

Navigating THE BUDGET



Fiscal Year 2023-2024

Adams12 
Five Star Schools

adams12.org

Adams 12 Five Star Schools
commits to **engage** and **inspire**
all students to **innovate**,
achieve and **succeed** in a safe
and supportive environment by
ensuring high quality instruction
in every classroom, every day.



Opportunity Starts Here

Providing a high quality education to nearly 35,000 enrolled students (31,182 district and 3,770 charter)* is our priority and something we take very seriously.

ELEVATE, our strategic plan, outlines our commitments to elevate student success in every classroom, every day.

OUR STRENGTHS

WHAT MAKES US WHO WE ARE?

At Adams 12 Five Star Schools, we

Care • Collaborate • Engage • Empower • Focus on Students

OUR GOALS

WHERE ARE WE HEADED?

Student Achievement

- ▶ Raise achievement levels for all students and close existing achievement gaps for groups of students
- ▶ Increase graduation rate while increasing rigor
- ▶ Outperform peer districts

Climate & Culture

- ▶ Students, parents and staff take pride in and feel connected to the district's positive culture

Social-Emotional Well-Being

- ▶ Know every student by name, strength and need

OUR FOCUS AREAS

OUR FOCUS AREAS



21ST CENTURY LEARNERS



DIVERSE LEARNING



OUTSIDE-THE-CLASSROOM LEARNING



SAFE SCHOOLS



SOCIAL-EMOTIONAL LEARNING



WORLD-CLASS STAFF

Navigating the Budget

To help provide a better understanding of the Adams 12 Five Star Schools budget and what is required to educate a large, diverse student population, we have developed this Navigating the Budget guide. The purpose of this guide is to provide an overview of Colorado school finance and financial information specific to our district in a clear and concise manner.

This guide is broken down into four sections: where the money comes from, where the money goes, what money is left over, and a funds overview. The process is complex, but we hope after reading this guide you will have a better understanding of where our funding comes from and how the Five Star District utilizes its resources to educate students across five Denver metro communities.

*The district's projected enrollment is determined by the planning department and may differ slightly from CDE.

Quick Facts

Our Students

34,952*

Total students enrolled

31,182*

District

3,770*

Charter

16,170**

Students on free or reduced priced lunch

5,491

Students with limited English proficiency

4,588

Students served through special education

4,359

Students participating in Gifted & Talented Program

7,000

Students traveling to school by bus

44.68%

Hispanic

41.62%

White

6.64%

Asian

4.93%

Two or more ethnicities

1.54%

African-American

0.46%

Native American

0.14%

Native Hawaiian/

Pacific Islander

Our Learning Facilities

29

Elementary

7

Middle

5

High

4

Charter

4

Alternative

3

K-8 Magnet

2

Technical

1

P-8

1

K-5 Magnet

Learning Opportunities

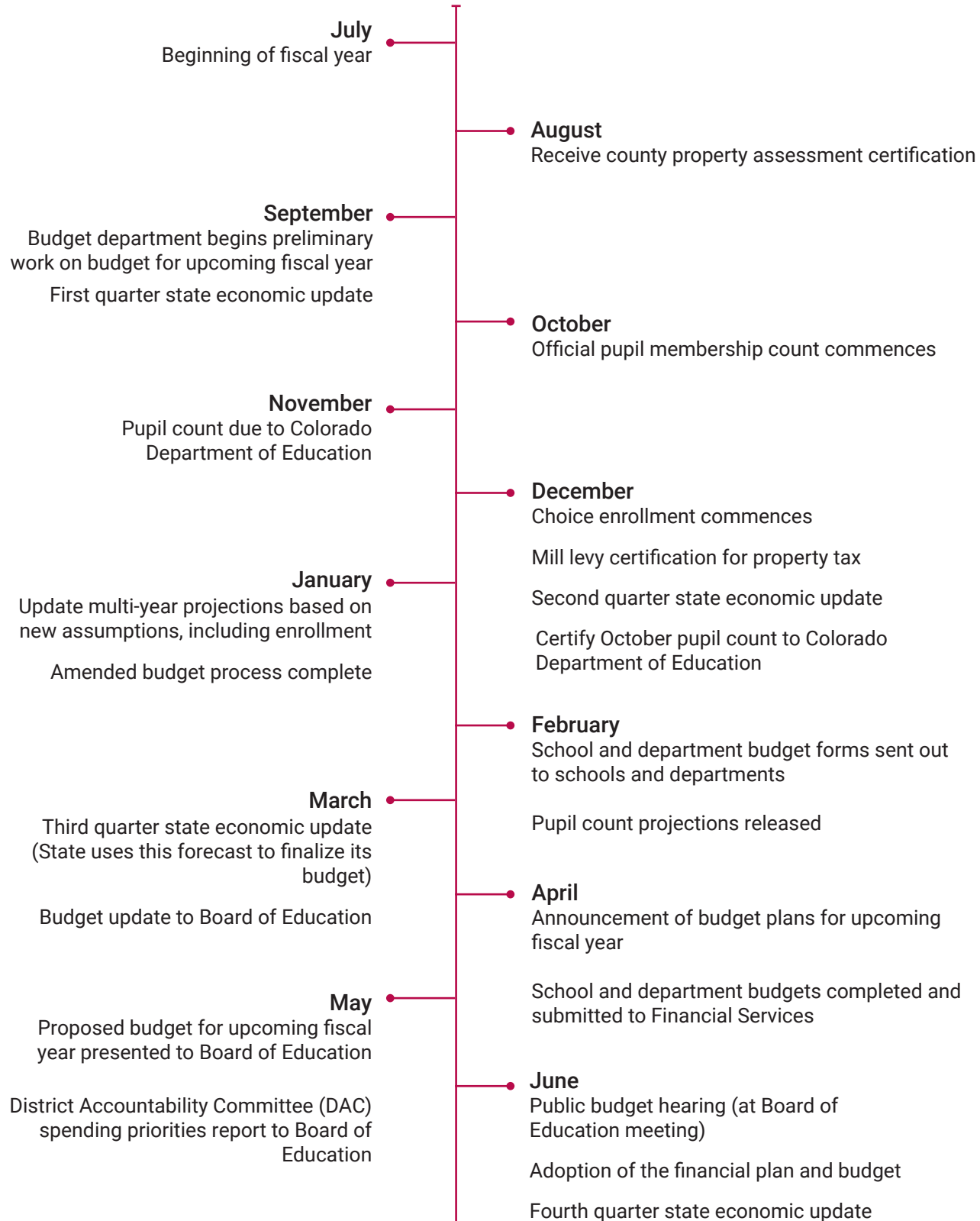
- International Baccalaureate (IB)
- Science, Technology, Engineering and Math (STEM)
- Arts Integrated
- Gifted & Talented
- Career & Technical Education
- Five Star Online Academy (Multi-district)

*The district's projected enrollment is determined by the planning department and may differ slightly from the CDE Pupil Membership worksheet. The number does not include Charter School Institute students.

** Source: Colorado Department of Education (CDE) 2022-2023 P-12 Free and Reduced Lunch Eligibility by District.

Quick Facts

Budget Process Calendar



Guiding Principles

Multi-step process informs budget decisions

Each year Adams 12 Five Star Schools prepares a budget plan with the focus of utilizing available resources to best support educational success. The budget encompasses instruction at each school, transportation, food services, maintenance, administration and more.

There are many guiding principles considered throughout the budget process, including:

Academic Outcomes

- Allocate resources in a manner that best positions the district to achieve desired outcomes as outlined in the district's strategic plan ELEVATE. This includes improving the graduation rate and student performance on state assessments, and decreasing the achievement and graduation rate gap between student populations.
- Focus dollars on funding classroom instruction, including professional development, and making sure the central administration is well-positioned to support and serve schools.
- Invest in promising opportunities that increase educational options for students and advance the district's desired outcomes.
- Maintain a competitive salary and benefit level to retain and attract highly qualified and competent staff.

Community Values/Priorities

- Seek input and guidance from the District Accountability Committee (DAC), an educator, parent and community member committee working to advise and prioritize district investments to the Board of Education.

Fiscal Responsibility

- Identify and prioritize opportunities to improve operational efficiency.
- Develop a current year budget that's based on a multi-year plan. This includes projecting for the cost of programs that will be incurred in future years.

Federal, State and Local Mandates

- Protect education service levels by containing the costs of programs mandated but underfunded by the federal and state governments, such as programs for students in special education and services to students who qualify for free and reduced lunch.
- Abide by the provisions of the master agreements between the district, the District Twelve Educators' Association (DTEA) and the Classified School Employees Association (CSEA) regarding compensation, benefits and working conditions.
- Ensure revenues generated from local mill levy overrides are spent for the purposes described in the respective ballot questions.
- Make budget decisions that are consistent with Board of Education policies and procedures.
- Maintain fund balance as required by the Taxpayer Bill of Rights (TABOR) and by the Board of Education.

Safety

- Protect students from potential harm by investing in vehicle maintenance and repairs, equipment and facility maintenance and repairs, and student supervision and school campus oversight.

Assurances

- Adams 12 Five Star Schools assures that its budget methodology is compliant with the supplement, not supplant provisions within section 1118(b) of, and referenced throughout, the Every Student Succeeds Act. The district allocates state and local funds to all district schools, regardless of Title I status by distributing resources based on a combination of characteristics of the students and school staffing.

