

BUDGET

ELBERT COUNTY SCHOOL DISTRICT

ELIZABETH C-1

For the 2008-2009 School Year

June 19, 2008

The main goal of the 2008-2009 Budget for the Elizabeth School District is to maintain and improve the growth of the education system at the District's schools by:

- Retaining and attracting quality teachers with a more competitive salary schedule;
- Promoting educational advancement for staff by offering an interest free loan program;
- Increasing literacy instruction time at the elementary level;
- Maintaining benefit levels, while minimizing the increased cost to the employee;
- Increasing kindergarten opportunities by expanding the kindergarten enrichment program.

APPROPRIATION RESOLUTION

Be it resolved by the Board of Education of Elizabeth School District C-1, in Elbert County, that the amounts shown in the following schedule be appropriated and budgeted to each fund as specified in the “Adopted Budget” for the ensuing fiscal year beginning July 1, 2008 and ending June 30, 2009.

Fund	Amount
General Fund	\$18,090,179
Special Revenue Funds:	
Governmental Designated Purpose Grant Fund	\$240,740
Capital Reserve Fund	\$788,150
Pupil Activity Fund	\$552,850
Enterprise Funds:	
Food Service Fund	\$792,100
Internal Service Funds:	
Self Insurance Fund	\$1,830,000
Bond Redemption Fund	\$1,773,000
Component Unit – Elbert County Charter School	\$3,027,697
Trust and Agency Funds	\$600,000
Total Appropriation	\$27,694,716

President of the Board

(Date)

**ELIZABETH SCHOOL DISTRICT C-1
RESOLUTION AUTHORIZING FOR FISCAL YEAR 2008-09 THE USE OF A
PORTION OF BEGINNING FUND BALANCE AS AUTHORIZED BY COLORADO
STATUTES**

WHEREAS, C.R.S. 22-44-105(1.5)(a) states that a budget, duly adopted pursuant to this article, shall not provide for expenditures, interfund transfers, or reserves, in excess of available revenues and beginning fund balance; and

WHEREAS, C.R.S. 22-44-105(1.5)(a) states that if the budget includes the use of a beginning fund balance the Board of Education shall adopt a resolution specifically authorizing the use; and

WHEREAS, C.R.S. 22-44-105(1.5)(a) states that such resolution shall specify the amount of beginning fund balance to be spent, the purpose for which the expenditure of beginning fund balance is needed, and the district's plan to ensure that the use of the beginning fund balance will not lead to an ongoing deficit; and

WHEREAS, the Board of Education has determined the beginning fund balances in the Funds: General, Capital Reserve, Food Service, Self-Insurance and Bond Redemption are sufficient to allow for the expenditures and such action will not lead to an ongoing deficit.

NOW, THEREFORE, BE IT RESOLVED:

In accordance with C.R.S. 22-44-105. the Board of Education authorizes the use of a portion of the FY 2008-09 anticipated fund balance for the purpose named from each respective fund:

<u>Fund</u>	<u>Amount</u>	<u>Purpose of Spending Beginning Fund Balance</u>
General Fund	\$419,156	General operating expenses
Capital Reserve	\$174,150	Intentional draw-down of acc. FB for cap. expenses
Food Service	\$45,905	General operating expenses
Self-Insurance	\$195,000	Appropriation of FB for contingency purposes
Bond Redemption	\$23,000	Incremental draw-down of accumulated FB

BE IT FURTHER RESOLVED, the use of this portion of the beginning fund balance for the purposes set forth above will not lead to an ongoing deficit in any respective fund.

Adopted and approved this 19th day of June 2008.

Elizabeth School District

Mr. Rick Stone, President
Board of Education

Dr. Daniel Hill, Secretary
Board of Education

ELIZABETH SCHOOL DISTRICT C-1

GLOSSARY OF TERMS

Abatements

Abatements are complete or partial cancellations of a tax levy. Abatements typically apply to property taxes.

Account

A record used to summarize all increases and decreases in a particular asset or any other type of asset, liability, fund equity, revenue, or expenditure. Accounts are found in the General Ledger.

Ad Valorem Taxes

Taxes that are expressed as a percentage; the revenue yield varies according to the value of the tax base (e.g., a mill levy on the assessed valuation of real and personal property located within the boundaries of the District). The rate determines the amount of revenue to be collected for education purposes. The one tax which may be raised or lowered by the Board without the sanction of other levels of government (although general restrictions exist).

