

ORGANIZATIONAL SECTION



LITTLETON PUBLIC SCHOOLS

Littleton, Colorado

PROFILE OF THE SCHOOL DISTRICT

The school district was established in 1889 and is organized under Article IX of the Constitution of the state of Colorado. The district was later redistricted and named Arapahoe County School District Number Six. It is commonly called Littleton Public Schools (LPS). The district is fiscally independent based on the governmental accounting standards of having an elected governing body with a separate legal status that adopts the annual budget and certifies mill levies to Arapahoe County for property tax collections.

The district operates under a locally elected, five-member board providing educational services as mandated by state and/or federal agencies. The legislative power of the school district is vested in the Board of Education (the Board), whose members are elected at successive biennial elections by the electors for staggered four-year terms. The Board governs the district's 20 schools, staffed by 884 certified teaching personnel, 921 professional support and classified employees, and 86 administrative employees. The two charter schools are governed by their own Boards. Educational services are provided to approximately 13,296 students in Grades K–12 and special education preschool students.

The school district is the nineteenth largest in Colorado among 178 school districts in terms of enrollment and the third largest in Arapahoe County, after the Cherry Creek and Aurora school districts. In 2023–2024, it will operate one early childhood program, ten elementary schools, four middle schools, three high schools, one combined alternative middle school/high school, one career and technical center, and two charter schools.

The district services an area of approximately 28 square miles in western Arapahoe County in the southern portion of the Denver metropolitan area. Included within its boundaries are the town of Columbine Valley; the majority of the City of Littleton; portions of the municipalities of Bow Mar, Centennial, Englewood, and Greenwood Village; and approximately four square miles of unincorporated Arapahoe County.

While the district is located within the third most populous county in the state, the area comprising LPS is principally residential and has limited housing development potential, which affects not only enrollment but also the population. Additionally, the population within district borders has been trending towards older demographics for several years, meaning younger families with school-aged children are not as prevalent. While some neighborhoods in the district are beginning to see more young families establish homes, the number of students overall has been stable or slightly declining for several years. A static or declining student enrollment limits or reduces funding for educational programs and supporting services. The district's population is estimated at 98,560 for fiscal year 2023–2024, which means the percentage of district students in the general population is 13.5 percent. Small enrollment increases are projected for the near future.

A comprehensive plan passed by the City of Littleton in 2019 estimated the city will need 6,550 new housing units by 2040 in order to provide for anticipated population growth and help control the increases in property values that could render much of the city unaffordable to many in the workforce. Overhauls to city zoning and land use codes are underway in order to mitigate the problem of where to put the needed housing. Basic demographics for the most recent year providing comparable numbers are shown on the next page for both the district and the county. They help illustrate some of the challenges discussed.

LITTLETON PUBLIC SCHOOLS
Littleton, Colorado

PROFILE OF THE SCHOOL DISTRICT
(continued)

Demographic Comparison of the District and County (as of 2021)

	Littleton Public Schools	Arapahoe County
General Demographics		
Population	97,932	654,900
Total households	42,209	250,041
Average household size	2.30	2.60
Median household income	144,906	117,359
Median house value	589,000	481,000
Percentage of people living below poverty level	4.3%	8.8%
Racial/Ethnic Breakdown		
White	82.8%	56.5%
Hispanic	9.5%	20.6%
Black	1.3%	10.5%
American Indian/Native Alaskan	0.2%	0.2%
Asian	1.8%	6.1%
Native Hawaiian or Other Pacific Islander	0.0%	0.2%
Two or more races	4.2%	5.5%
Other	0.1%	0.5%
Age Breakdown		
Median age	46.2	37.2
Under 5 years	4.1%	5.7%
5–19 years	16.2%	19.4%
20–24 years	4.1%	5.8%
25–34 years	11.8%	15.6%
35–44 years	12.5%	15.0%
45–54 years	11.1%	12.8%
55–59 years	7.2%	5.4%
60–64 years	8.7%	6.3%
65–74 years	14.8%	9.1%
75–84 years	6.4%	3.5%
85 years and over	3.0%	1.5%

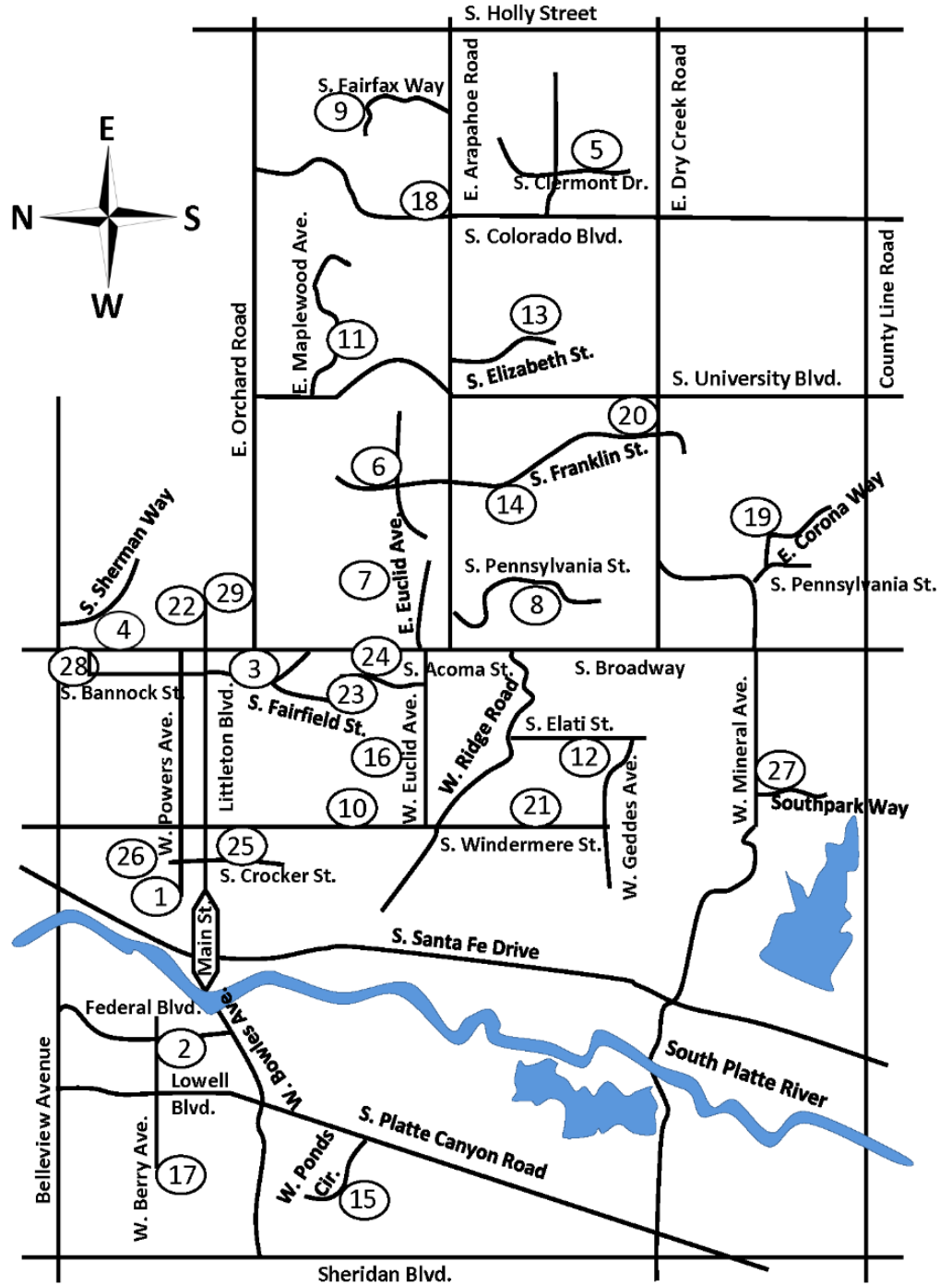
Source: United States Census Bureau. Retrieved February 2023, from <https://data.census.gov/cedsci/>

LITTLETON PUBLIC SCHOOLS

Littleton, Colorado

MAP OF THE SCHOOL DISTRICT

1. North Facility
2. Centennial Elementary
3. East Facility
4. Field Elementary
5. Ford Elementary
6. Gudy Gaskill Elementary
7. The Village at Highland
8. Hopkins Elementary
9. Lenski Elementary
10. Little Raven Elementary
11. Peabody Facility
12. Runyon Elementary
13. Sandburg Elementary
14. Twain Facility
15. Wilder Elementary
16. Euclid Middle School
17. Goddard Middle School
18. Newton Middle School
19. Powell Middle School
20. Arapahoe High School
21. Heritage High School
22. Littleton High School
23. Options Secondary at Whitman
24. Acoma Building
25. Education Services Center
26. Transportation Services Center
27. Littleton Academy Charter School
28. Littleton Preparatory Charter School
29. Explorative Pathways for Innovative Careers (EPIC) campus