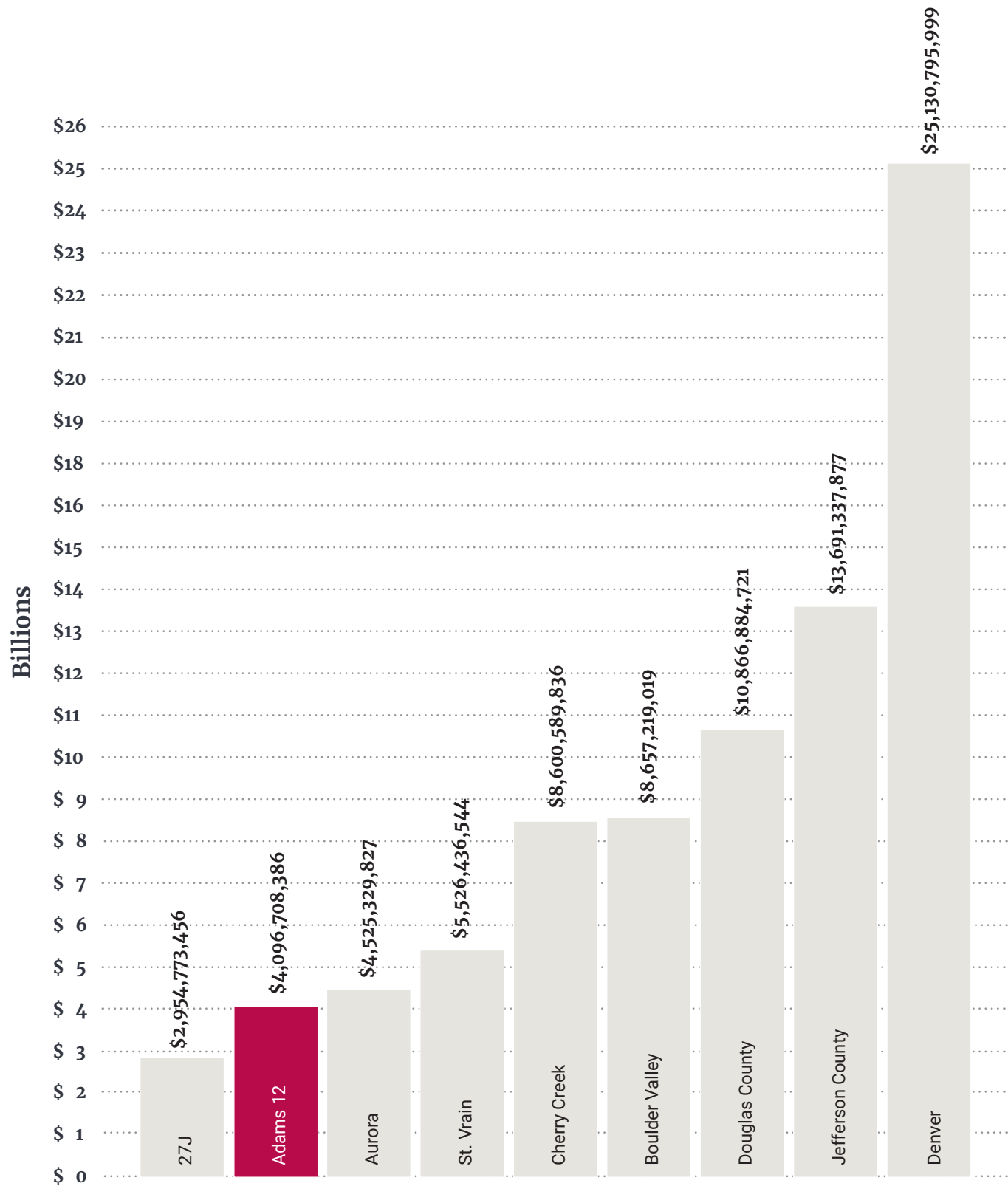


Sources: Where the Money Comes From

Sources: Where the Money Comes From - **Property Taxes**

Assessed Property Valuation* Fiscal Year 2023-2024

Compared to other school districts, the assessed value of residential and commercial properties in the Five Star District is much lower due to lower overall home values and fewer companies that reside within district boundaries.



Source: Colorado Department of Education (CDE).
*Projected

Sources: Where the Money Comes From - **Property Taxes**

To estimate the portion of your property tax bill that goes toward the school district, use the following formula.

$$\begin{array}{|c|} \hline \text{Actual} \\ \text{Value} \\ \hline \end{array} \times \begin{array}{|c|} \hline \text{Assessment} \\ \text{Rate} \\ \hline \end{array} = \begin{array}{|c|} \hline \text{Assessed} \\ \text{Value} \\ \hline \end{array}$$

and then...

$$\begin{array}{|c|} \hline \text{Assessed} \\ \text{Value} \\ \hline \end{array} \times \begin{array}{|c|} \hline \text{Mill} \\ \text{Levy} \\ \hline \end{array} = \begin{array}{|c|} \hline \text{Taxes} \\ \text{Due} \\ \hline \end{array}$$

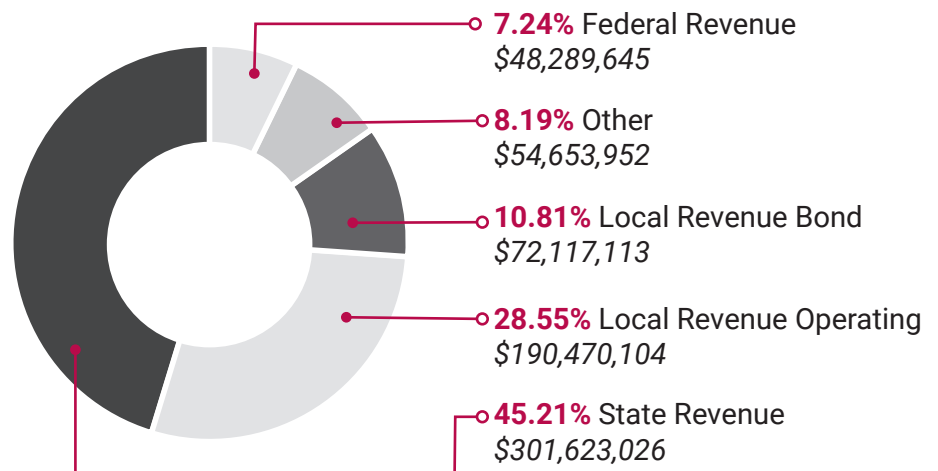
In August of each year, the Assessor certifies the total assessed value of all properties located within the boundaries of each taxing authority. Adams 12 Five Star Schools boundaries include portions of Adams and Broomfield counties. The district's total combined assessed valuation for December 2022 is \$3,404,962,827. Assessed values are calculated by multiplying the actual value by the appropriate assessment rate. The residential assessment percentage is subject to change by the Colorado Legislature each odd numbered year. The assessment rate is currently 6.765% for residential and multi-family property.

A mill levy is a tax rate that is applied to the assessed value of a property. The mill levy - which is sometimes referred to simply as a levy - is multiplied times the assessed value of a property to determine the amount of taxes due. 1 mill = .001 as a multiplier.

Sources: Where the Money Comes From - All Funds

ALL FUNDS

Adams 12 Five Star Schools' Adopted Budget includes \$667,153,840 projected total revenues for the 2023-2024 fiscal year that are received largely through a combination of tax sources, including federal, state and local.



Federal

The federal government contributes a limited amount to local school districts. Most federal revenue is distributed through Title I of the Elementary and Secondary Education Act (ESEA) to provide extra support for low-income children and through the Individuals with Disabilities Education Act (IDEA) that provides support so children with disabilities have the opportunity to receive a Free Appropriate Public Education (FAPE). This funding can only be used for specific purposes and the district has limited flexibility with how it can be spent. Most of the funds are used for additional instruction, instructional coaches and teacher professional development to support the needs of disadvantaged children.

In Fiscal Year 2023-2024, local taxes are expected to contribute **39.4 percent** to our total funding, while state sources account for **45.2 percent** of the revenue.

State

Funding for our district is provided first by local sources of revenue (property and specific ownership taxes, such as vehicle registration taxes). If these funds are insufficient, state dollars cover the shortfall. The amount of funding our school district receives is based on the Total Program Funding formula outlined in the Colorado School Finance Act, plus additional funding to recognize district-by-district variances in size, cost-of-living, number of students who qualify for federal free lunch status, and other similar factors. The formula is used to determine the funding level for providing an equitable educational experience in each of Colorado's 178 school districts.

In addition to the Total Program Funding, and in accordance with state and federal laws, the state of Colorado partially reimburses school districts for a portion of expenses paid for specific programs designed to serve particular groups of students or particular student needs. These "categorical" programs include funding for career and technical education, special education, transportation, and gifted and talented.

Local

The majority of local funding comes from property and specific ownership (vehicle registration) taxes. Every homeowner and business owner (except for government, charitable and religious institutions) in Colorado pays property taxes for schools, along with taxes for other public services.

Colorado law also allows local school districts to ask voters to approve additional funding through local tax increases called mill levy overrides.

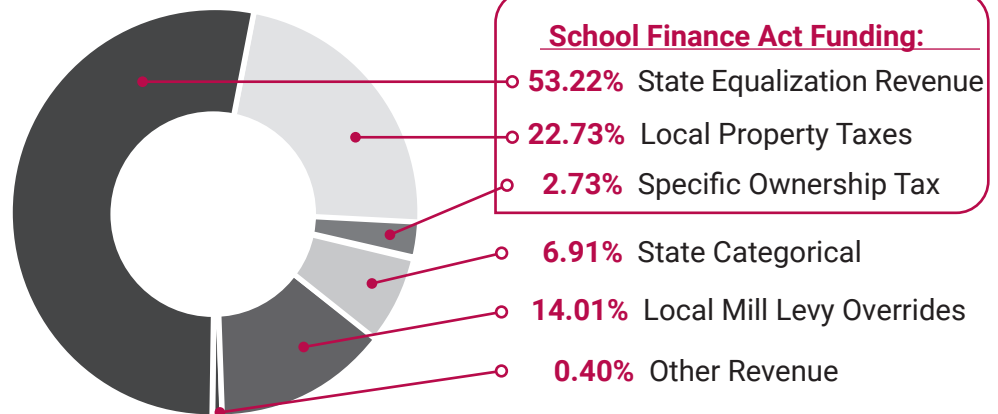
Other Sources of Funding

Tuition revenue for preschool, and course fees are also a part of the district's revenue sources. Income generated from the use of district buses and facilities is included in the district's revenue sources as well. These local, non-tax revenue sources are based upon fees for services used by some, but not necessarily all, students.

Sources: Where the Money Comes From - General Fund

GENERAL FUND

The General Fund is comprised mostly from state and local tax revenue and a little from federal and other sources.

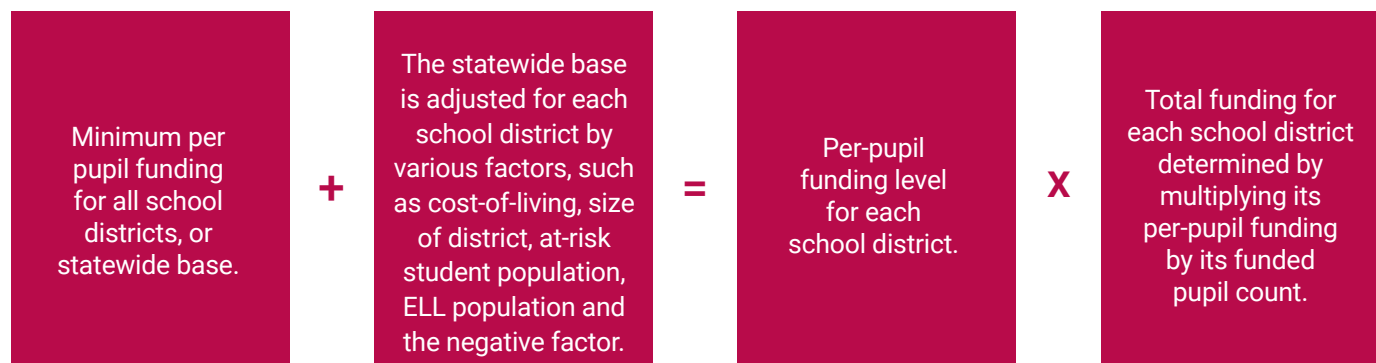


Funding formula outlines allocation for providing equitable education

The Colorado School Finance Act aims to ensure all children in the state receive an equitable educational experience. The act outlines the Total Program Funding formula used to determine a per-pupil funding level for each school district.

