERAL FUND REVENUE

### REVENUE SOURCES

Property Taxes	\$197,229,432
State Equalization	214,404,121
Specific Ownership Taxes	16,090,000
Other Local Revenue	5,077,903
Other State Revenue	17,598,802
Other Federal Revenue	1,434,692
<b>Total Revenue Before Transfers</b>	<b>451,834,950</b>
Plus: Transfers	1,199,950
<b>General Fund Revenue and Transfers</b>	<b>453,034,900</b>

### Revenue Sources



**FY2013-14 Revenue Per Student FTE—\$8,898**

### STUDENT ENROLLMENT HISTORY

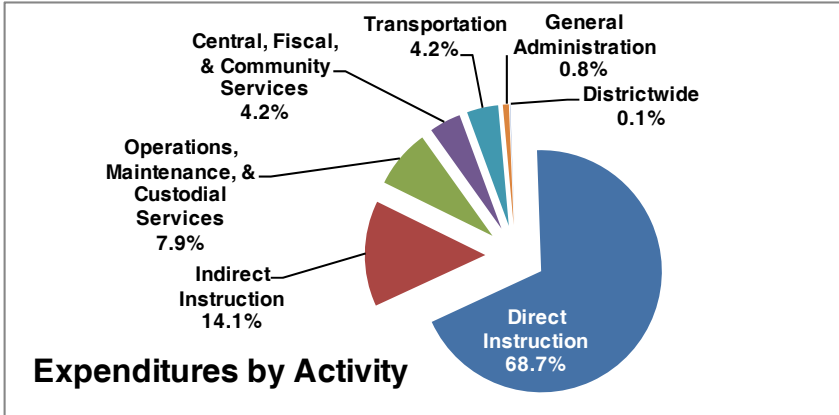
Students	Actual 2009-10	Actual 2010-11	Actual 2011-12	Actual 2012-13	Projected 2013-14
Enrollment	51,005	51,388	51,820	52,681	53,236
FTE*	48,979	49,396	49,788	50,435	50,915
FTE Growth	1.19%	0.85%	0.79%	1.30%	0.95%

\* 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 82.8% of Total Expenditures**

### ***FY2013-14 Expenditures Per Student FTE—\$8,898***

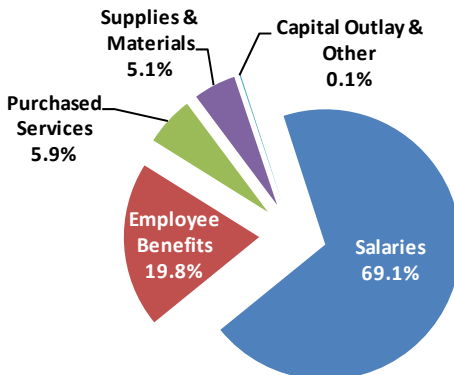
BUDGETED EXPENDITURES	
Direct Instruction	\$307,923,739
Indirect Instruction	63,286,191
Operations, Maintenance, & Custodial Services	35,235,025
Central, Fiscal, & Community Services	19,049,766
Transportation	18,872,341
General Administration	3,616,738
Districtwide	295,600
<b>General Fund Expenditures</b>	<b>\$448,279,400</b>
Transfers	4,755,500
<b>Total General Fund Expenditures &amp; Transfers</b>	<b>\$453,034,900</b>

## FY2013-14 BUDGET APPROPRIATION

The Cherry Creek School District FY2013-14 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	\$453,034,900	\$8,898
Designated Purpose Grants Fund	22,674,600	445
Extended Child Services Fund	15,309,400	301
Pupil Activities Fund	11,590,200	227
Building Fund	51,008,050	1,002
Bond Redemption Fund	50,648,535	995
Capital Reserve Fund	4,675,000	92
Capital Finance Corporation	-	-
Food Services Fund	17,786,900	349
<b>Total Expenditures &amp; Transfers</b>	<b>626,727,585</b>	<b>12,309</b>
Appropriated Reserves	17,030,479	335
<b>Total Appropriation</b>	<b>\$643,758,064</b>	<b>\$12,644</b>

### General Fund Expenditures by Object



## PROPERTY TAXES & MILL RATES

The assessed valuations of real estate properties in the District are to be reassessed in 2013 by the Arapahoe County Assessor. School taxes on a residence valued at \$305,901 in 2013 are estimated to be \$1,413.