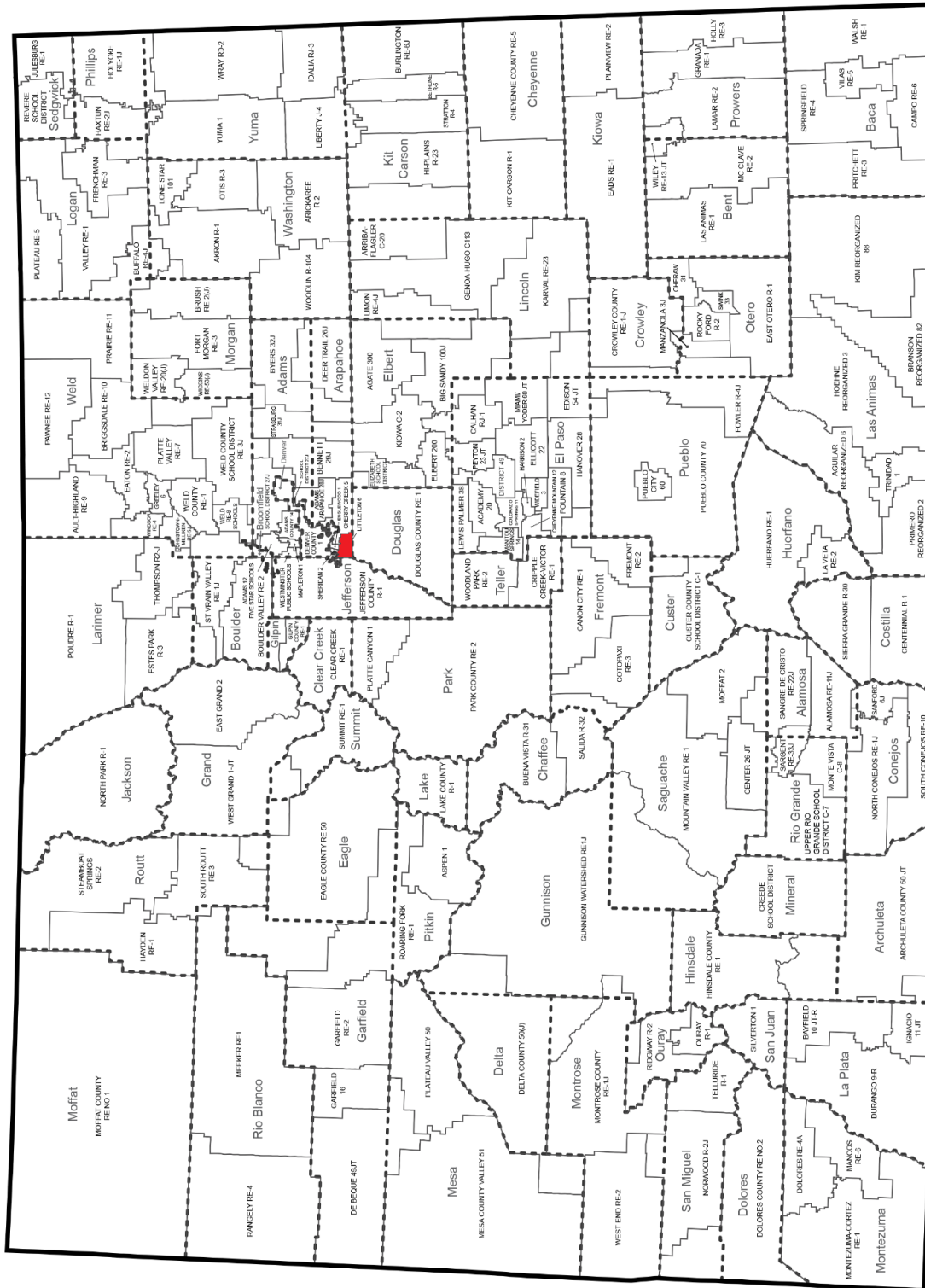
LITTLETON PUBLIC SCHOOLS

Littleton, Colorado

COLORADO SCHOOL DISTRICTS AND COUNTIES MAP

Littleton Public Schools is one of 13 districts located in the Denver metropolitan area and one of nine districts located in Arapahoe County. Overall there are 178 districts in the state of Colorado with 153 of them classified as rural or small rural by the Colorado Department of Education. The majority of the state's students, 83 percent, are concentrated within non-rural districts like LPS. The map of Colorado shown below illustrates where LPS is located (in red) both in the state and the counties within the state.

Colorado School District and Counties Map



Produced by the Colorado Department of Education - July 2019

LITTLETON PUBLIC SCHOOLS
Littleton, Colorado

PRINCIPAL OFFICIALS

Board of Education



Angela Christensen
President
Term: 2021–2025



Robert Reichardt
Vice President
Term: 2019–2023



Lindley McCrary
Treasurer
Term: 2019–2023



Andrew Graham
Secretary
Term: 2021–2025



Joan Anderssen
Assistant Secretary
Term: 2021–2025

Superintendent’s Staff

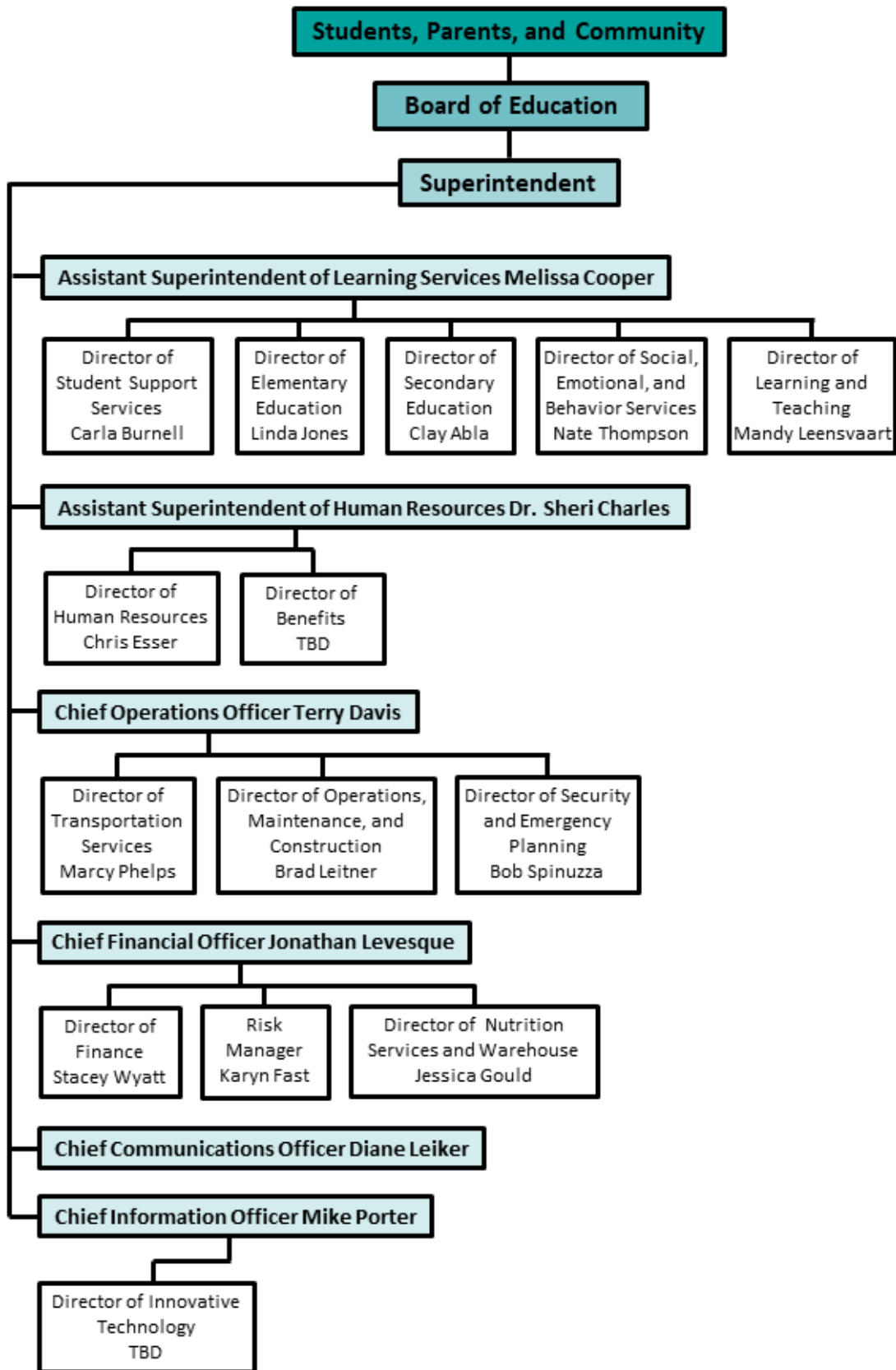
- Dr. Todd Lambert..... Superintendent
- Melissa Cooper Assistant Superintendent of Learning Services
- Dr. Sheri Charles Assistant Superintendent of Human Resources
- Terry Davis Chief Operations Officer
- Jonathan Levesque Chief Financial Officer
- Diane Leiker Chief Communications Officer
- Mike Porter Chief Information Officer

MISSION STATEMENT

To educate all students for the future by challenging every individual to continuously learn, achieve, and act with purpose and compassion in a safe and secure environment.