The Total Program Funding includes a base amount, which is the same for all school districts, plus additional amounts called factors. Factors vary by district and compensate for financial differences among districts, such as cost-of-living, size of the district, at-risk student population and personnel costs. Starting in 2009, in order to make across-the-board cuts from all districts, the legislature added a new “budget stabilization” to the School Finance Act formula. In 2021 legislation changed the definition of at-risk pupils to include students eligible for reduced-priced lunch under the federal school lunch program and removed students under the English language learner (ELL) subset. A new factor for ELL enrollment was added to the funding formula in addition to the at-risk factor. The statewide base can change from year to year based on the state’s economic condition, obligations and other factors. The statewide base is determined for each upcoming school year by the Colorado General Assembly before the conclusion of the legislative session each May. For Fiscal Year 2023-2024, the statewide base per-pupil funding amount is \$8,076.

Total Program Funding Formula



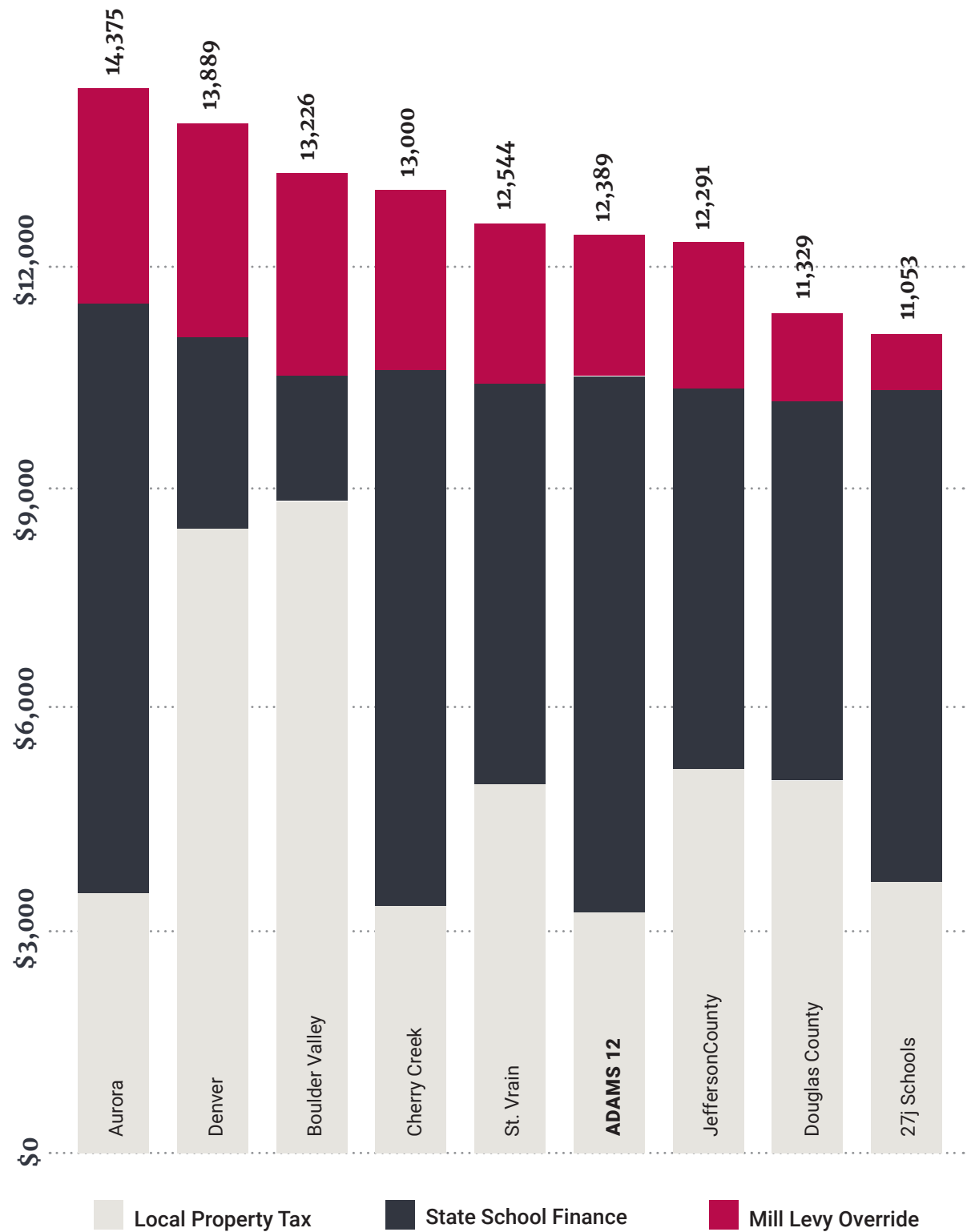
Total Program Funding is comprised of three funding sources: base property taxes, local share of specific ownership (vehicle registration) taxes and state equalization (the state’s portion of the Total Program Funding).

Districts with higher assessed valuations receive most of their revenue from local property taxes and the state therefore contributes less. Conversely, districts whose property valuations are lower receive more funding from the state. In the case of Adams 12 Five Star Schools, state equalization comprises approximately 69 percent of Total Program Funding. Total Program Funding is estimated to be \$372 million for Fiscal Year 2023-2024.

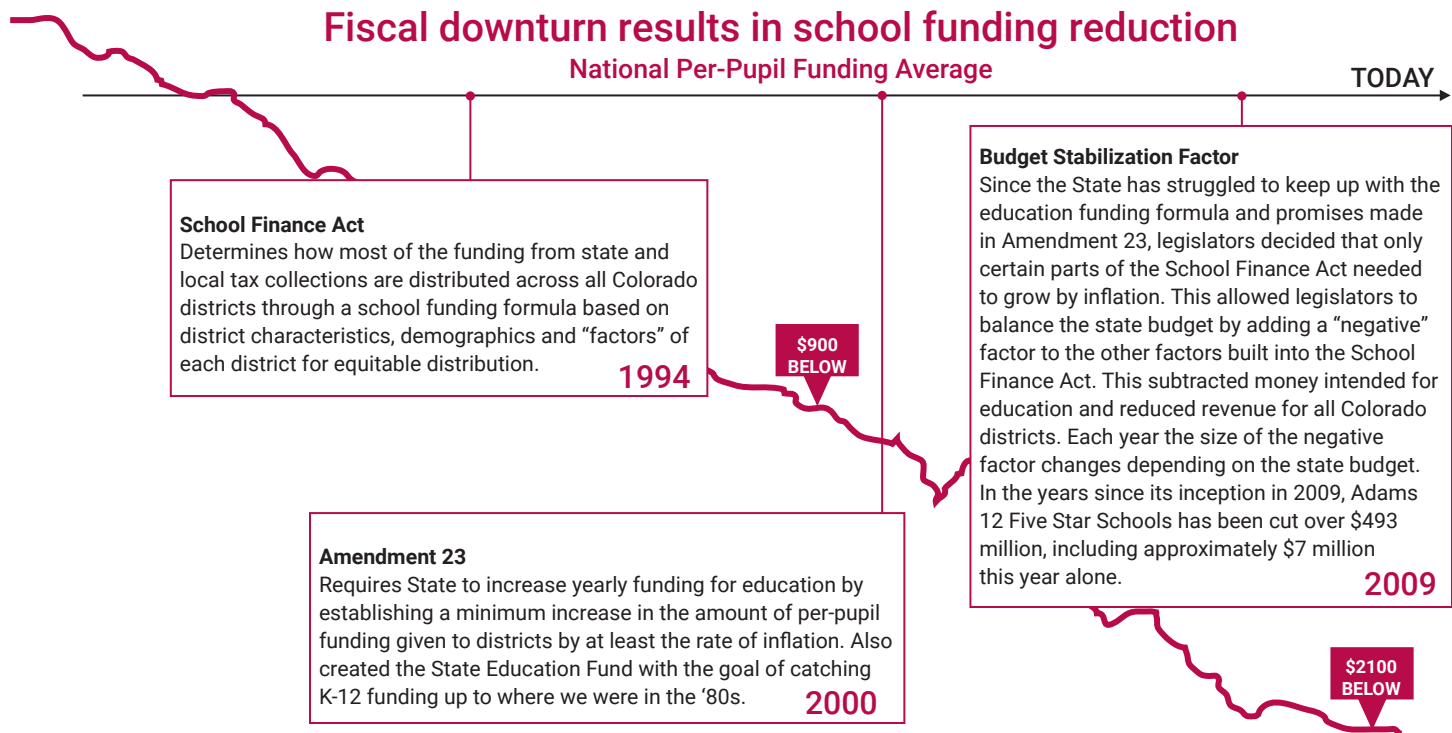
Sources: Where the Money Comes From - General Fund

The following chart illustrates the funding sources for Adams 12 Five Star Schools, compared with other school districts in Colorado.