### Residential Property Value & Tax History



**\* 2013 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 2013.

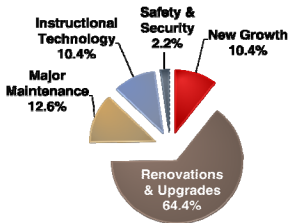
Mill Rates					
	2009	2010	2011	2012	*2013
State Required	25.712	25.712	25.712	25.712	25.712
Hold Harmless Override	1.445	1.449	1.594	1.595	1.564
1991, 1998, 2003, 2008, & 2012 Budget Elections	11.141	11.177	12.295	18.133	17.777
Abatements, etc.	0.626	1.440	2.066	1.337	1.422
Bond Redemption	<u>9.901</u>	<u>10.719</u>	<u>12.700</u>	<u>11.260</u>	<u>11.547</u>
<b>Total</b>	<b>48.825</b>	<b>50.497</b>	<b>54.367</b>	<b>58.037</b>	<b>58.022</b>
* 2013 Mill Rates are Estimated					

## 2012 BUDGET & BOND ELECTION

In November 2012, voters in the Cherry Creek School District approved ballot issues 3A and 3B authorizing the District critical funds needed to fund academic programs, maintain existing schools, and build additions to the Cherokee Trail and Grandview high schools to accommodate enrollment growth. The passage of **ballot issue 3A** is the funding override for operating expenses. It provides for \$25 million to maintain class size, provide curriculum and instruction necessary for success in college and the workplace, continue the District's commitment to academic excellence, and ensure technology and instruction for student success in the 21st century.

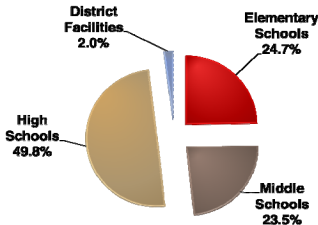
**Bond issue 3B** authorizes the District to sell \$125 million in bonds for capital costs of renovations and new school construction, which will include Science, Technology, Engineering, and Math (STEM) focused classrooms, renovations to schools throughout the District and additions to the Cherokee Trail and Grandview high schools to accommodate growth, essential technology to support the strategic instructional program needs of the District, including Smart Boards and updated computers, and upgraded safety and security systems for all schools. Allocations of planned bond funds are shown below.

### 2012 RECOMMENDED BOND ALLOCATIONS



### How the Money will be Spent

### 2012 RECOMMENDED BOND ALLOCATIONS



### Where the Money will be Spent

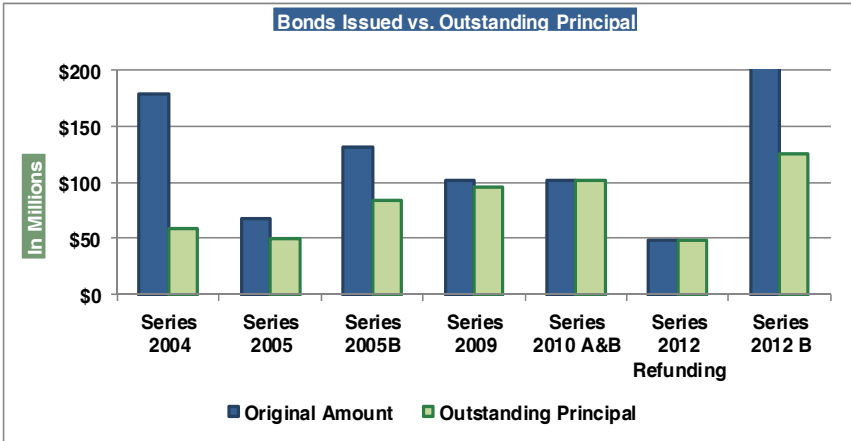


### 2012 BOND FUNDS

New Growth	\$13,000,000
Renovations/ Upgrades	80,455,003
Major Maintenance	15,845,257
Instructional Technology	13,000,000
Safety & Security	2,699,740
<b>TOTAL</b>	<b>\$125,000,000</b>

## BONDS PAYABLE

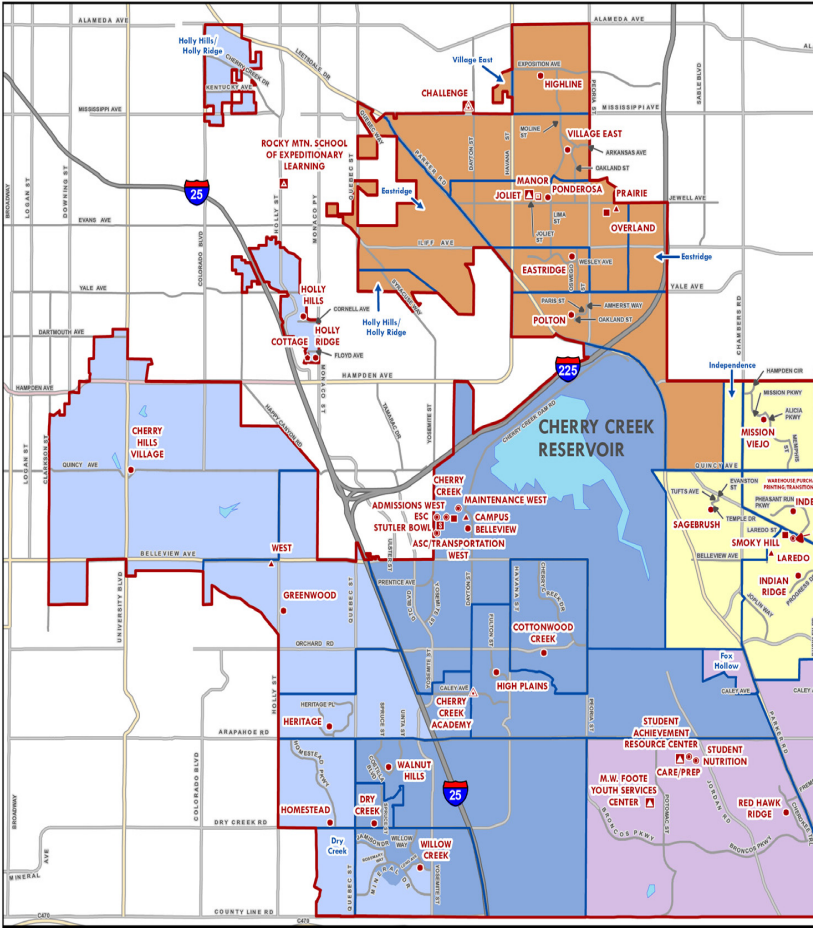
The Bond Redemption Fund is used to account for property taxes levied which provide for payment of general long-term debt principal retirement and semi-annual interest payments. The District's long-term debt is in the form of general obligation bonds. Bond issue and outstanding bond payable principal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