LITTLETON PUBLIC SCHOOLS
Littleton, Colorado

ORGANIZATIONAL CHART



LITTLETON PUBLIC SCHOOLS

Littleton, Colorado

STRATEGIC PLAN

Vision Statement

Littleton Public Schools ♦ Extraordinary learning, exceptional community, expanded opportunity, and success for all students

Mission Statement

To educate all students for the future by challenging every individual to continuously learn, achieve, and act with purpose and compassion in a safe and secure environment

Core Beliefs

1. A Littleton Public Schools education prepares all students to succeed in a global society.
2. Every student is unique and has different abilities, needs, and learning styles that require varying educational techniques and strategies.
3. Students learn best when their passions and talents are coupled with high expectations and academic rigor in a safe and caring environment.
4. A quality educational environment requires exceptional teachers, administrators, and staff supported by effective professional development, competitive compensation, and personnel practices that attract and retain the best staff.
5. The foundation for education and citizenship is built upon communication and connections with the community, including the active participation of students, staff, and parents.
6. A comprehensive education provides students with varied learning opportunities that include curricular and extra-curricular offerings.
7. Meaningful and appropriate evaluation of student learning occurs through timely and ongoing analysis of student performance on a variety of assessments.
8. Effective use of technology as an instructional tool enables students to successfully communicate, learn, and compete in a global environment.
9. An LPS education enables students to think critically, work collaboratively, communicate effectively, and act with integrity.
10. Students learn best when there are collaborative partnerships that foster thoughtful and relevant learning innovations between school and district leadership.
11. A strong, flexible, and fiscally responsible school district that is adequately funded is critical for long-term success and community confidence; for maintaining strong partnerships with local, state, and national elected officials and neighboring agencies; and for engaging in, shaping, and influencing public policy that affects education services in LPS.

Focus Areas

1. Enhance instructional systems and career pathways that maximize achievement for all students and integrate knowledge and skills relevant to 21st century career choices.
2. Expand utilization of instructional technology with appropriate use for student achievement while providing the infrastructure for organizational efficiency and effectiveness.
3. Provide an educational and work environment that supports professional learning and collaborative work for all staff.
4. Promote, sustain, and create quality programs that make Littleton Public Schools the uniquely preferred choice for families inside and outside the district.
5. Engage the community and parents as active partners in the objectives, activities, and performance of the school district and its students.
6. Optimize the use of district resources and facilities to meet student learning needs while operating the district efficiently.
7. Promote and provide a safe environment that fosters caring, respect, and compassion for others.
8. Enhance and support quality early childhood and childcare programs.
9. Educate and support staff, parents, and community to address diverse student learning by providing access and opportunities for all students.
10. Partner with parents and community to expand and enhance programs that address the physical, social, and emotional well-being of students, families, and staff.

LITTLETON PUBLIC SCHOOLS

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DISTRICT GOALS FOR SCHOOL IMPROVEMENT

Colorado law requires every school and district to utilize the Unified Improvement Plan (UIP), an annual improvement process that includes measurable goals to improve student achievement. The district supports a two-year planning cycle for school and district improvement to provide quality time to develop long-range goals and to measure student progress over time. In compliance with state law, data are analyzed and progress is documented annually. The Learning Services team makes annual visits to each school to discuss progress toward goals. The district continues to monitor and report graduation and dropout rates; attendance rates; and student achievement data such as standardized test scores, *Scholastic Aptitude Test* (SAT) scores, Advanced Placement test results, International Baccalaureate (IB) test results, and the *Colorado Measures of Academic Success* (CMAS) test results.

In accordance with state law concerning school and district accreditation and federal legislation, LPS developed goals designed to address and measure student performance. Schools may include additional local goals identified by the school community. Each school, and the district, completes a state-required UIP.

LPS Accreditation Goals for Student Achievement

In addition to the following priority performance challenge in our District Unified Improvement Plan, Littleton Public Schools has established a District Achievement Goal that states, “One hundred percent of LPS students will graduate prepared for meaningful post-secondary opportunities.”

- Students who are not achieving at grade level in math and language arts are not making the growth necessary to catch-up. This is occurring in a disparate way across our system. We see this most specifically with English language learners and students on IEPs. Additionally, students identified as gifted and talented have been demonstrating a decrease in growth in Math and Language Arts.

Increasing achievement and growth are major components of the LPS Strategic Plan. The district has made a commitment to Professional Learning Communities (PLCs); to Multi-Tiered Systems of Support, student-centered learning, and to the implementation of the *Colorado Academic Standards*. All of this is working to increase equity of experience and to raise standards across all grade levels and in every content area. Strengthening Tier I, or universal instruction, is key to improving student achievement. Toward this end, co-teaching continues to be implemented with English language learners and some special education classes. Providing solid Tiers II and III interventions is another ongoing mission of the district plan to improve achievement. Intentional support for social, emotional learning is also a vital part of instruction.

A commitment to data is behind each initiative, and ongoing data training is another key component of the overall plan. The district’s Annual Report reflects this commitment. The district motto, “big enough to serve you, small enough to know you,” is embodied in the comprehensive programming offered in a caring and involved small-town atmosphere.

The entirety of the district’s budget is designed to accomplish the primary goal of educating students who attend LPS schools. In the past, the Board has periodically approved a multi-year spending plan that dedicates resources to specific areas of need in order to ensure the primary goal is achieved.

LITTLETON PUBLIC SCHOOLS
Littleton, Colorado

DISTRICT GOALS FOR SCHOOL IMPROVEMENT
(continued)

The Board decided to fund \$1,099,150 in new-recurring and \$346,500 in one-time expenditures in the General Fund in 2023–2024, including dedicated funding to support ongoing student needs, plus additional General Fund reserves of \$243,500 assigned for new school start up needs. The Operations and Technology Fund, Designated Purpose Grants Fund, and Risk Management Fund are dividing an additional \$517,000 in new-recurring and \$1,101,000 in one-time expenditures between them. Those expenditures include computer hardware and software infrastructure support for both general technology and security in the Operations and Technology Fund; mental health, substance abuse, and family support in the Designated Purpose Grants Fund; and an additional school resource officer in the Risk Management Fund.

Request Description	Focus Areas	New-recurring	One-time
Assistant principals at Hopkins (1.0 FTE)	4	\$138,500	\$ –
Support for Field Elementary (1.0 FTE)	4	105,000	–
Voyager math support (0.25 FTE)	4	26,250	–
4–12 literacy TOSA (1.0 FTE)	1 & 2	105,000	–
Gifted and talented specialist (0.5 FTE)	9	63,000	–
ITS director (1.0 FTE)	2	140,000	–
Senior volunteers program increase	10	50,000	–
Health/dental/life	7	471,400	–
Increase pool points from 4.6 to 8.0 FTE	4	–	346,500
Increase to General Fund reserves for school start ups	–	–	<u>243,500</u>
	Total	<u>\$1,099,150</u>	<u>\$590,000</u>

Technology upgrades and purchases are also an integral part of the education plan. The district currently supplies approximately 14,000 computers for student use with another 2,000 computers for staff, including machines at the charter schools. This is approximately a 1:1 ratio, but there are spares factored in for substitute computers and a variety of kiosk machines and lab computers. Computers are not the only operational technology the district requires. There are also servers and storage, which are part of the district’s data center, including firewalls, batteries, wireless access points, and various types of switches.

The typical lifespan of computers averages between 3–5 years depending on whether the machines are used only in district buildings or transported back and forth between home and school. Regardless, the district attempts to replace each computer every five years due to software support guarantees. Ideally, technology refreshes are completed as indicated in the table shown on the following page.

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DISTRICT GOALS FOR SCHOOL IMPROVEMENT
(continued)

Item	Life Cycle	Notes
Staff computers	4–5 years	Refresh 25 percent of the fleet at a time
Student computers		
Layer 2 switches	5–7 years	Refresh 15 percent of the fleet at a time
Wireless access points		
Layer 3 switches		
UPS batteries	4 years	Refresh 25 percent of the batteries annually
Firewalls	5 years	Upgrade every 5 years to keep up with new threats and capabilities
Data center		

Assessment and Achievement

For the broader Littleton community, accurate assessment results, which measure expectations for students, are a critical indicator of the academic health of individual schools and the district overall. Littleton Public Schools and the community place a high value on performance and the district accreditation rating. This rating is based on several measures including student achievement, student growth, growth gaps, graduation rates, dropout rates, and SAT scores.

Assessments also play a vital role in measuring student performance and are often a major factor in shaping public perception about the quality of our schools. Assessment results are used to help improve teaching and learning and to evaluate programs and schools. Assessments not only generate the data on which policy decisions are based, but they also:

- monitor educational systems for public accountability.
- evaluate the effectiveness of instructional practices.
- measure student achievement.
- evaluate students' mastery of skills.

Assessment testing is one of the best ways to determine if initiatives are having the desired effects. Assessment testing provides:

- achievement data which indicates progress toward achieving career and college readiness.
- growth data which indicates progress through the academic standards.
- diagnostic information which helps teachers and schools make instructional and placement decisions as well as monitor progress.

Additionally, the data provided by the state assessments are important to the school and district. Schools and teachers use this data for a variety of purposes, including as part of the body of evidence of student learning, for school improvement, and for program decisions such as intervention and enrichment opportunities. This data provides the district with external measures, which schools use to make instructional decisions and evaluate instructional programming. The assessment and achievement data that the district monitors and reports are summarized on the following page.