Per Funded Pupil - State School Finance & Local Mill Levy Override
Fiscal Year 2023-2024



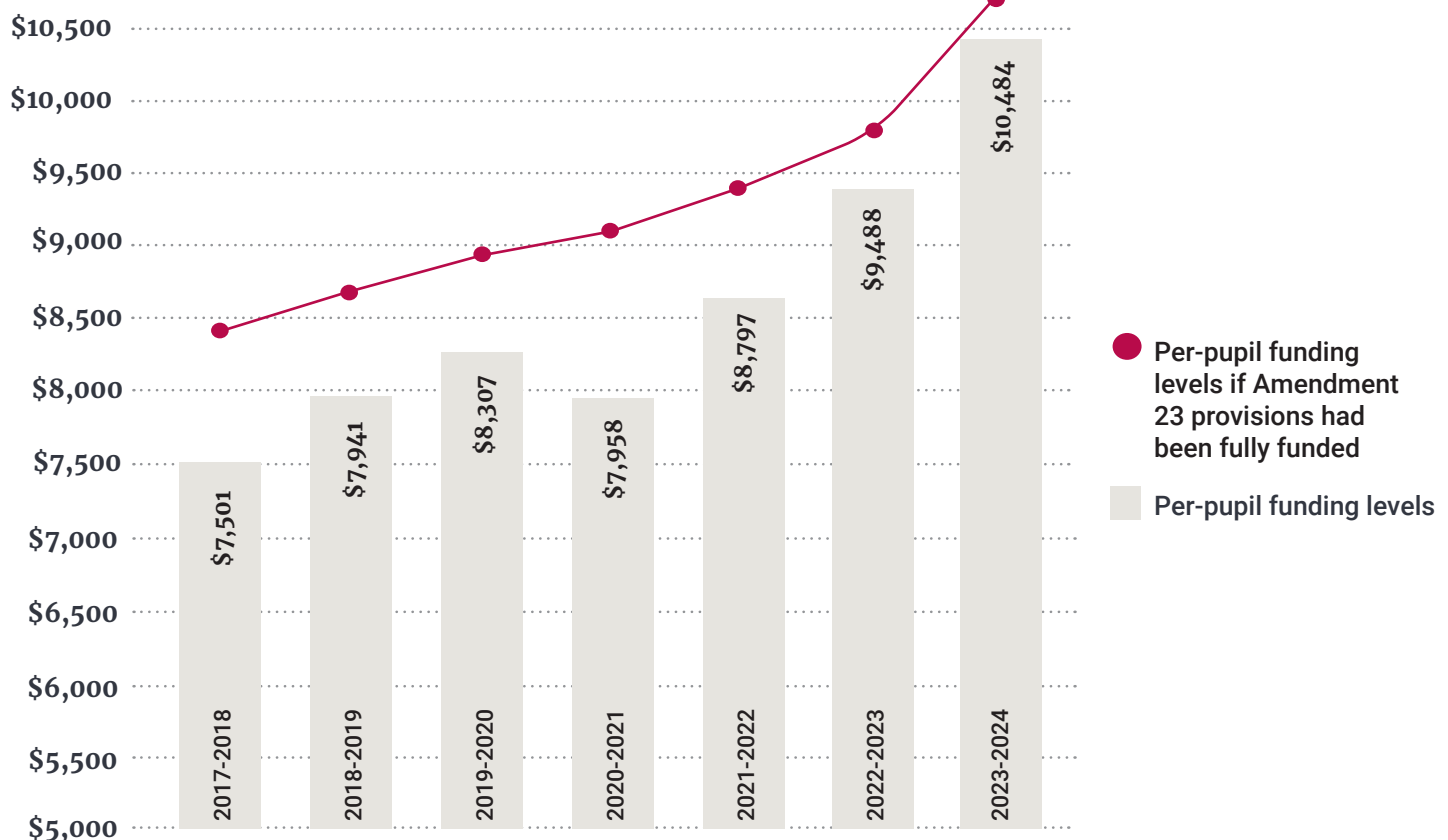
Sources: Where the Money Comes From - General Fund



The impact of the Budget Stabilization Factor on the Five Star District has been substantial and has resulted in more than \$493.2 million in decreased funding 2010-2011 through 2023-2024. The School Finance Act for the 2023-2024 school year has the Budget Stabilization Factor at 1.56 percent. This amounts to \$6.7 million less in funding for the 2023-2024 school year.

This school year alone, the Five Star District will receive **\$167.79 less per student** as a result of the Budget Stabilization Factor.

Total Program Funding Per Pupil Comparison



Sources: Where the Money Comes From - General Fund

Funded pupil count determines dollars districts receive

Although the School Finance Act determines how much money Colorado school districts receive, the funded pupil count is the real driver of school funding. Since the School Finance Act distributes funds on a per-pupil basis, the number of students enrolled in a district as of October 1st of each school year determines the amount of annual funding a district receives.

The funded pupil count refers to the number of full-time students enrolled in the district. The funded pupil count can be different from the total number of students enrolled in the district (headcount) because not all students attend school on a full-time basis and due to declining enrollment the district utilizes averaging when calculating funded pupil count.

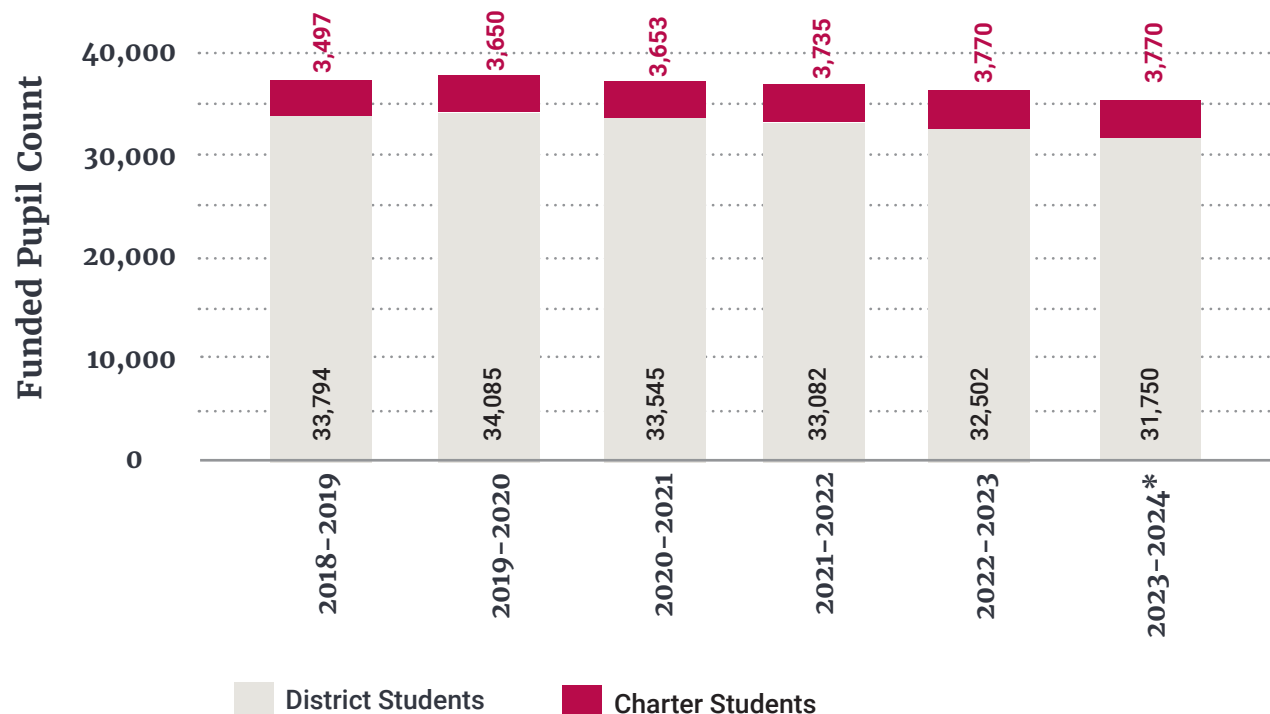
In the spring of 2019, the State passed a bill for students enrolled in a full-day kindergarten educational program to be funded at the same amount as students enrolled full-time in other grades. Prior to the passage of this bill, full-day kindergarten students were funded as a .58 full-time equivalent (FTE). Therefore, districts receiving this funding are not allowed to collect tuition for full-day kindergarten

classes. However, if the general assembly stops funding kindergarten students as full-time pupils, then a school district or charter school may resume charging a fee or tuition for the unfunded portion of the school day. High school students may also be funded at less than a FTE depending on the number of credit hours a student takes.

While district charter students make up 10 percent of enrollment, the district doesn't retain funding for those students. The per-pupil funding for charter students is "passed through" the district to the individual charter schools. Per state law, the district is permitted to withhold up to 5 percent of a charter school's per-pupil funding to cover the cost of administrative services, such as payroll, information technology support, etc., provided to the charter school, which is specified in the contract between the district and a charter school. However, the district charges closer to 3.5 percent.

Per-pupil funding for charter students is passed through the district to the individual charter schools.

Funded Pupil Count Comparison



Source: Colorado Department of Education (CDE) Audited Funded Pupil Count Reports for years 2018-2019 through 2023-2024. This chart does not include Charter School Institute students.

*Projected

Sources: Where the Money Comes From - **Mill Levy Overrides**

Mill levy overrides provide additional funding for operating expenses

A district’s authorization to raise and expend mill levy override revenues doesn’t affect the amount of state funding the district receives. Mill levy overrides do not adjust each year for inflation and enrollment growth, so their purchasing power diminishes over time.

As per state law, a district cannot collect more than 25.00 percent of its Total Program Funding through mill levy overrides. The Five Star District estimates it will collect 15.77 percent of its Total Program Funding through mill levy overrides, with the capacity for 9.23 percent or \$39.6 million in additional overrides.

Monies from mill levy overrides are used for operating expenses such as instructional programs, equipment, class size management, in-classroom technology and other high-priority operating expenses. Mill levy override funds are restricted by use as outlined in ballot language, and generally are not used to pay for major repairs and renovations to existing school buildings, additions to schools or new school buildings.

Adams 12 Five Star Schools’ voters have approved the following mill levy overrides, which provide **\$67.6 million** in annual funding to the district:

Year	Amount of Mill Levy Override
2018	\$ 32.2 million
2008	\$ 9.9 million
2004	\$ 9.9 million
2000	\$ 10.2 million
1991	\$ 5.4 million
Total	\$67.6 million

Sources: Where the Money Comes From - **Bond**

Bonds provide funding for repairs, renovations, new buildings and technology

Unlike mill levy override dollars, bond money is restricted by law and can only be used for major repairs and renovations to existing school buildings, additions to schools, new school buildings and technology. The state of Colorado does not provide funding for these building projects.

A bond question goes before voters as a ballot measure asking them to approve (or deny) additional proposed spending. If approved by voters, the district sells bonds to investors, uses the bond proceeds for building improvements or new construction, then repays investors over a specific period of time.