Agency Fund

A fund used to account for assets held by a district or other governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds.

Amendment 23

An amendment of the Colorado Constitution affecting State funding of K-12 education. Approved by the voters in November 2000, the amendment provides for increases each year of at least the rate of inflation plus one percent for fiscal years 2001-02 through 2010-11 and annually thereafter by at least the rate of inflation. Other financial provisions relating to school district funding are also included.

Appropriation

The Board of Education acting by resolution to name a fund and authorize expenditures and incur obligations for specific purposes in a not-to-exceed amount.

Assessed Valuation

The tax value assigned to property by the assessor. The current Assessed Valuation is based on 7.96 percent of the market value of residential property and 29 percent of market value of all other classifications of property as determined by the Elbert County Assessor. Property taxes are paid on the basis of a property's assessed valuation which is based on a percentage of the property's market value.

Attendance Rate

The average daily student attendance expressed as a percent.

Average Cost Per Student

Total site level budget for regular educational services, divided by the projected full-time equivalent (*FTE*) student enrollment. Kindergarten students attend a half-day, and count as 0.5 FTE. Average costs per student will fluctuate due to various factors: Length of service and additional education for professional staff members, differences in utility costs, and basic *staffing requirements*.

Balanced Budget

A budget in which estimated revenues and other funds available (including Beginning Fund Balance) equal or exceed planned expenditures.

Board of Education

The governing body of a school district comprised of elected representatives. The Elizabeth School Board of Education (the “Board”) consists of five members elected for four year terms. The Board elects officers from within its own membership. The Board appoints a Superintendent as the District’s chief executive to prescribe rules and regulations necessary and proper for the effective and efficient administration of the District’s day-to-day operations.

Bonds

Evidence of the District’s obligation to repay a specified principal amount on a date certain together with interest at a stated rate. Bonds may be classified according to maturity structure, source of payment or price. In general, bond issues must be voter authorized. The District’s General Obligation Bonds finance the cost of new school construction or other large dollar capital renovation projects. Bond proceeds can be spent only for the voter-authorized purpose (s). Proceeds from the District’s bond issues cannot be used to fund the daily operating expenses of the District.

Budget

A plan of financial operation that identifies revenues and amounts thereof, specifies the type and level of services to be provided and establishes the amount of money which can be spent. Used without any modifier, the term usually indicates a financial plan for a year. In actual practice, the term maybe distinguished by the plan presented to the appropriating body for adoption and the plan ultimately approved by that body. The term may also be distinguished by its use in regard to operating expenditures versus capital plans.

CDE

Colorado Department of Education.

Chart of Accounts

A list of accounts systematically arranged, applicable to a specific activity or concern, accordingly naming and numbering individual accounts. A chart of accounts, accompanied by descriptions of their use and of the general operation of the books of account, becomes a classification or manual of accounts – a leading feature of a “system of accounts.” In the context of the Colorado school finance, the Chart of Accounts was developed in response to 22-44-105 (4) of the C.R.S. as enacted by the legislature in 1994. The legislature charged the State Board of Education to establish and implement a statewide financial reporting system to make school-to-school and district-to-district comparisons more understandable, accurate and meaningful.

The Chart of Accounts as developed is a comprehensive budgeting, accounting and reporting code structure for use in school district financial management. The various elements specified in the account code structure are in compliance with applicable statutes and regulations. The first seven account code elements comprise the account string. They are: **Fund**, **Location**, Special Reporting Element, **Program**, **Source/Object/Balance Sheet**, Job Classification and Designated Grant/Project. The bold terms are defined within this Glossary.

Capital Outlay

An expenditure which results in the acquisition of fixed assets or additions to fixed assets which are presumed to have benefits for more than one year and which generally cost at least \$5,000. Examples include expenditures for land or existing buildings, improvements of grounds, construction of buildings, additions to buildings, remodeling of buildings, furniture, vehicles, and equipment.

Capital Reserve Fund

This is a special revenue fund used to account for the revenues and expenditures primarily relating to the purchase and acquisition of school district equipment.

Colorado Revised Statutes (C.R.S.)