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DISTRICT GOALS FOR SCHOOL IMPROVEMENT (continued)

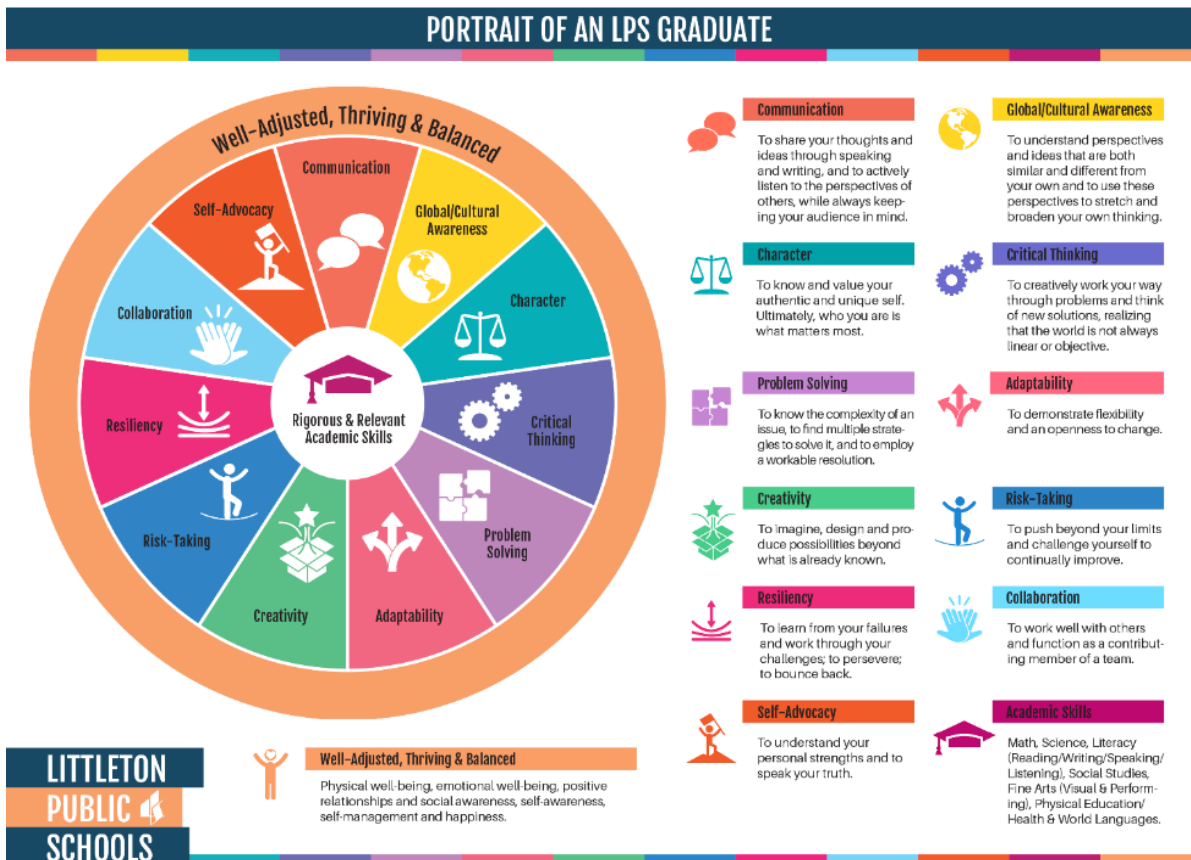
- **Attendance rates.** Certification of attendance rates is completed at the conclusion of each fiscal year. The 2021–2022 average pupil attendance rate per Colorado Department of Education (CDE) was 93.2 percent. LPS has maintained an average attendance rate of at least 93.0 percent for the past ten years. Schools continue to monitor the attendance rate and work with individual students and their families where attendance problems exist.
- **Graduation rate.** LPS high schools have a graduation rate that is consistently higher than the Colorado average. The 2022 on-time graduation and completion rate for the district was 92.1 percent. High schools continue to set goals to achieve continuous improvement in the graduation rate. In addition, all schools continue to help students take responsibility for their personal academic success. In order to help schools meet these goals, the district offers a number of programs that allow students to continue towards the goal of graduation even if they do not graduate within the anticipated time frame indicated by their entrance into Grade 9. The 5-year and 6-year completion rates shown on page 199 reflect the success of these programs.
- **Student achievement.** Historically, standardized test scores of LPS students surpass both the Colorado and national averages. LPS students outscored the state by double digits in all grades and content areas tested. LPS students with disabilities and students in poverty also outperformed the state in all grades and content areas tested. However, due to the COVID-19 pandemic, state assessments were not administered in the 2019–2020 school year and were significantly curtailed in 2020–2021. The assessment information presented this year is therefore limited and not always comparable to prior years. The historical results of district testing are presented beginning on page 201.
- **Other indicators.**
 - ✓ For 2021–2022 the dropout rate, which the CDE calculates using information from all grades, is 0.6 percent and is the lowest in the Denver metropolitan area.
 - ✓ In 2022, the number of LPS graduates planning to go on to higher education was 93.0 percent.
 - ✓ A total of 1,267 high school juniors and seniors sat for 2,250 Advanced Placement exams in 2021–2022. These students may receive college credit by scoring three or higher on a five-point scale on exams in various subjects. Test takers posted scores of three or higher on 75.8 percent of exams taken.
 - ✓ A large number of LPS high school seniors took college entrance tests in 2021–2022. The average scores were above both national and Colorado averages on the ACT tests and on the SAT tests. See pages 201–206 for test results.
 - ✓ In 2022, LPS high school seniors were offered approximately \$60.7 million in college grants and scholarships.
 - ✓ In 2022, LPS had two National Merit Scholar Semifinalists, six National Merit Scholar Finalists, 24 National Merit Commended Scholars, and one National Hispanic Recognition Program.
 - ✓ LPS has received the Colorado Department of Education’s prestigious Accredited with Distinction eight out of the nine years it has been awarded.
 - ✓ In 2019, when these awards were last given, LPS schools received nine John Irwin School of Excellence awards and one Governor’s Distinguished Improvement award from the CDE.

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DISTRICT GOALS FOR SCHOOL IMPROVEMENT (continued)

- ✓ All three LPS high schools — Littleton, Heritage, and Arapahoe — are nationally recognized and award-winning. They have been featured in Newsweek’s “Top High Schools in America” and 5280’s “Top High Schools in Denver.” Additionally, LPS high schools boast regional and state champions in athletics, academics, STEM and performing arts.
- ✓ *Niche.com*’s “2023 Best Schools in America Rankings and Grades” listed Littleton Public Schools as #3 for Best School Districts, #2 for Best Teachers, and #3 for Best Places to Teach in the Denver Area out of 19 districts and #6 in Best School Districts in Colorado, #9 for Best Teachers in Colorado, and #10 for Best Places to Teach in Colorado out of 180 districts. Additionally, all three LPS high schools were in the top 50 of Best Public High Schools in Colorado out of 518 schools and all four middle schools were in the top 45 of Best Public Middle Schools in Colorado out of 618 schools.
- ✓ Leading the country in 21st-century learning, more than 12,000 Chromebooks are used by LPS students every day. District teachers are known internationally for their use of instructional technology and students consistently win state and national competitions in Science, Technology, Engineering and Math (STEM). LPS is ranked #4 in the nation for education/K–12 safety and security. The security industry’s leading trade publication, *Security Magazine*, has named LPS among the Top 500 security operations around the world. Additionally, the district received the Pinnacle of Achievement Award in Safety and Security Management.



LITTLETON PUBLIC SCHOOLS

Littleton, Colorado

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The district was formed under the laws of the state of Colorado and operates under an elected Board of Education. The district's fiscal year is from July 1 through June 30. As required by Generally Accepted Accounting Principles (GAAP), the financial statements of the reporting entity include those of the district only. No additional separate governmental units, agencies, or nonprofit corporations are included in the financial statements of the district, except for the two charter schools of the district, Littleton Academy and Littleton Preparatory.

The two charter schools are separate, independent organizations, but are financially dependent on the district. The statutory and contractual financial obligation to the charter schools is a budgeted expenditure in the district's General Fund. The budgets for the charter schools' entire income and expenses are reported as component units of the district.

The district does not exercise oversight responsibility over any other entity, nor is the district a component unit of any other governmental entity.

Fund Accounting

The structural, procedural, and operational guidelines used to develop the district's financial practices are provided by Colorado Revised Statutes (C.S.R. Title 22. Education). Additionally, the accounting and reporting structures implemented are those approved by the Colorado Department of Education (CDE) and can be found in greater detail in CDE's *Financial Policies and Procedures Handbook Chart of Accounts*.

The district uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect available financial resources.

All district funds are classified as governmental funds. Those funds are divided into the following separate "fund types."

Governmental Funds

- *General Fund*—The General Fund is the general operating fund of the district. It is used to account for all financial resources except those required to be accounted for in another fund.
- *Risk Management Fund*—The Risk Management Fund is a sub-fund of the General Fund. It is used to account for risk-related activities at the discretion of the Board.
- *Special Revenue Funds*—Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. There are five Special Revenue Funds in the district: the Operations and Technology Fund; the

LITTLETON PUBLIC SCHOOLS

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Designated Purposed Grants Fund; the Student Athletic, Activities, and Clubs Fund; the Nutrition Services Fund; and the Extended Day Care Program Fund.

- *Debt Service Fund*—The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term obligation principal, interest, and related costs. The Bond Redemption Fund is the only Debt Service Fund of the district.
- *Capital Projects Funds*—Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for the major capital outlays and ongoing capital needs of the district. There are two Capital Projects Funds in the district: the Building Fund and the Capital Projects Fund.

System of Classifying Revenues

Revenues for the district are classified by source within each fund. All revenues fall within five basic categories. The major divisions by source are as follows:

State Sources

- *State equalization*—funding the district receives as calculated using the Total Program funding formula outlined in the School Finance Act. The formula was developed to provide an equitable educational experience for all districts in Colorado and takes into account district-by-district variances in cost of living, personnel costs, district size, and number of at-risk pupils. This revenue is accounted for in the General Fund.
- *Categorical revenues*—funding provided by the state to pay for specific programs that serve particular groups of students or student needs. They include special education aid, transportation aid, career and technical education funding, gifted and talented funding, and English language proficiency funding. This revenue is also accounted for in the General Fund.
- *State grants*—revenues received from state-operated grant programs. This source provides a portion of revenue in the Designated Purpose Grants Fund. These grants, such as the Colorado READ Act, can and do change frequently and are restricted in both amount and use.