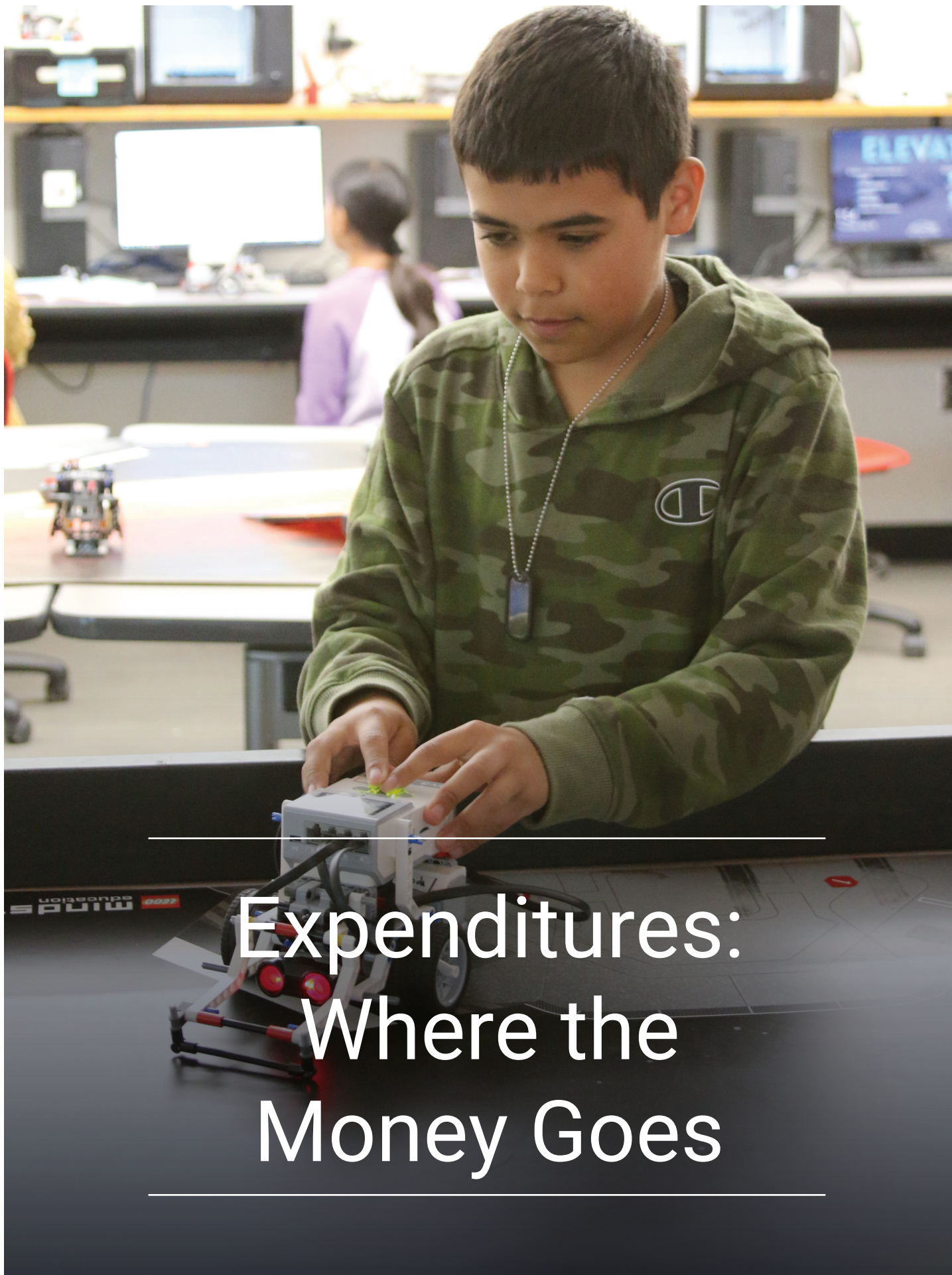
Adams 12 Five Star Schools' last bond was approved by voters in 2016. The \$350 million bond addresses aging school buildings and overcrowding, expands career and technical opportunities for students, enhances safety and security, and upgrades technology at all schools. Two \$180 million bonds also passed in 2000 and 2004.

The district has partnered with Cooperative Strategies to develop Blueprint, a comprehensive long range academic and facilities plan. As part of the plan Five Star Schools invited district partners, including students, parents, staff and community members to attend a series of community dialogue to provide input to this plan. An overview of important district data including building and facility conditions, enrollment trends and academic programs were shared which provided the opportunity for interactive feedback on values and priorities as they relate to district facilities and academic outcomes.

Certificates of Participation (COPs) are tax-exempt government securities used to raise funds to improve and construct buildings or purchase equipment. These investment instruments are often used in combination with a bond issue. COPs help finance capital costs related to construction or acquisition and may not be used to finance ongoing operating costs. The Five Star District received a COP in 2016.

Bond vs. COP Funding

BOND	VS.	CERTIFICATE OF PARTICIPATION (COP)
<ul style="list-style-type: none">• Requires voter approval• Restricted by law and can only be used for:<ul style="list-style-type: none">• Major repairs/renovations to existing schools• Additions to schools• New school buildings• Technology• Repaid with property tax mill levy		<ul style="list-style-type: none">• Does not require voter approval• Tax exempt government security used to:<ul style="list-style-type: none">• Improve or construct buildings• Purchase equipment• Repaid with operating dollars from the General Fund



Expenditures: Where the Money Goes

Expenditures: Where the Money Goes - All Funds

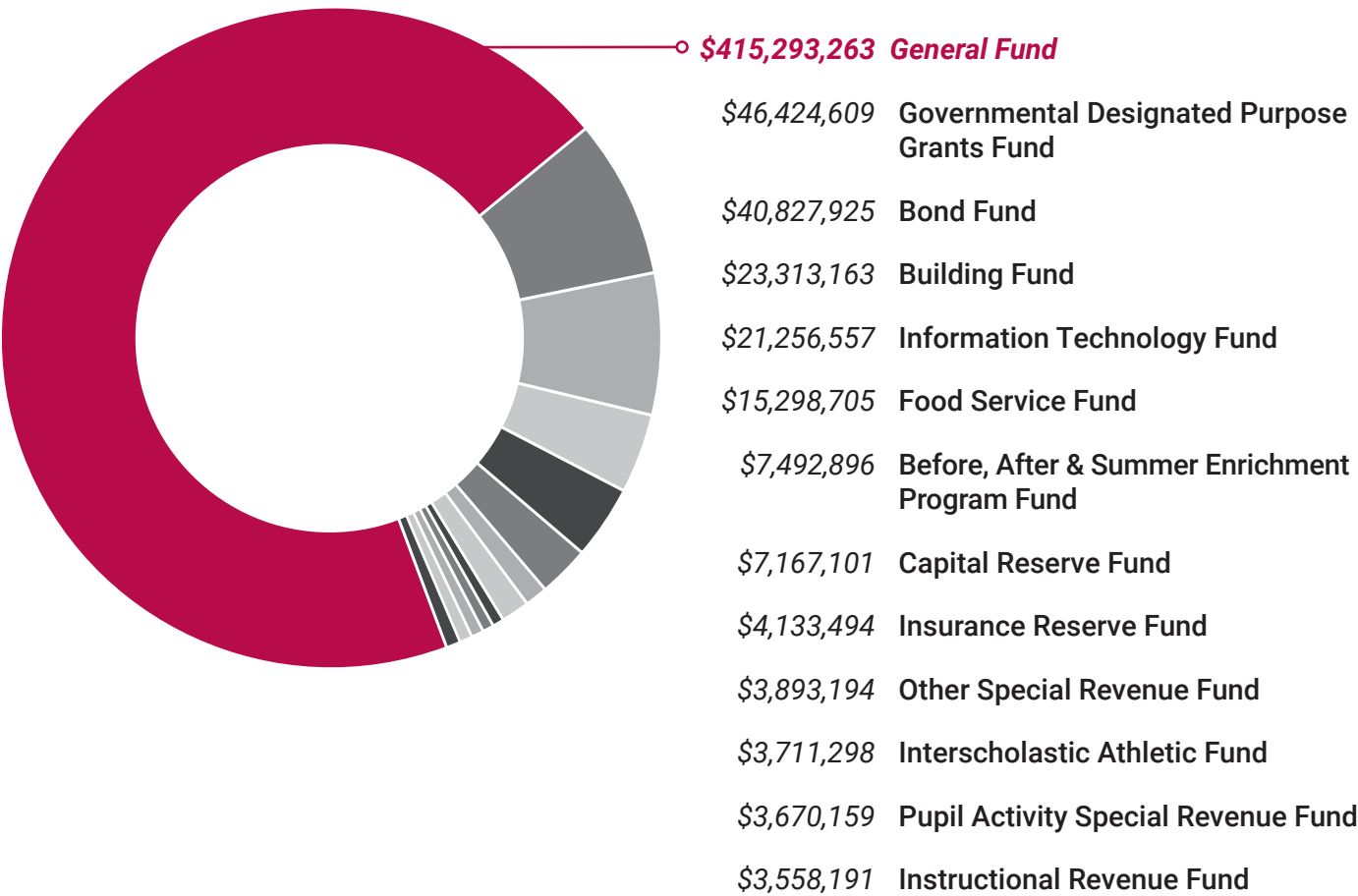
Separate funds ensure dollars are tracked and used for intended purposes

Adams 12 Five Star Schools has 13 different funds. The General Fund is our main operating fund and accounts for the majority, or about 70 percent, of expenditures.

Government 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 operating objectives of governmental entities, such as school districts, are different from those of commercial enterprises and therefore accounting requirements are different. Governmental entities use fund accounting to track revenues and expenditures. This is particularly important because some funds have very specific restrictions on how dollars can be spent.

Adopted Budgeted Expenditures by Fund
Fiscal Year 2023-2024



Expenditures: Where the Money Goes - General Fund

Money spent supports our students' academic success

The General Fund is the district's main operating fund and reflects the cost of educating almost 31,200 district (non-charter) students in 52 schools, as well as the programs needed to support those schools. It covers the day-to-day costs of running the school system, including salaries, benefits, supplies, purchased services, transportation, maintenance and utilities.

The largest share of the General Fund, approximately 78 cents of every dollar, is spent on student instruction, instructional support and school leadership. This includes salaries and benefits paid to teachers, teaching assistants, school office staff, librarians, nurses, counselors and other professionals. The remaining 22 cents is used to support students and schools with services such as transportation, maintenance, security, information technology systems, utilities, custodial, warehouse and other administrative services.

What students receive for the money

The Five Star District's \$415 million general fund expenditure budget for Fiscal Year 2023-2024 is used to educate 32,201 district (non-charter) students over the 180-day school year for \$71.65 per day, per student – less than taking a family of four to the movies.