C.R.S. are the official, currently revised, laws of the State.

Colorado Student Assessment Program (CSAP)

The Colorado Student Assessment Program is a standards-based assessment designed to provide a picture of student performance to school districts, educators, parents, and the community. The primary purpose of the assessment program is to determine the level at which Colorado students meet the state model content standards in the content areas that are assessed. The results are used by educators to improve curricula and instruction as well as increase individual student learning.

Comprehensive Annual Financial Report (“CAFR”)

State law requires that all local governments publish within six months of the close of each fiscal year a complete set of financial statements presented and audited in conformity with generally accepted accounting principals (GAAP). As a general rule, an

audit report is signed by a licensed certified public accountant and includes: (a) a statement of scope; (b) explanatory comments; (c) an opinion; (d) financial statements; (e) and supplementary comments and recommendations.

Consumer Price Index (CPI)

A statistical description of price levels provided by the U.S. Department of Labor. The index is used as a measure of cost of living and economic inflation.

Contingency Reserve

The Board of Education may provide for a contingency reserve for any of the funds. The amount is included in the appropriation for each fund and may be expended to meet unanticipated expenditures.

Content

Defines the knowledge, process, and skills within a subject area.

Cost-of-Living Factor

One of the three main factors used in calculating a district's per pupil funding. The cost-of living factor reflects the relative differences among the state's 178 districts in the costs of housing, goods, and services for the regions in which districts are located.

Curriculum

The ordering of the content that allows students to acquire and integrate knowledge and skills.

Debt Service

Debt Service is expenditures for the retirement of debt and expenditures for interest on debt, except principal and interest of current loans.

Depreciation

Depreciation is the systematic allocation of the cost of an asset to expense over the years or accounting periods making up its useful life.

District

Elbert County School District C-1, Elbert County, Colorado.

Dropout Rate

An annual rate reflecting the percentage of all students enrolled in grades 7-12 who leave school during the reporting period and are not known to transfer to other public or private schools.

Employee Benefits

Compensation, in addition to regular salary, provided to an employee. This includes such benefits as health insurance, life insurance, retirement and Medicaid.

Encumbrances

Purchase orders, contracts and/or other commitments which are chargeable to an appropriation and for which a part of the appropriation is reserved.

Enrollment

The number of pupils enrolled on October 1 within the budget year.

Enterprise Fund

A fund used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the cost of providing services to the general public be financed or recovered primarily through user charges or where it has been decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate.

Entitlement

Payments guaranteed by the state legislatures to eligible recipients for a certain period of time. The primary example is state equalization program payments.

Equalization Program Funding

The financial base of support for public education for school districts in Colorado as calculated by the Public School Finance Act, as amended.

Equalization Program Funding Per Pupil

The total equalization program funding, as provided under the school finance act as amended, of a district divided by the districts funded pupil count. Equalization Program funding is provided by a combination of state funding, local property taxes, and specific ownership taxes as determined under the provisions of the school finance act.

Expenditures

Charges incurred, whether paid or unpaid, which are presumed to benefit the fiscal period in which such are recorded.

Expenses

The costs of the goods and services used in the process of obtaining revenue.

Fiscal Year

A twelve-month accounting period to which the annual budget applies. The District's fiscal year runs July 1 through June 30.

Fixed Assets

Land, buildings, machinery, furniture and other equipment which the district intends to hold or continue in use over a long period of time.

F.T.E. (Full-Time Equivalent) — Student Enrollment

For student enrollment purposes, a full-time equivalent is based on the portion of a day that a student spends in an instructional setting. Half-day Kindergarten students are considered .5 FTE.

F.T.E. (Full-Time Equivalent) — Personnel Employment

For personnel purposes, a full-time equivalent is based on an employee's work requirement in comparison to a what may be defined contractually as a whole work day. For instance, a Kindergarten Teacher instructing for one session is considered half-day and as such counts as a 0.5 FTE.

Function

Function includes the activities or actions which are performed to accomplish enterprise objectives.

Fund

An independent fiscal and accounting entity with a self-balancing set of accounts for recording cash and other financial resources. It contains all related assets, liabilities and residual equities or balances or changes therein. Funds are established to carry on specific activities or attain certain objectives of the District.