Federal Sources

- *Federal educational grants*—revenues received via grant programs operated by the federal government. They provide a limited amount of funding to help specific groups of students. The revenue is primarily accounted for in the Designated Purpose Grants Fund and is also restricted in both amount and use. It includes grants such as the Every Student Succeeds Act (ESSA) and the Individuals with Disabilities Education Act (IDEA).
- *Federal relief grants*—revenues received via three different ESSER grants and provided to help stabilize K–12 school districts and allow them to safely open, sustain the safe operations of schools, and address the impacts of student learning loss caused by the coronavirus pandemic.
- *Federal nutrition grants*—federal grant funding specifically provided to support nutrition programs in school districts nationwide. It is recorded in the district’s Nutrition Services Fund, which operates the LPS school breakfast, lunch, snack, and summer food service programs along with the fresh fruit and vegetable programs.

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property Taxes

Mill levy overrides—funding received from the collection of voter-approved property tax mill levies. Districts are limited in the amount of revenues that can be raised via this method by state law; however, revenues from this funding source do not affect the amount of Total Program revenues a district receives. Mill levy override funding is not restricted in use but is generally not used to fund one-time projects or capital needs. This revenue is accounted for in the General Fund.

- *Debt-Free Schools Mill Levy*—funding received from the collection of a voter-approved property tax mill levy for the sole purpose of funding capital construction, new technology, existing technology upgrades, and facility maintenance needs without borrowing money. Like regular mill levy override funds, revenues from this funding source do not affect the amount of Total Program revenues the district receives. However, as this money is restricted in its use, it is accounted for in the Operations and Technology Fund.
- *Specific ownership taxes*—taxes derived from a property tax levied on motor vehicles in addition to the sales tax, which is then distributed to various local governments. The district has no control over the amount of specific ownership taxes received from year to year. Additionally, about half of the total amount of this revenue is included in the Total Program calculation, thereby affecting how much School Finance Act funding the district receives. This revenue is accounted for in the General Fund.
- *Public school finance levy*—a property tax levy imposed to finance a district’s Local Share of Total Program under the School Finance Act, this levy was not set by the district or approved by voters. Legislation capped the amount of this levy at 27.000 mills, but effective in fiscal year 2008–2009, the district’s School Finance Act levy was frozen by the state legislature at 25.353 mills. The amount of tax revenues actually collected as a result of this levy fluctuate annually based on assessed property values. House Bill (HB) 20-1418 reinterpreted previous reductions in mill levies as having been unauthorized by statute, allowing a district to review the School Finance Act levy and raise it to 27.000 mills via a resolution by the Board to grant a temporary property tax. The bill also required the Board to issue a temporary property tax credit in an amount equal to the number of mills that exceed the mills levied in 2019. For LPS this was 1.647 mills and kept the 2021 School Finance Act Levy portion of the district’s levies at 25.353 mills. Beginning in 2022, districts were required to start increasing their School Finance Act levy by 1.000 mill per year until it reached the cap of 27.000. For 2022, the district increased this levy to 26.353 mills with its final increase of 0.647 mills to cap the amount in 2023. This mill levy generates approximately \$58.0 million in local taxes accounted for in the General Fund.

Other Local Sources

- *Tuition-based program fees*—funds received for specific program services. While the bulk of these fees are collected in the Extended Day Care Program Fund, some tuition-based programs, such as Drivers’ Education and Career and Technical Education, are included in the General Fund.
- *Instructional materials fees*—funds collected for consumable items used during classroom instruction and are accounted for in the General Fund.

LITTLETON PUBLIC SCHOOLS
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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)

- *Investment earnings*—revenues received as a direct result of investing the district’s cash assets are accounted for in whichever fund holds the invested assets.
- *Miscellaneous revenues*—revenues that do not fit in other specific categories. They include field trip fees, fines, restitution payments, transcript fees, graduation fees, yearbook fees, etc. Revenues of this type are recorded in many of the district’s funds depending on intended use.
- *Donations*—monetary gifts the district receives, including local grants, are also recorded in many of the district’s funds. Other than the grants, gifts are typically not restricted to a specific use; however, the district works to use these revenues for the purposes indicated by the groups donating the funds.
- *Facility rental fees*—revenues collected when district facilities are used by outside organizations for programs or events that are not part of the district’s curriculum or sponsored activities. These revenues are recorded in both the General Fund and the Student Athletic, Activities, and Clubs Fund.
- *Athletic, activities, and club participation fees*—fees collected by middle and high schools to help cover the expense of running the numerous sports and activity groups supported by the district. All fees of this type are recorded in the Student Athletic, Activities, and Clubs Fund.

Transfers from Other Funds

- *Transfers from other funds*—revenues derived from a transfer of funding from another district fund, typically the General Fund. There are four funds that benefit from transfers in 2023–2024: the Risk Management Fund; the Capital Projects Fund; the Nutrition Services; and the Student Athletic, Activities, and Clubs Fund.

System of Classifying Expenditures

Expenditures are classified by fund, location, function, purpose, and object. In this budget document, dual presentations for expenditures are by service unit and by object.

Fund—independent fiscal and accounting entities with a self-balancing set of accounts for recording both financial resources and expenditures that are currently operated by the district. They are established to manage specific activities or objectives of the district in compliance with special legislation, regulations, or other restrictions.

- *General Fund*—the principle operating fund of the district which will account for approximately 56.8 percent of budgeted 2023–2024 expenditures in the district.
- *Risk Management Fund (sub-fund of the General Fund)*—an optional, restricted fund the district uses solely for the management of risk-related activities and financial transactions as identified in C.R.S. section 24-10-115 and article 13 of title 29. It will account for approximately 2.5 percent of 2023–2024 budgeted expenditures.
- *Bond Redemption Fund*—a restricted fund which accounts for resources accumulated for the payment of principal, interest, and project-related expenses on voter-approved, long-term general obligation debt. This fund will account for 11.8 percent of 2023–2024 budgeted expenditures.

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- *Building Fund*—a temporary, restricted fund used to track all the expenditures of resources approved by voters for acquiring capital sites, buildings, and equipment. In 2023–2024, this fund will contain 12.3 percent of budgeted expenditures.
- *Capital Projects Fund*—a committed fund used to account for the purposes and limitations specified by C.R.S. 22-45-103(1)(c), which our district uses to facilitate the acquisition of equipment, technology, and vehicles on an annual basis. This fund will account for 1.8 percent of budgeted expenditures during the 2023–2024 fiscal year.
- *Operations and Technology Fund*—a restricted fund which accounts for the Debt-Free Schools Mill Levy, and associated interest, used to pay for the district’s general facility operations and maintenance. This fund is the district’s secondary operating fund and will account for 7.5 percent of budgeted expenditures in fiscal year 2023–2024.
- *Designated Purpose Grants Fund*—the fund used to record financial transactions for grants received for designated programs funded by federal or state sources. It will account for 2.8 percent of budgeted expenditures in 2023–2024.
- *Student Athletic, Activities, and Clubs Fund*—the fund committed to financial transactions for school-sponsored pupil athletics and other related activities which are supported in whole or in part by revenue from pupils, gate receipts, and other fund-raising activities. It is also used to record financial information for any student organized clubs. This fund will contain 1.3 percent of 2023–2024 budgeted expenditures.
- *Nutrition Services Fund*—a fund that is restricted to transactions related to food service operations and required because the district receives USDA school breakfast and lunch funding. It will account for 1.8 percent of budgeted expenditures in 2023–2024.
- *Extended Day Care Program Fund*—a fund committed to tracking transactions for those locations which operate either before- and after-school day care programs or tuition-based preschool programs. It will account for the remaining 1.4 percent of budgeted expenditures for the fiscal year.

Location—refers to the facilities, operational units, or sites specifically designated as budgetary units for the purpose of differentiating associated expenditures. The district currently maintains 27 facilities, not including the two charter schools. Some of those facilities, like the Education Services Center, house multiple departments while the schools are considered single programs.

Function—the broad categorization of responsibilities, or the general service area, into which expenditures are classified. The district has five major categories.

- *Regular instruction*—traditional, non-specialized educational opportunities provided for students Grades PreK–12 and the on-site administrative costs associated with each educational facility. This particular function occurs only in the General Fund and comprises 59.2 percent of General Fund budgeted expenditures for 2023–2024.
- *Special instruction*—encompasses both special educational opportunities for individuals in Grades PreK–12 and vocational or technical educational opportunities for secondary students in Grades 9–12. This function is found primarily in the General Fund and will comprise 19.4

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

percent of budgeted General Fund expenditures. There are also some expenditures classified under this function in the Designated Purpose Grants Fund.

- *Governance*—refers to the activities of the elected body which was created according to state law and vested with responsibilities for educational activities for the district. All expenditures related to this function occur in the General Fund, and they account for 1.3 percent of budgeted expenditures in 2023–2024.
- *Support components*—the activities of the departments concerned with maintaining and facilitating the efficient and effective operation of all district facilities and programs. Many of the services provided within this category occur within the General Fund. Together they account for 15.8 percent of budgeted 2023–2024 fiscal year General Fund expenditures. Some service components also occur in other funds including the Capital Projects, Operations and Technology, Designated Purpose Grants, Nutrition Services, and Risk Management.
- *Transfers*—the funding of activities in other funds via accounting entries. Interfund transfers occur between the General Fund and the Risk Management; Capital Projects; and Student Athletic, Activities, and Clubs Funds in order to allocate monetary resources to those funds. These transfers account for the remaining 4.3 percent of 2023–2024 budgeted expenditures in the General Fund. There is an additional, smaller interfund transfer from the Extended Day Care Program Fund to the General Fund to help offset program overhead costs.