For \$71.65 per day a Five Star student receives:

- Instruction from highly-qualified teachers
- Instruction from teachers and staff who participate in ongoing professional development that's aligned with federal, state and local initiatives and keeps educators up-to-date on new research, emerging technology for classrooms, new curriculum resources and more
- Specialized learning resources for students with special needs and students who are gifted
- Educational pathway options through traditional schools, magnet schools, career and technical programs and alternative schools
- Access to technology – Chromebooks provided to each student kindergarten through twelfth grade
- Counseling, pre- and post-graduation guidance and other social-emotional support services
- Transportation to and from school for nearly 7,000 students
- Extracurricular activities such as clubs, grades 6-8 athletics and high school athletics, etc. (subsidized in part by fees)
- Multiple safety nets that provide a safe learning environment, including the Raptor visitor screening system; Aiphoes in schools at all grade levels that help staff visually screen visitors; School Resource Officers (SRO) assigned to each middle and high school; and regular safety drills
- Clean facilities

More than 67 percent of the district's teachers have advanced education or degrees (master's degree or higher level of education)

How a dollar is spent



57¢ General Instruction:

Costs associated with the delivery of instructional services to students, including teachers, classroom supplies and equipment

13¢ Instructional Support:

Costs associated with support services for students, including school library/media centers, nurses, psychologists, social workers, curriculum and staff development

9¢ Operations and Maintenance:

Maintenance, operations, utilities, custodial services and security services

8¢ School Leadership & Management:

School-level administration, including principals, assistant principals and front office staff

5¢ Support Departments:

Human resources, financial services, grants department, communications, staff development, purchasing, warehouse, board of education, legal services, print studio and planning

5¢ Information Technology:

IT staff, equipment and services used to support district schools and facilities

3¢ Transportation:

Bus transportation for pupils and vehicle maintenance

Expenditures: Where the Money Goes - General Fund

Educating students requires many people

Educating children is the district's priority and providing a rigorous educational experience is a **people-intensive endeavor**. The largest component of general fund operating expenditures pays for salaries and benefits for nearly 5,000 employees. This includes teachers, principals, teacher aides, office managers, counselors, nurses, custodians and more.

With nearly 5,000 full- and part-time employees, Adams 12 Five Star Schools is the largest public sector employer in Adams County.

Compensation

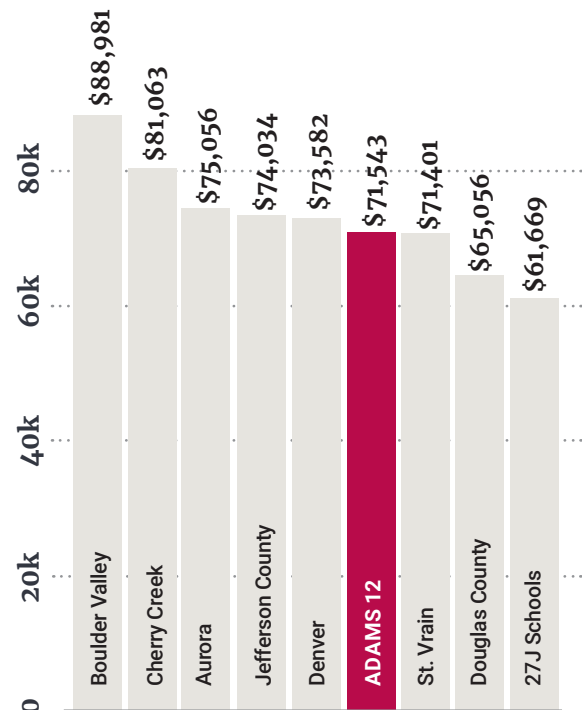
Teachers (certified employees) make up the largest employee group. Compensation for teachers is negotiated annually between the Adams 12 Five Star Schools Board of Education and the District Twelve Educators' Association (DTEA). The goal of both organizations is to make sure compensation remains competitive to attract and retain the best teachers. Traditionally, teachers have received annual cost-of-living salary adjustments (COLA). They also have received additional compensation as they gain years of experience (step increase) and as they complete additional education, earn advanced degrees or obtain National Board Certification (lane change).

For the district's support staff (classified employees), compensation is negotiated annually between the Board of Education and the Classified School Employees' Association (CSEA). The classified contract was changed from January through December to July through June in 2022-23. Classified employees are not eligible for lane increases.

The district's administrative employees are not eligible for step or lane increases. The administrative employee contract year runs July through June.

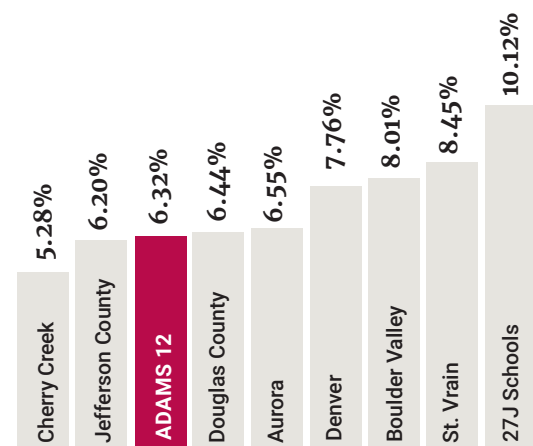
The certified salary schedule was adjusted during the 2023-2024 negotiations process, starting salaries now start at \$58,000 which is an increase of over \$12,000 from Fiscal Year 2022-2023. Changes to steps and lanes within the salary schedule will ensure certified staff will receive no less than a 6.0 percent increase in salary. Classified and Administrative adjustments equate to a 1.7 percent step equivalent and 4.3 percent cost of living increase.

Average Teacher Salary by District



Source: Colorado Department of Education (CDE)
2022-2023 School/District Staff Statistics

Adams 12 Five Star Schools' salaries and benefits assigned to administration rank among the lowest when compared to districts along the Front Range.



Source: Colorado Department of Education (CDE)
2021-2022 Financial Transparency

Expenditures: Where the Money Goes - **General Fund**

Benefits

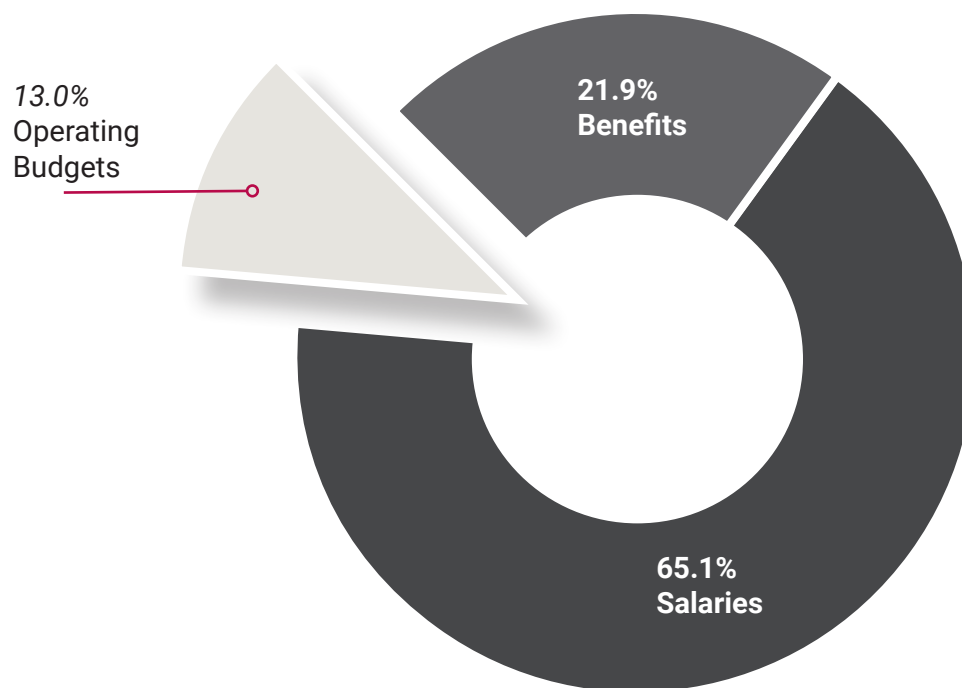
Benefits make up 21.9 percent of the general fund operating expenditures and transfers. The district provides pension, health, dental, vision, life and disability insurance, and unemployment compensation. As you might expect, the cost of providing these benefits to our employees grows each year, just as it has in every other business.

Because over 21 percent of our General Fund pays for employee benefits, the district is impacted by rising benefits costs. The district assumed a 4.71 percent increase to medical insurance premiums in Fiscal Year 2023-2024.

Coupled with less funding from the state, medical and retirement benefit increases have had a dramatic impact on the budget.

Salaries and benefits make up 87.0 percent of the General Fund budget

Fiscal Year 2023-2024



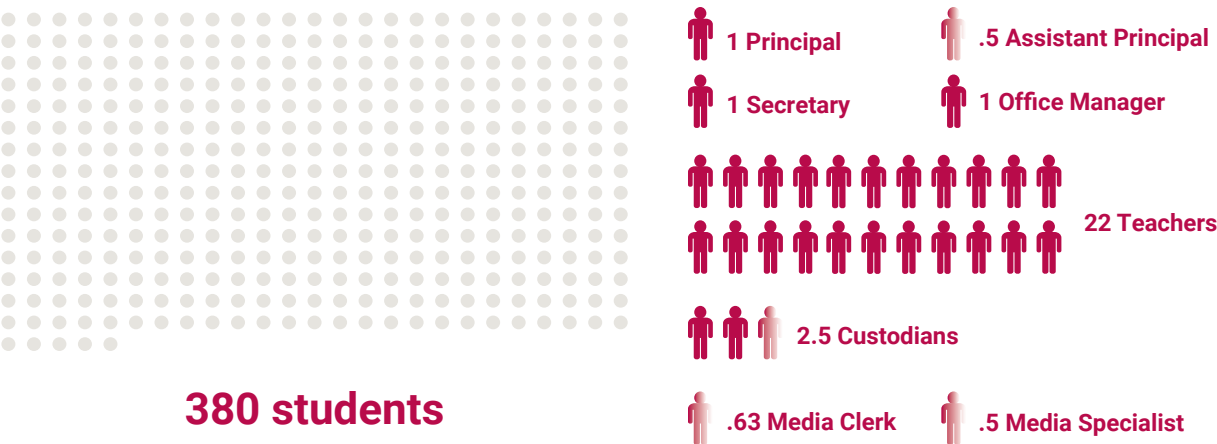
Expenditures: Where the Money Goes - General Fund

Schools distribute dollars to priority areas of need

Two factors determine how much money each school receives: the number of students at the school and the unique needs of students, such as poverty, disability and limited English proficiency.

At the district’s traditional and magnet schools, the number of students projected to enroll in the fall determines the number of teachers and support staff a school receives. Non-personnel items such as textbooks, supplies and supplemental learning materials are allocated on a per-pupil basis.

An average size elementary school in our district with 380 students starts with the following Full-Time Equivalent (FTE) staff:



Schools receive additional positions and resources to serve students in special education and students with limited English proficiency. Depending on the percentage of students who receive free or reduced-price meals, which can be as high as 85 percent of students, schools may receive additional funding from the state or federal government to provide supplemental support and educational services to students. Many schools in the district use these funds to hire more teachers and additional support staff, provide enrichment programs, among other things.

The Five Star District utilizes student-based budgeting. This method gives school leadership greater input and flexibility in how allocated resources are used. The student-based budgeting framework simplifies the budgeting process and enables principals to better manage and utilize resources by focusing on a school’s individual needs, priorities and desired results, and less on numbers alone.