Funded Pupil Count

A district's pupil count, for funding purposes, under the Public School Finance Act of 1994 (as amended) which provides that the October 1 enrollment count determines a district's program funding for the current fiscal year. The funded pupil count is expressed in full-time equivalent (*FTE*) pupils.

Gallagher Amendment

This 1982 state constitutional amendment requires that the residential property share of the total assessed value in the state be stabilized at approximately 45 percent of the total. This stabilization is done by decreasing the residential percentage used to determine residential assessed values. The current valuation ratios are 7.96 percent of the market value for residential properties, and 29 percent of market for commercial properties.

General Fund

General Fund is a fund to account for all financial resources except those required to be accounted for in another fund. All revenues and expenditures, except those revenues and expenditures attributable to other funds shall be accounted for in the General Fund.

General Ledger

The record containing all of the accounts of the District.

Governmental Designated Purpose Grants

Grants received from federal, state, or local governments, or private sources to be used for a specific and designated purpose. Examples are Chapter I, Chapter II, Vocational Education, Etc.

Graduation Rate (High Schools Only)

Number of students who completed locally defined requirements for graduation from high school, expressed as a percent. The rate is a cumulative or longitudinal rate that calculates the number of students who actually graduate as a percent of those who were in membership and could have graduated over a four-year period.

Instruction

Instruction includes the activities dealing with the teaching of pupils.

Instructional Supplies and Materials

Instructional supplies and materials include, but are not limited to, supplies, textbooks, library books, periodicals, and other supplies and materials.

Inter-Fund Transfer

Money that is taken from one fund and added to another fund. Inter-fund transfers are not receipts or expenditures of the District.

Lease/Purchase Agreement

Agreements subject to annual appropriation that are not debt hence are not subject to voter approval.

Local Share

The portion of a district's total program contributed directly by local taxpayers of the district. A district's local share includes revenue from property taxes and specific ownership taxes.

Location

A dimension used as a way to identify schools, attendance centers, operational units, buildings or sites as budgetary units or cost center designators, as a means of segregating costs.

Membership

Number of students officially enrolled.

Mill

Local tax rates against property are always computed in mills. A mill is one-one thousandth of a dollar of taxable value (.001).

- One mill produces \$1,000 in tax income for every \$1 million of property (*taxable value*) it is levied against.

How to figure your school property tax

Here's how to estimate how much the school district's portion of your property tax bill will be next year.

Property tax is the product of three factors:

- | | |
|--|-----------|
| 1. The market value of your home | \$270,000 |
| Multiply by: | |
| 2. The assessment rate, which is set by state law. (For residential property, the assessment rate is 7.96 percent in 2008) | \$ 21,492 |
| Multiply by: | |
| 3. Mills/1000 (The tax rate, also known as a mill levy, set by the local taxing agency. One mill is equal to one one-thousandth, or .001. (The school district's tax rate is 37.812 mills, so the number to use in figuring your tax is .037812) | |

Property Tax Attributable to Elizabeth Schools

\$812.66

Mill Levy

The rate of taxation based on dollars per thousand of taxable value.

Object

See *Source/Object/Balance Sheet*.

Operations and Maintenance

Activities concerned with keeping the physical plant of the school facilities open, comfortable and safe for use, and keeping the grounds, buildings and equipment in an effective working condition and state of repair.

Per Pupil Operating Revenue

The equalization program funding of a district for any budget year determined in accordance with the provisions of the Public School Finance Act, as amended, divided by the funded pupil count of the district for said budget year, minus the minimum amount per pupil required to be transferred from the General Fund to the Capital Reserve and Insurance Reserve Funds.

Program

A dimension (an element in the account code structure) which describes the activity for which a service or material object is acquired. The programs of a school district are classified into six broad areas: Instruction, Support Services, Operation of Non-Instructional Services, Facilities Acquisition and Construction Services, Other Uses and Reserves. Pursuant to C.R.S. 22-44-110(1) *Program* intended to allow for the review of the *functions* of the proposed budget.

Property Tax

The general property tax is levied on land and buildings located within the school district. Every owner of private and business property in the district, including public utilities, pays this tax. Property owned by governmental, charitable, and religious institutions is exempt from taxation.