Purpose—the district’s more specific sub-categories of functions. The ability to narrow focus into specific areas gives the district more comprehensive data on what is working most efficiently and effectively for the benefit of all district students.

- *Regular instruction*—the largest area of expenditures by function splits into the following sub-categories:
 - ✓ Elementary schools and preschool—project 4,953 students in Grades PreK–5 in fiscal year 2023–2024 and utilize 37.5 percent of the regular instruction budget.
 - ✓ Charter schools—project 934 students in Grades K–8 in 2023–2024 and utilize 9.9 percent of the regular instruction budget.
 - ✓ Middle schools—project 2,496 students in Grades 6–8 in 2023–2024 and utilize 18.0 percent of the regular instruction budget.
 - ✓ High schools—project 4,722 students in Grades 9–12 in 2023–2024 and utilize 32.6 percent of the regular instruction budget.
 - ✓ Districtwide fees and gifts—reflect the estimated annual gifts to school, instructional fees, and miscellaneous revenues that LPS expects to collect in the schools over the course of the fiscal year for inclusion in the expense accounts. This sub-category constitutes the remaining 2.0 percent of the regular instruction budget and is found only in the General Fund.
- *Special Instruction*—concentrates district resources for students who either have disabilities which meet state and federal eligibility requirements or for students who elect to pursue training through one of the districts many career and technical education courses. There are two sub-categories for this function.

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- ✓ Special education—will benefit an estimated 1,950 students in fiscal year 2023–2024 and utilize 88.8 percent of the special instruction budget.
- ✓ Career and technical education—will be pursued by an estimated 5,000 students during 2023–2024 and utilize 11.2 percent of the special instruction budget.
- *Governance*—considered both a function and purpose, this includes the Board of Education, Board treasurer services, executive administration services, election services, legal services, tax assessment and collection services, audit services, community relations services, staff relation and negotiation services, and other services including advisory committees.
- *Support Components*—refer to the six districtwide departments that provide the resources and personnel to keep the main infrastructure of the district operating safely and smoothly so the staff in those facilities can provide the students with the education they expect. These departments operate out of the General Fund primarily.
 - ✓ Learning Services—focuses on providing direct support to schools and programs for items such as curriculum development, assessments, discipline, and Gifted and Talented, to name a few. This department utilizes 39.3 percent of the General Fund support components budget.
 - ✓ Safety, Security, and Operations—provides districtwide support by making certain all facilities are safe spaces for both students and staff. This department uses 4.3 percent of the General Fund support components budget.
 - ✓ Human Resource Services—provides districtwide support by handling all the concerns of staffing from recruitment and hiring to benefits negotiations. The department accounts for 13.6 percent of the General Fund support components budget.
 - ✓ Transportation Services—primarily handles transporting students to and from facilities, on field trips, and to and from sporting events and activities, but they also maintain the district’s two vehicle fleets. The department accounts for 24.2 percent of the General Fund support components budget.
 - ✓ Information and Technology Services—provides districtwide support by maintaining the technology infrastructure and devices used by staff and students. The department accounts for 10.7 percent of the General Fund support components budget.
 - ✓ Financial Services—provides districtwide support by providing accounting, payroll, warehousing, purchasing services, and risk management. This department accounts for the remaining 7.9 percent of General Fund support components budget.

Object—refers to the specific types of expenditures found in each fund, location, function, and purpose. There are six primary object categories, two that the district lists as sub-categories, and one that is technically not an expense but is recorded as such for accounting purposes.

- *Salaries and wages*—amounts paid for personal services to both permanent and temporary school district employees. This portion of compensation is equal to 40.4 percent of the total district budget, not including component units. Expenditures of this type can be found in all funds except the Bond Redemption, Building, and Capital Projects Funds. In the General Fund, salaries and wages account for 60.5 percent of budgeted expenditures.

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- *Employee benefits*—amounts paid by the school district on behalf of employees in addition to gross salary amounts. These include the district portions of PERA, Medicare, health insurance, and life insurance benefits and account for 14.4 percent of the district’s total budget. This classification of expenditures can also be found in all funds except the Bond Redemption, Building, and Capital Projects Funds. In the General Fund, benefits account for 21.3 percent of budgeted expenditures.
- *Purchased services*—services that can be performed only by persons or firms with specialized skills and knowledge; services purchased to operate, repair, maintain, and rent property owned or used by the school district; and amounts paid for services rendered by organizations or personnel not on the district’s payroll. Expenditures of these types occur in all funds except the Bond Redemption, Building, and Capital Projects Funds. They account for 5.6 percent of the district’s total budget.
 - ✓ Contracts with charter schools—while this is a purchased service, it is as a separate line item in the district’s budget because of the nature of the expenditure. It accounts for 3.7 percent of the total budget for the year and only occurs within the General Fund.
 - ✓ Debt service—is another purchased service which is given a separate line item due to its importance. It reflects payments of both principal and interest costs for debt issuance and is used only in the Bond Redemption Fund. It accounts for approximately 11.8 percent of the total budgeted expenditures.
- *Supplies and materials*—amounts paid for items that are consumed, worn out or deteriorated through use, or items that lose their identity through fabrication or incorporation into different or more complex units or substances. These items also do not contribute to the district’s capital assets. They account for 4.3 percent of the total district budget for the year and are found in all funds except the Bond Redemption, Building, and Capital Projects Funds.
- *Capital outlay*—expenditures for acquiring capital assets including land or existing buildings, improvements of grounds, initial equipment, additional equipment, and replacement of equipment. While these types of expenditures occur in all funds except the Bond Redemption Fund, the majority of them occur in the Building Fund, the Capital Projects Fund, and the Operations and Technology Fund. These account for 16.0 percent of the total district budget.
- *Other expenditures*—amounts paid for goods and services not otherwise classified above are also found in all funds except the Bond Redemption, Building, and Capital Projects Funds. They account for 0.1 percent of the total budget.
- *Transfers out*—Transactions which withdraw money from one fund and place it in another without recourse. These account for the remaining 3.7 percent of the total budget and are recorded as expenditures only within the General Fund, Operations and Technology Fund, and Extended Day Care Program Fund.

Basis of Accounting/Measurement Focus

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are included on the balance

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)

sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

Governmental funds are used to account for the government's general government activities. Governmental fund types use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Expenditures are recorded when the related fund liability is incurred, if measurable, with the exception of unmatured general obligation and capital lease principal, which are accounted for as expenditures when due.

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 the educational programs and objectives into financial terms.

Budgets are required by state law for all funds. During May, the superintendent of schools submits to the Board of Education a proposed budget for all funds for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them. Notice is provided to taxpayers of the availability for inspection of the proposed budget. Prior to June 30, the budget is adopted by formal resolution.

Expenditures may not legally exceed appropriations at the fund level. Authorization to transfer budgeted amounts between departments within any fund rests with the superintendent, the assistant superintendents, or designees. The reallocation of budget line items within any school or department within any fund rests with the school principal or department supervisor.

Revisions that alter the total appropriation of any fund must be approved by the Board of Education. Appropriations are based on total funds expected to be available in each budget year, including beginning fund balances and reserves as established by the Board of Education. Variances between budgets and actual numbers result from the non-expenditure of reserves, non-occurrence of anticipated events, scheduling of capital projects, and normal operating variances. All appropriations lapse at fiscal year-end.

As a trustee of community, state, and federal funds allocated for use in local education, the Board has the responsibility to protect the funds and use them wisely.

Cash and Investments

In order to facilitate the recording of cash transactions and maximize earnings on investments, the district has combined the cash resources of certain of its funds and maintains accountability for each fund's equity in the pooled cash and investments. Cash of the Bond Redemption Fund is held by a third party custodian bank.

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)

All investments are stated at fair market value as of the balance sheet date. Earnings on investments are allocated to individual funds based on their proportional equity in cash and investments purchased.

Year-End Fund Balance

Maintaining a fiscal year-end fund balance is a beneficial and sound financial management practice. As such, the Board assigns to the superintendent or designee the responsibility of accumulating and maintaining a general fund balance amounting to five percent of the district's current fiscal year adopted budget as an operating reserve. This minimum reserve is in excess of the emergency reserve required by Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), and other restricted, nonspendable, committed, or assigned General Fund fund balances.

In the event the district must use any or all of the five percent year-end unassigned fund balance to cover an unexpected loss of revenue or an extraordinary expenditure, those funds will be reallocated to fulfill the five percent required year-end unassigned fund balance before any other budget allocations in the subsequent fiscal year, unless otherwise approved by the Board.

Fund balances in all other district funds are categorized as non-spendable, restricted, committed, assigned, or unassigned per Board policy and as required by law.

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BUDGET DEVELOPMENT PROCESS

Basis of Budgeting and Accounting

Budgets for all funds are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP).

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

Developing the district budget involves multiple phases that include identification of both long-term and short-term district goals, updating the budget calendar, formulating projections, distributing budget information to the various departments and schools, collating the returned allocation requests, and condensing the entirety into a form that not only meets all legal requirements of the state but also presents the data in a practical and serviceable manner for all district shareholders.