GENERAL OBLIGATION BONDS PAYABLE		
Series	Original Amount Issued	Outstanding Principal As of June 30, 2013
Series 2004	\$179,750,000	\$58,195,000
Series 2005	67,500,000	50,240,000
Series 2005B	132,215,000	83,875,000
Series 2009	101,775,000	96,010,000
Series 2010 A & B	101,775,000	101,730,000
Series 2012 Refunding	48,855,000	48,855,000
Series 2012 B	125,000,000	125,000,000
<b>Total Bonds Payable</b>	<b>\$756,870,000</b>	<b>\$563,905,000</b>

# CHERRY CREEK DISTRICT MAP

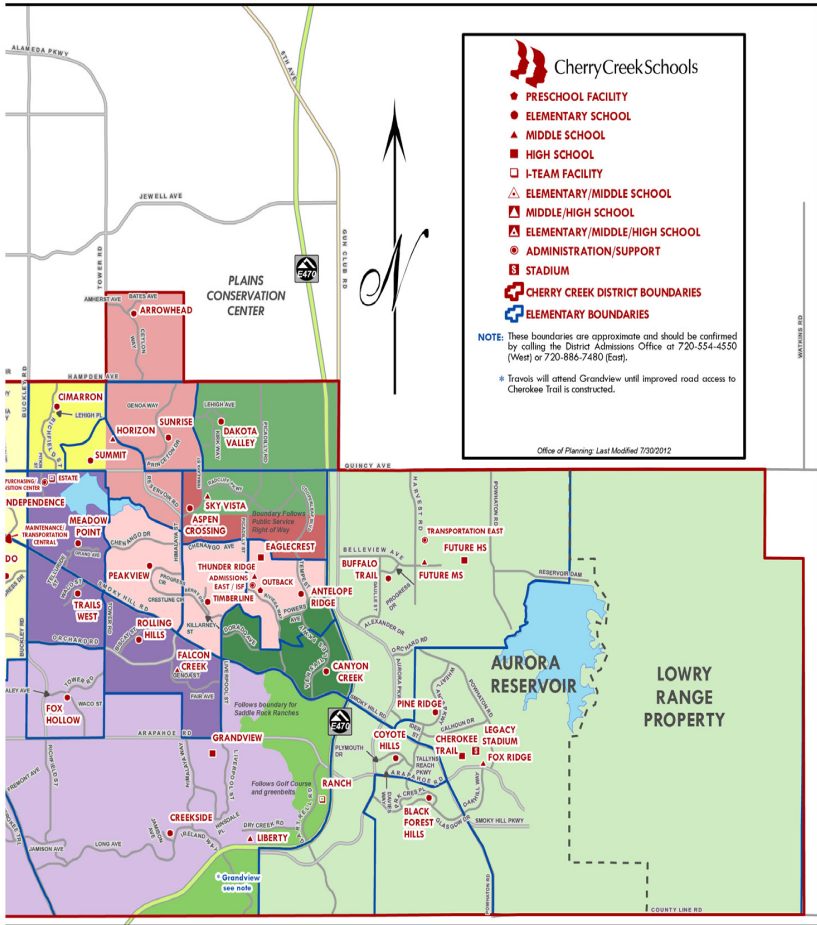
2012-2013 School Year



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

# CHERRY CREEK DISTRICT MAP

## 2012-2013 School Year



	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

## CHERRY CREEK COMMUNITY

The Cherry Creek School District No. 5 is projected to educate over 53,000 children in FY2013-14 and serves over 301,000 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

- 40 Elementary Schools
- 2 K-8 Schools
- 10 Middle Schools
- 6 High Schools—2 Stadiums
- 10 Other 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/FiscalServices/Budget](http://www.cherrycreekschools.org/FiscalServices/Budget)**

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

*June 2013*