For example, two schools with 380 students each will need to budget for the salary and benefits of one principal, .5 assistant principal, 22 teachers, an office manager, a secretary, two-and-one-half custodians, a part-time media clerk and media specialist, as illustrated above. These positions are considered non-discretionary for a school of that size. However, if one of the schools is targeting literacy to increase achievement, that school may decide to add an additional reading coach using discretionary dollars. The other school wants to focus on improving its math performance and chooses to spend its discretionary dollars on new materials to enhance its math curriculum.

In both examples, the principals were able to use their discretionary dollars in a way they believed would have the biggest impact on student achievement at their particular school.

Expenditures: Where the Money Goes - **Mill Levy Override**

INITIAL PRIORITIZED INVESTMENTS

Investment Item	Est. Cost*
Reduce class sizes and increase high school course options Elementary: Add 16.5 teachers districtwide to address class sizes above targeted levels Middle: Add 2 teachers per building High: Add 3 teachers per building	\$ 5,380,085
Update learning materials, resources and textbooks	\$ 1,789,782
Expand Career and Technical Education (CTE) programming	\$ 2,625,013
Add academic interventionists at elementary and K-8 schools	\$ 1,724,157
Increase early career educator salary and compensation across all experience levels to remain competitive in the market	\$ 3,817,008
Increase experience credit to 10 years to better recruit veteran teachers	\$ 596,594
Develop and implement a new program for teacher leadership	\$ 1,789,782
Implement 1% Cost-of-Living Adjustment (COLA) for all staff	\$ 3,221,608
Implement salary adjustments for identified administrative and classified (support staff) roles to remain competitive in the market	\$ 178,979
Add counselors and social workers to schools at all levels	\$ 4,112,920
Develop and implement social-emotional learning curriculum	\$ 477,276
Expand preschool to new locations	\$ 835,231
Add a member to the district crisis response team	\$ 119,318
Install facility access cards at high schools	\$ 357,956
Add additional campus supervisors at high school (2 per comprehensive high school)	\$ 477,275
Reduce district-level student fees	\$ 1,312,507
Update technology devices and systems	\$ 178,979
Allocate resources to district charter schools based on enrollment	\$ 3,221,608
TOTAL:	\$32,216,078

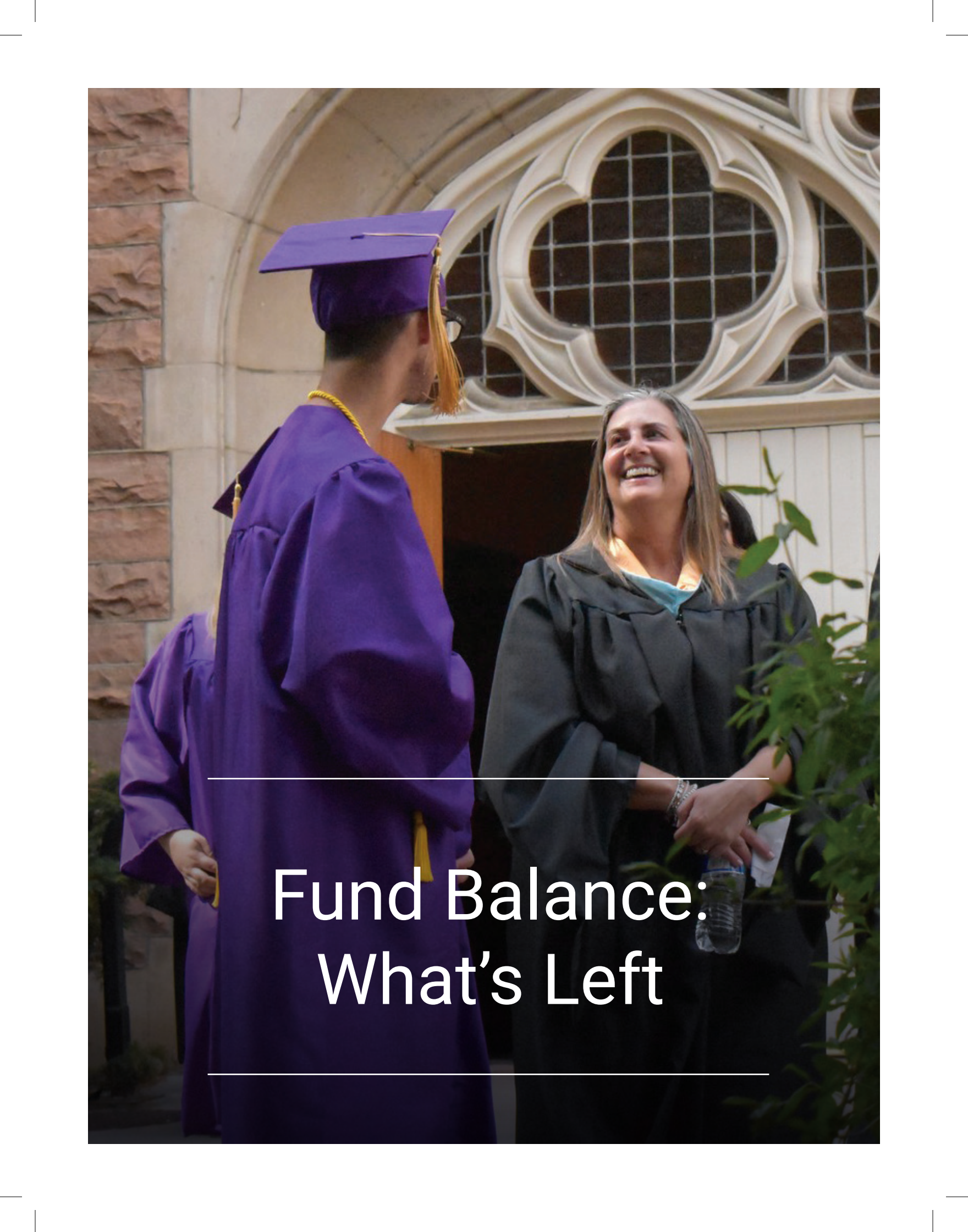
**Estimated costs are projections and subject to change. All dollars estimated are for the first year and as we monitor progress, we will make adjustments as determined necessary to meet our ELEVATE goals through a collaborative process. Total override funds increase with inflation.*

Expenditures: Where the Money Goes - Bond

BOND PROJECTS by CAPITAL CONSTRUCTION PLAN

Investment Item	Est Cost*
Aging Buildings	
<i>District Wide Renovations</i>	\$ 111,267,696
<i>Exterior Renovations</i>	\$ 38,928,909
<i>Interior Renovations</i>	\$ 26,325,241
<i>Stadium Renovations</i>	\$ 12,801,116
Major Renovations & New School Additions	
<i>Expansions/Additions</i>	\$ 14,316,128
<i>Land Purchase</i>	\$ 2,821,000
<i>North Park</i>	\$ 35,750
<i>STEM Lab</i>	\$ 27,484,088
<i>Thunder Vista</i>	\$ 46,259,885
<i>Independence Academy Campus</i>	\$ 8,000,000
Educational Opportunities	
<i>Career and Technical Education Expansion</i>	\$ 27,840,634
<i>Early Childhood Education Renovation</i>	\$ 623,053
Safety & Security	
<i>Camera</i>	\$ 415,101
<i>Fire</i>	\$ 4,545,463
<i>Lockdown/Secure</i>	\$ 650,970
Classroom Needs - Instructional Upgrades	\$ 14,194,493
Technology	\$ 55,376,365
Transportation Buses	\$ 3,127,786
Charter School Allocation	\$ 15,338,082
General and Administration	\$ 13,026,026
Future Planned Projects	\$ 2,465,274
Bond Closing Costs	\$ 1,486,242
TOTAL:	\$ 427,329,302

*Estimated costs are projections and subject to change.



Fund Balance: What's Left

Fund Balance - What's Left

Annual Comprehensive Financial Reports (ACFR) Fund Balance Summary

What are some misconceptions about fund balances?

- A fund balance is a savings account.

It is not. Nor is it a "rainy day fund." A fund balance is the amount of assets in excess of liabilities. These assets could include investments, delinquent taxes, accounts receivable and inventories. The amount within a fund balance fluctuates considerably throughout the year.

- The entire amount of a fund balance can be spent on any item that a school board sees fit.

In reality, out of the six reported categories of fund balances, only one, Board Reserve balances, may be spent at the discretion of the school board. The other five categories are all categorized as either nonspendable, restricted, assigned or unassigned fund balances.

Reserves

The term reserves is unique to governmental accounting and is somewhat of a misnomer. It actually means portions of the fund balance that are restricted from current use because they are needed to pay liabilities or for other purposes outside of the current year. For example, a TABOR Reserve is required by law in an amount equal to 3 percent of the upcoming year's budgeted revenues. Other reserves may be required for the payments under a retirement plan and any liability for accumulated sick, personal leave and/or vacation time. The total of these reserves must be subtracted from fund balance to determine the Unassigned (Unrestricted) Fund Balance that is available.

Fund Balance Components

Unassigned Fund Balance: The remaining residual balance between revenue and expenditures, plus transfers for the General Fund. This represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned for specific purposes within the General Fund. This reserve is used for funding one time expenditures on an as needed basis. Will be maintained per Board of Education policy between 4% and 8%.

Designated Override Reserve Fund: Consists of revenue from 5C the 2018 Mill Levy Override, that has not yet been allocated to expenditures or transfers for the year.