The district's capital budgets are prepared in conjunction with the general operating budget. They are planned using recommendations from stakeholder committees commissioned by the Board of Education and by using an intensive process involving collaborative meetings with the chief operating officer, director, managers of the Operations, Maintenance, and Construction department, and the principals of each school. All needs are added to a capital reserve projects database, which includes extensive details on each facility issue. This list is then evaluated and vetted using a priority matrix in order to make the project selection process as objective as possible. The matrix is intended to estimate the relative priority among identified facility issues by assessing the significance of each issue in terms of the following.

- Need—safety versus aesthetics
- Urgency—failure expectancy
- Effect—building shutting down versus inconvenience
- Scope—affects an entire school versus a single individual

In some instances, other considerations may warrant re-ranking or even the overriding of minor differences in the calculated priority ratings; however, the overall highest priority facility issues are the first to be added to the budgeted projects for the next fiscal year as long as funding is available. Any remaining facility issues are retained in the database for possible inclusion in the planned projects for subsequent budget years.

The impacts of capital projects are considered when developing the operating budget, since funding is limited. Major capital improvements, paid for with bond funds, are budgeted in the district's Building Fund, which is a temporary fund active only when voter-approved bond projects are under way. Capital improvements intended to maintain existing facilities and ensure smooth day-to-day operation of the district's buildings are generally handled in the Operations and Technology Fund. Facility operating costs including basic maintenance, custodial expenditures, and utilities are also recorded in this fund. The Capital Projects Fund accounts for the ongoing needs for vehicle replacements, leases, and other projects not covered in the other two funds.

Budgets are developed for the district's other funds based on historical data and projections. While

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BUDGET DEVELOPMENT PROCESS (continued)

important, these are considered secondary funds since they are focused on specific types of activities funded by distinct revenue sources. The primary operations of the district are addressed in the General Fund and the Operations and Technology Fund.

Overall, the district's budget is developed to assure the future financial viability of LPS and achievement of the district's objectives and is subject to annual approval by the Board. The budget takes into account future revenue, including tax and non-tax revenue, and future increases in operating expenses, including salary and benefits costs. The process of 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 Board requires that the budget document accomplishes several objectives.

- It must be presented in a summary format that is understandable by any layperson.
- It must describe the expenditure and show the amount budgeted for the current fiscal year and the amount budgeted for the ensuing fiscal year.
- It must summarize revenues by revenue source and expenditures by function, fund, and object.
- It must include a uniform summary sheet for each fund administered by the district that details the following.
 - ✓ The beginning fund balance and anticipated ending fund balance for the budget year;
 - ✓ The anticipated fund revenues for the budget year;
 - ✓ The anticipated transfers and allocations that will occur to and from the fund during the budget year;
 - ✓ The anticipated expenditures that will be made from the fund during the budget year;
 - ✓ The amount of reserves in the fund.

The budget also discloses 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 the superintendent overall responsibility for annual budget preparation, presentation, and administration. As part of that responsibility, the superintendent facilitates preparation of a budget calendar that ensures all legal deadlines for budget presentation, hearings, and adoption are met by the district, along with the deadline for certification of amounts to be raised by school tax levies. The budget calendar also takes into consideration the possible need to submit a request to raise additional local revenue to a vote by the district's electorate.

The Board also believes maintaining resources in the capital reserve and risk management funds is a beneficial and sound business practice and protects the public's investment in school district facilities and insurance programs. Since safe and secure facilities are an integral part of instruction, they represent a major investment, and facilities planning is an essential component of instructional planning. It is the Board's goal to plan facilities that will:

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BUDGET DEVELOPMENT PROCESS (continued)

- Efficiently house students and staff in permanent facilities that are conducive to optimal teaching and learning.
- Be appropriately located to provide optimal use during the life of the facility.
- Provide equity in instructional opportunities for all students.
- Reflect the value placed on instruction by the school district community.

Since facility planning is an ongoing process, many resources are used to carry out both short-term and long-range facility planning responsibilities. The planning process includes:

- Coordinating a process to identify, evaluate, validate, and document capital improvement needs, including the capital needs of district charter schools.
- Maintaining and updating a comprehensive list of capital improvement needs.
- Maintaining complete and current educational and technical specifications.
- Providing facility needs data and background information for development of short- and long-range capital improvement programs.
- Maintaining permanent facility project record documents and providing facility record information.
- Conducting a thorough technical evaluation of proposed school sites.
- Providing consultation, research, and information on facility matters.
- Keeping abreast of educational program changes/trends and their facility impact.

This budget document was designed to provide the general public with extensive and readable information about the school system. It is also intended as a working reference document for administrators and other school personnel.

The Table of Contents lists every topic covered in this document and its page number. As an additional aid, the document is divided into the following four sections.

- **Executive Summary**—Presents the letter to the Board and the Executive Summary, a condensed version of the information contained in other sections of the document.
- **Organizational Section**—Includes an explanation of the school district and its significant governmental accounting and budget policies, an organizational chart, the mission statement, major goals and objectives, and the budget development and administration process.
- **Financial Section**—Presents the budgets for all funds, including summaries, down to the school site and departmental levels in the General Fund.
- **Informational Section**—Includes numerous types of performance and operational information, including performance measures, enrollment trends, staffing and employee trends, revenues and expenditures trends, the uniform budget summary as required by C.R.S. 22-44-105 of the School Finance Act, and a glossary of terms.

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BUDGET ADMINISTRATION AND MANAGEMENT PROCESS

Budget Administration Overview

The annual operating budget represents the district's plan to ensure that scarce financial resources are spent as efficiently and effectively as possible to meet the district's goals. It has been developed to focus the district's resources into programs and services that add value to the educational excellence the district provides its students. The district uses the Financial Policies and Procedures Handbook, adopted by the State Board of Education, in the development of the budget, the keeping of its financial records, and the periodic presentation of the financial information to the Board.

The purposes of this budget document are to serve as a:

- Policy document
- Financial plan
- Operations guide
- Communications tool

Budget administration and management is the process of regulating expenditures throughout the fiscal year to ensure that they do not exceed authorized amounts and are used in a manner consistent with both district policies and Colorado State laws. The district's budget process is ongoing and includes long-range forecasting and planning.

Management of the budget is accomplished in a variety of ways: monitoring program and curriculum implementation; controlling expenditures through the use of selective buying; tracking revenue receipts; making corrections to expenditure allocations to reflect changes in costs, service levels, or plans; and reports to the Board and public on fiscal operations.

During the preparation of the budget, the district utilizes many tools in order to allocate resources. Once the budget is adopted by the Board in June, the document becomes a major fiscal management tool for administering and controlling expenditures. Other budget administration and management issues important to the budget process are discussed below.

Organization for Budget Management

Based on input from the Board, the Financial Advisory Committee, negotiated salary agreements, and other relevant information, Financial Services develops budget guidelines for approval by the superintendent's staff. The budget guidelines and all information necessary to develop a budget are sent to each budget manager to assist them in determining the allocation of funds which best meets the needs of their students or department.

School-centered decision making at the elementary, middle, and high schools further refines the budgeting process as sites strive to meet their improvement goals with the available funding. Budget sums allocated to the schools are further described on the Resource Allocation for Learning Sites on page 53.

Schools and departments determine the dollar amounts for their budget line items within overall limits and allocations. The staff of Financial Services uploads the proposed budgets into the district's computerized financial software system. The actual budget for the district resides with the accounts in

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BUDGET ADMINISTRATION AND MANAGEMENT PROCESS **(continued)**

the financial software system and is accessible to budget managers and administration through normal report writing and account balance lookup operations.

The capital projects budget development process consists of developing a prioritized list of projects from which projects are selected for inclusion in the budget. Projects selected for funding are restricted to high-priority needs required to ensure the safety, security, asset preservation, and basic operation of schools and facilities within the district.

A budget structure chart shown on page 54 illustrates the organization of service units within the General Fund's budget.

Expenditure Control and Approvals

For management control purposes, the operating budget of the district's General Fund is divided into departments. Budget managers are accountable for the management of the financial resources allocated to departments through the annual budget processes. In addition, budgets allocated to other funds within the district are also assigned a budget manager.

Each budget manager is authorized to approve expenditures within their area of responsibility, up to a certain dollar amount, provided the funds are expended in accordance with district purchasing guidelines and legal requirements. The district's purchasing department monitors acquisitions of larger ticket and bulk items. All items purchased are judged in terms of quality, suitability, services, schedule for delivery, as well as cost. Where appropriate, standardization of supplies and equipment is used. If required by district policy, the Board's approval is received before purchases are finalized.

Encumbrance Control

Encumbrance control is another form of budget management the district exercises. Encumbrances are financial obligations for which a portion of an appropriation is reserved. They are used to ensure obligations such as purchase orders and contracts are recognized as soon as the financial commitments are made. This helps the district prevent the inadvertent over-expenditure of budget appropriations. For budgetary purposes, appropriations lapse at fiscal year-end.

Transfers between Budget Accounts

A budget is a plan for the coordination of resources and expenditures. However, actual expenditures do not always adhere to the plan. In order to provide the budget needed to meet obligations, it is sometimes necessary to transfer budget funds between accounts to either increase or decrease the appropriated amounts. Department managers have the authority to transfer funds between discretionary accounts that fall under their responsibility. Transfers between two different departments must be approved by department designees. Additionally, there are no budget transfers between funds unless approved by the Board. The Financial Services Department monitors this process to ensure sufficient budget dollars are available and district guidelines are being followed.

