

## **Annual Budget**

The annual budget is the financial plan for the operation of the school system. It provides the framework for both expenditures and revenues for the year and future years and translates into financial terms the educational programs and priorities of the district.

### **Five-year budget plan**

The superintendent or designee is directed to develop, subject to annual approval by the Board, a five-year budget plan that assures the future financial viability of the district and achievement of the district's objectives and takes into account future revenue, including tax and non-tax revenue, and future increases in operating expenses.

### **Budget process**

Public school budgeting is regulated and controlled by statutes and by requirements of the State Board of Education that prescribe the form of district budgets in order to ensure uniformity throughout the state.

The budget shall be presented in a summary format that is understandable by any layperson. The budget format shall itemize expenditures of the district by fund and by student. It shall describe the expenditure and show the amount budgeted for the current fiscal year and the amount budgeted for the ensuing fiscal year. When budgeting for any enterprise funds, the district shall use the full accrual basis of accounting. The budget shall summarize revenues by revenue source and expenditures by function, fund and object.

The budget also shall disclose planned compliance with spending limitations outlined in Article X, Section 20, of the Colorado Constitution, including holding TABOR reserve funds in an unrestricted general fund or in cash funds.

The Board assigns to the superintendent overall responsibility for annual budget preparation, budget presentation and budget administration. As part of the superintendent's budget responsibility, the superintendent shall cause to be prepared a budget preparation calendar that shall ensure that all deadlines established by law for budget presentation, hearings and adoption and for certification of amounts to be raised by school tax levies are met by the school district. The budget calendar shall take into consideration the possible need to submit a request to raise additional local revenue to a vote by the district's electorate. The superintendent shall have authority to delegate portions of his or her budget responsibility to the assistant superintendent of business.

The budget prepared and presented by the superintendent shall be consistent with the budget priorities of the Board as established in policy DBD.

### **Operating reserve**

Maintaining a financial year-end fund balance is a beneficial and sound financial

management practice. The Board of Education assigns to the superintendent or designee the responsibility of accumulating and maintaining a general fund balance amounting to 1% of the district's current fiscal year adopted budget. This amount will be in excess of the emergency reserve required by Article X, Section 20 of the Colorado Constitution (TABOR).

The 1% year-end fund balance will be used only for an unexpected loss of revenue or an extraordinary expenditure. Expenditures from the year-end fund balance shall be reported to the Board.

If any part of the year-end fund balance is used in any fiscal year to cover an unexpected loss of revenue or any extraordinary expenditures, those funds will be reallocated to fulfill the 1% required year-end fund balance before any other budget allocations in the subsequent fiscal year, unless the Board of Education approves otherwise.

Adopted: July 30, 1985  
Revised: September 25, 1990  
Revised: March 1994  
Revised: September 17, 2003  
Revised: November 18, 2009  
Revised: October 26, 2011

LEGAL REFS.: C.R.S. 22-11-302 (1)(a) *(district accountability committee budget recommendations)*  
C.R.S. 22-11-402 (1)(a) *(school level accountability committee budget recommendations)*  
C.R.S. 22-32-109 (1)(b)  
C.R.S. 22-44-101 through 117 *(school district budget law, Board shall cause a proposed budget to be prepared and shall adopt a budget for each fiscal year)*  
C.R.S. 22-44-106 *(operating reserve)*  
C.R.S. 22-44-301 *et seq. (Public School Financial Transparency Act)*  
C.R.S. 22-45-103 (1)(c) *(authorized expenditures from capital reserve fund)*  
C.R.S. 29-1-103 (3) *(budget to reflect lease-purchase payment obligations)*

CROSS REFS.: DAB\*, Financial Administration  
DB subcodes, (all relate to the budget)