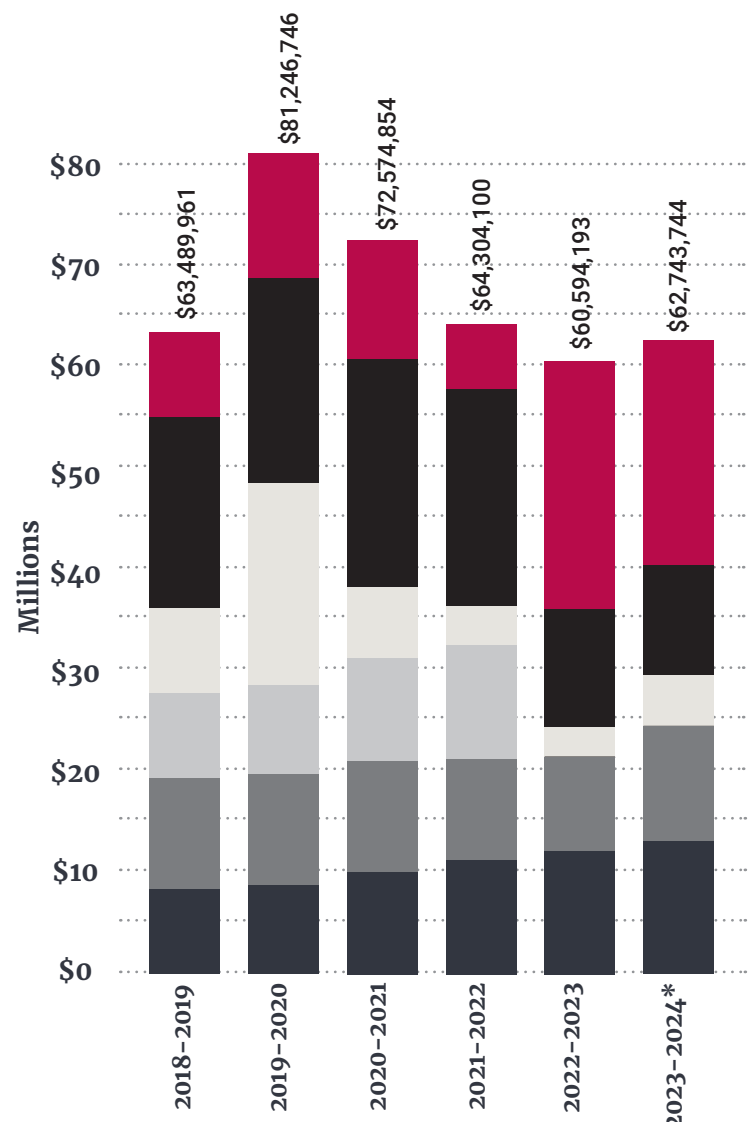
Designated General Fund: Reserved for specific future needs or projects of the district.

Contingency Reserve - Board Policy: An amount equal to the TABOR reserve, is required by the Board of Education. Discontinued after FY 2021-2022 with new unassigned Fund Balance Board policy.

Multi-Year Obligations: Reserves held for future year obligations of the certified and classified employee longevity stipend payment for employees who have separated from employment.

TABOR: An amount equal to 3% of the annual district revenues must be held in reserve for emergencies as required by Section 20(b) of article X of the Colorado state constitution.

*Budgeted





Fund Overview: Other Funds

Fund Overview - Other Funds

Five Star District maintains 13 different funds

General Fund

The General Fund includes revenue from local property taxes, specific ownership taxes (vehicle registration fees), state equalization monies, state categorical funding and other sources. It is used to account for all financial resources, except those required to be accounted for in another fund.

Insurance Reserve Fund

This is a sub-fund of the General Fund and is used to account for the resources to self-insure a portion of the district's liability, property and workers' compensation insurance needs and provide overall risk management activities for the district.

Governmental Designated-Purpose Grants Fund

This fund accounts for the various federal, state and local grants awarded to the district to accomplish specific activities. These programs are restricted as to the type of expenditures for which they may be used and normally have a different fiscal period than that of the district. This fund houses grant money from programs such as the Individuals with Disabilities Education Act (IDEA) and all titles of the No Child Left Behind Act which became the Every Student Succeeds Act (ESSA) in Fiscal Year 2017-2018.

Interscholastic Athletic Fund

The Interscholastic Athletic Fund provides the funding for the day-to-day operation of the athletic programs at five high schools, three sports at seven middle schools and four P-8 schools. Financial support for student athlete transportation, athletic uniforms, athletic coaches, materials and supplies, equipment, facility maintenance, game officials, game workers, student athlete awards, and league and state membership dues are all provided by this fund.

Pupil Activity-Special Revenue Fund

This fund is used to account for revenues collected from student fees and fines, and expenditures associated with intrascholastic and interscholastic activities, classroom materials, technology and damages paid for by the revenue collected.

Other Special Revenue Fund

The Other Special Revenue Fund is used to account for school vending sales, vendor rebates and small local grants. In prior years, these activities were included in the Pupil Activity Agency Fund.

Instructional Revenue Fund

Includes a transfer in from the General Fund for the district wide textbook budget and district curriculum approved through the 2018 Mill Levy Override funds.

Information Technology Fund

This is a sub-fund of the General Fund and is used to account for the management of ongoing technology needs of the district. Associated expenditures include the purchase of student devices, hardware, software, infrastructure, maintenance, and district support.

Food Service Fund

All financial activities associated with the district school breakfast, lunch, snack, summer food, and fresh fruit and vegetable grant programs are accounted for in this fund. Food Services operates as an enterprise fund on a financially self-supporting basis.

Before, After, and Summer Enrichment (BASE) Program Fund

The financial activities associated with the district's Before, After, and Summer Enrichment (BASE) Program – are included in this fund. BASE operates in a manner similar to private business enterprises where the costs associated with the program are primarily financed through user charges.

Bond Redemption/Debt Service Fund

This fund is used to account for the accumulation of revenue for, and the payment of, general long-term debt principal, interest and related costs. Property taxes provide the revenue for this fund.

Capital Reserve Fund

This fund accounts for transfers from the General Fund and other revenue sources allocated to or earned in this fund. Associated expenditures are for the ongoing capital needs of the district, such as deferred maintenance, heating, ventilation and air conditioning (HVAC) projects, vehicles, and roofing projects.

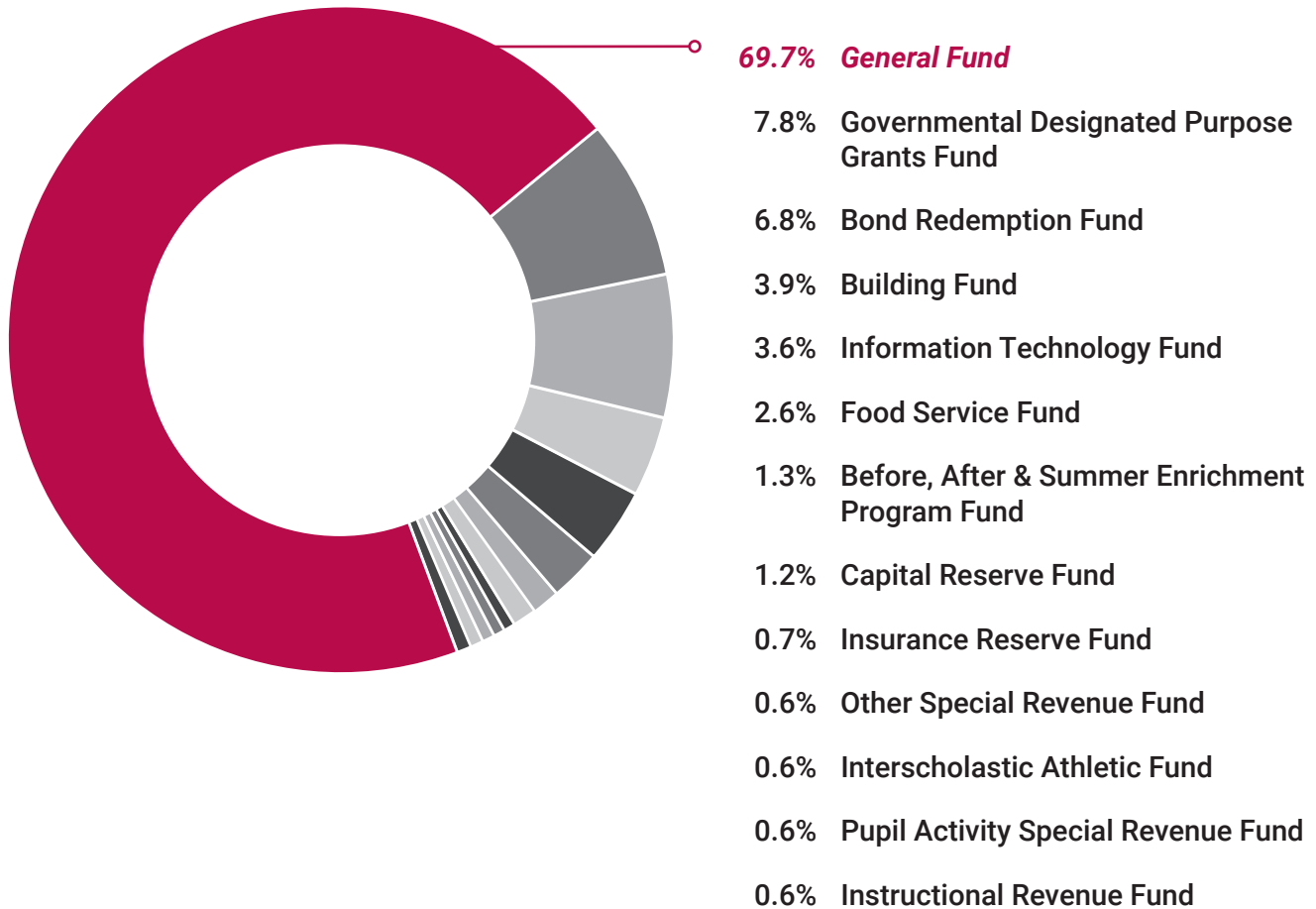
Building Fund

The district uses this fund to account for the major capital outlays for facilities funded by the proceeds from general obligation bonds, most recently the proceeds from bond sales issued in December 2016. These proceeds will facilitate the upcoming construction and renovation projects throughout the district as outlined in the bond election approved by voters in November 2016.

Fund Overview - Other Funds

Budgeted Expenditures by Fund

Fiscal Year 2023-2024



Some funds are restricted by state or federal law, such as funds associated with the National School Lunch Program in our Food Service Fund.

Other funds are restricted by the funding source, such as grants and donations intended for a specific purpose in the Governmental Designated Purpose Grants Fund or the Pupil Activity Special Revenue Fund.



Get Involved

There are multiple ways for you to be involved in our district and schools. See which committee is best for you:

DISTRICT ACCOUNTABILITY COMMITTEE (DAC)

The DAC is an educator, parent and community member committee working to advise and prioritize district initiatives to the Board of Education, including spending priorities, the district unified improvement plan (UIP) and charter applications.

FINANCE AND AUDIT COMMITTEE (FAC)

The FAC is a parent and community group working to continuously improve upon the overall financial health of the district by providing reliable and unbiased fiscal oversight. The group also provides spending and budgeting oversight of Mill Levy Override funds from Ballot Measure 5C.

LONG RANGE PLANNING ADVISORY COMMITTEE (LRPAC)

The LRPAC is a community-led oversight committee featuring parents and community members who serve as a 2016 Bond Program oversight and long-term planning accountability committee.

Stay Connected

Make sure you're connected so you have the latest information about your schools and the district.



Parents, check Infinite Campus Portal to ensure your contact information is up-to-date.



Add info@adams12.org to your approved email sender list.



Sign up for text alerts. Text "yes" to 67587 (cell number must be in Infinite Campus Portal).

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