Public School Finance Act of 1994 (as amended)

C.R.S. 22-53-10 1, *et seq.*, seeks to provide for a thorough and uniform system of funding and operation of public schools throughout the state. It requires that all school districts operate under the same finance formula and that equity considerations dictate all districts be subject to the expenditure and maximum levy provisions of this act. Under the previous 1988 act, Colorado's 178 school districts were classified into eight setting category groups with similar characteristics for funding purposes. The 1994 act, created under House Bill 94-1001, replaces the eight setting category groups with individually determined school district per pupil funding amounts.

Public Employees Retirement Association (PERA)

A retirement association created by C.R.S. 24-51-201. The purpose of PERA is to provide benefits to public employees when they retire or are disabled, or to the family at the employee's death. It serves as a substitute for Social Security and is funded on an actuarial reserve basis.

Pupil Enrollment

For funding purposes, under the current school finance act, the pupil enrollment is based on the October 1 enrollment count within the budget year. As with the previous law, a two-year average would be applied to declining enrollment districts. Pupil enrollment can be presented as the full count or on a full-time equivalent (*FTE*) basis with half-time kindergarten pupils counted as 0.5 FTE.

Purchased Services

Amounts paid for personal services rendered by personnel who are not on the payroll of the school district and other services, which the district may purchase.

Revenues

Funds received, generally from taxes or a State/Federal funding program, which are not loans, and which do not cause an increase in a liability account.

Salaries

Amounts paid to employees of the school district who are considered to be in positions of a permanent nature or hired temporarily, including personnel substituting for those in permanent positions.

Self Insurance

The underwriting of one's own insurance rather than purchasing coverage from a private provider, by identifying specific areas of risk and assessing actuarially sound charges.

Source/Object/Balance Sheet

A combination dimension which is used to identify the *type* of account: Balance Sheet revenue (sources) or expenditure (object). Object is the service or commodity obtained. Pursuant to C.R.S. 22-44-110(1) *Object* intended to allow for the review of the *objects* of the proposed budget.

Specific Ownership Tax

An annual tax imposed upon each taxable item of personal property. In the context of the Public School Finance Act, relates to the registration of vehicles within the District. The taxes due are dependent upon the value of the vehicle being registered; revenues so collected by the State are apportioned in a pro-rata fashion based upon District property taxes receipts.

State Aid

A District's state aid, under the current school finance act, is equal to its total equalization program funding less the local share. The 1994 school finance act requires the school district local share to be the revenue based on the annual property tax levy plus the amount of specific ownership tax other than the portion of the specific ownership tax attributable to a bond redemption tax levy or an operating revenue override tax levy.

Supplemental Budget

Where money for a specific purpose from other than ad valorem taxes subsequently (following adoption of the budget) becomes available to meet a contingency, a supplemental budget for expenditures not to exceed the amount of said money may be adopted and appropriation of said money made there from.

Supplies and Materials

Supplies and materials include textbooks, library books, and other instructional materials, office supplies, building maintenance parts, gasoline, tires, and custodial supplies. With the exception of some unique areas such as maintenance supplies and transportation-related expenses, most materials are established in relation to the student population.

TABOR (Amendment 1)

An amendment to the Colorado Constitution approved by voters in November 1992 imposes certain tax and expenditure limits. The name TABOR is derived from the title of amendment when on the ballot, the "Taxpayers' Bill of Rights". TABOR has three major

provisions. First, it requires voter approval for tax increases. Second, it limits the amount of revenue that may be collected each year. Third, through its provisions requiring voter approval to weaken any existing limit, it limits appropriations.

Tax Assessment Year and Collection Year

The calendar year in which taxes are levied (*December*) is the tax assessment year. The calendar year in which tax bills are sent out (*January*) is the tax collection year. The calendar year tax bills, based on December tax assessments and billed in January, are reflected as revenue to the school district in the current year's budget.

Tax Authority

Tax Authority is a government body, such as city, county, or school board, with authority to levy property taxes.

Taxes

Amounts levied by a government to finance services performed for the common benefit.

Transfers

A transfer does not represent a purchase; rather, it is used to show that funds have been handled without having goods and services rendered in return. Included here are transactions for interchanging or transferring money from one fund to the other.

Unencumbered Appropriation

That portion of an appropriation not yet expended or encumbered.

Yield

The rate of annual income return on an investment, expressed as a percentage.