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BUDGET ADMINISTRATION AND MANAGEMENT PROCESS (continued)

Management Information and Reporting for Control

The district utilizes a web-based accounting software system to monitor and control the budget. This system allows Financial Services to provide various types of detailed reports to assist the Board, superintendent's staff, and department managers in managing their budget allocations effectively and responsibly. These reports have also been designed to meet state and federal reporting requirements.

While revenue and expenditure reports are primarily for internal use and management control, the district also prepares an Annual Comprehensive Financial Report to report the results of operations. This audited report includes items such as a combined balance sheet for all fund types and a combined statement of revenue, expenditures, and changes in fund balances for all governmental funds. Financial reports are provided to the Board and the public on a quarterly basis.

With the passage of House Bill (HB) 10-1036, the Colorado General Assembly enacted the "Public School Financial Transparency Act", Colorado Revised Statutes (C.R.S. 22-44-300, et. seq.), which directs local education providers to post financial information on-line, in a downloadable format, for free public access. As a result of the passage of HB 14-1292, the Financial Policies and Procedures Advisory Committee of the Colorado Department of Education created a template for use by local education providers for use in the on-line posting of the information specified.

Under Colorado statute (C.R.S. 22-44-304), the district is responsible for posting the following documents.

- District Adopted Budget - Including Uniform Budget Summary
- District Financial Audit
- Salary Schedules or Policies
- Financial Data File for fiscal year 21–22
- List of Waivers Received by the School District
- Standardized Description and Rational for Each Automatic Waiver
- Federal Form 990, 990-EZ, or 990-PF and any associated schedules
- Plan for Distributing Additional Mill Levy Revenue or Statement of Intent to Distribute
- Other District-Specific Financial Information

All documents must be posted or updated within 60 days after completion or receipt of the applicable report, statement or document. Additionally, the prior two budget years' financial information must also be maintained on-line, in a downloadable format, for free public access, until the end of the current budget year.

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STATE REQUIREMENTS AND ADMINISTRATIVE POLICIES

Colorado Revised Statutes (C.R.S. 22-44-101 through C.R.S. 22-44-119) provide the district with guidelines for budget development. These guidelines evolve continually. Currently, Colorado requires the Board to adopt a budget and an appropriation resolution for each fiscal year prior to the beginning of that fiscal year. State law provides that the fiscal year for school districts begins on July 1 of each year and ends on June 30 of the following year. The adopted budget and the appropriation resolution must then be placed on file in the office of the district's superintendent throughout the fiscal year and be open for inspection during reasonable business hours.

In conjunction with creating an adopted budget, a Board of Education must also:

- Prepare a proposed budget for the ensuing fiscal year. The proposed budget shall be submitted to the Board at least thirty days prior to the beginning of the next fiscal year.
- Within ten days after submission of the proposed budget, a Board of Education shall cause to be published a notice stating the proposed budget is on file at the superintendent's office of the school district and is available for inspection during reasonable business hours.

To comply with state statutes, the district must develop the budget within certain laws.

- A Board of Education of a school district shall not expend any monies in excess of the amount appropriated by resolution for a particular fund.
- A budget shall not provide for expenditures, interfund transfers, or reserves in excess of available revenues and beginning fund balances.
- The budget shall summarize revenues by revenue source and shall summarize expenditures by function, fund, and object.
- The budget shall ensure that the school district holds restricted General Fund or cash fund emergency reserves, including TABOR reserve funds, in the amount required under the provisions of Section 20 (5) of Article X of the State Constitution.

The budget must also be presented in the standard budget report format established by the State Board of Education. It shall:

- Be presented in a summary format which is understandable by any layperson reviewing such budget.
- Be presented in a summary format which will allow for comparisons of revenues and expenditures.
- Be presented in a format that itemizes expenditures of the district by fund, describing the expenditure, showing the amount budgeted for the current fiscal year, and showing the amount budgeted for the ensuing fiscal year.
- Support proposed expenditures and anticipated revenues as needed with explanatory schedules or statements.
- Include a uniform summary sheet in the Adopted Budget document for each fund administered by the district. The uniform summary sheet template is provided by the CDE for use by all districts.

Board of Education Policies

The Board for Littleton Public Schools developed fiscal management policies in order to make certain the district adhered to the highest standards in budgetary development. The Board recognizes that

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STATE REQUIREMENTS AND ADMINISTRATIVE POLICIES (continued)

money and money management comprise the foundational support of the whole school program. To make that support as effective as possible, the Board intends:

- To require advance planning through the best possible budget procedures.
- To explore all practical and legal sources of revenue.
- To study and guide the expenditure of funds so as to achieve the greatest educational returns.
- To require maximum efficiency in accounting and reporting procedures.
- To maintain a level of expenditures for student support needed to provide high-quality education.
- To provide adequate resources to support student achievement.

The Board also recognizes its responsibility to provide policy direction, guidance, and support to the superintendent and staff in the creation of an annual budget, as prescribed by Colorado Revised Statutes. The budget is an alignment of the needed human and fiscal resources driven by the district's values, mission, outcomes, and priorities. The primary objectives of the budget process are to:

- Facilitate input from staff, parents, students, and community patrons regarding the alignment of resource allocation to desired outcomes.
- Provide the historical data required for realistic budget preparation and related planning decisions.
- Provide a means of comparing planned (budgeted) expenditures against actual expenditures.
- Develop an annual budget which may serve as a financial plan and communications document aligned with Board policy.
- Review a five-year budget forecast, subject to annual appropriation, that addresses the future financial viability of the district.
- Provide for the fiscal stability of all funds of the district.
- Provide each administrator with budgetary responsibility the financial information necessary to prudently monitor expenditures throughout the year. This includes the approved budget for the year, expenditures and commitments to-date, and the balance of funds available. The individual responsible for the program must be sure that the financial management is consistent with Board policy.
- Comply with spending limitation outlined in Article X, Section 20 of the Colorado Constitution, including holding Taxpayer's Bill of Rights (TABOR) reserve funds in a General Fund restricted fund balance.
- Allow for the borrowing of unencumbered monies in any fund by another fund (except the Debt Service Fund), provided that any loan is repaid within three months after the beginning of the following budget year. A Board resolution is required to authorize any interfund borrowing.

The Board expects its administrative staff to operate within established departmental budgets. In the event that some unusual or extenuating circumstance occurs during the year and overspending occurs, that amount is charged against the budget for that location for the ensuing year. If a surplus exists in a school's accounts at year-end, the balance is carried over, subject to limitations, and added to the budget of that school for the next year.

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RESOURCE ALLOCATION FOR LEARNING SITES

Each of the district’s schools is allocated resources on the basis of per-pupil funding. This funding is designated through two formulas which cover the costs of:

- Staffing, i.e., teachers, paraprofessionals, principals, office personnel, etc.
- Supplies, equipment, and staff development.

Staffing is allocated through a weighted staffing formula, which ensures staffing is distributed to schools equitably as determined primarily by enrollment projections. Staffing is budgeted at each site based on actual salaries and estimated benefit expenses for the year.

Schools may allocate their staff differently depending on the needs of their student population. This flexibility encourages the collaborative input of local school advisory committees. Base staffing ratios have been modified slightly for fiscal year 2023–2024 at elementary and middle school levels. In addition to base allocations, extra staffing is provided for mental health support, instructional coaches, and other support programs based on student population with the focus on special education, gifted and talented, English language learners, 504 learning plans, and free and reduced participation. The base staffing levels for fiscal year 2023–2024 are as follows.

Elementary School	1.0 point/25 students for Grades K–2, plus 1.0 point/27.87 students for Grades 3–5, plus 2.55 points for office, plus 5.00 to 9.25 points for support programs based on enrollment
Middle School	4.675 points/100 students with a base enrollment of 625 4.6358 points (admin./sec.)
High School	5.1022 points/100 students

For fiscal year 2023–2024, the base per-pupil allocation for instructional supplies and equipment has been increased by \$9 per student to cover printing costs. Those amounts are as follows.

Elementary School	\$115.67/pupil + \$5,348/school
Middle School	\$117.54/pupil + \$14,012/school
High School	\$116.49/pupil + \$63,445/school

In addition to the base allocations, extra funding is provided to various schools for items that include the following.

- The LINK program – helps incoming freshmen transition smoothly to high school.
- International Baccalaureate (IB) program supplement for Littleton High School.
- Centennial Academy for Fine Arts Education (CAFÉ) program.
- Where Everybody Belongs (WEB) link program.
- Title I schoolwide grant funding at East, Centennial, and Field elementary schools.
- Extended instructional school days at Field Elementary and Centennial Academy for Fine Arts Education.

LITTLETON PUBLIC SCHOOLS

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GENERAL FUND BUDGET STRUCTURE

Elementary and Preschool Instruction	Centennial Academy	Eugene Field	Dr. Justina Ford	Gudy Gaskill	Mark Hopkins
	Lois Lenski	Little Raven	Damon Runyon	Carl Sandburg	Laura Ingalls Wilder
	Village@ Highland Preschool				
Charter School Instruction	Littleton Academy	Littleton Preparatory	<p>The two charter schools are reported as component units of LPS. Accordingly, they are reported separately from the district. However, for General Fund reporting, total funding received for charter schools' number of students, and the funded dollar sums transferred to the charter schools for their funding are recorded as revenue and expenditures, respectively.</p>		
Middle School Instruction	Euclid	Goddard	Isaac Newton	John Wesley Powell	
High School Instruction	Arapahoe	Heritage	Littleton	Options Secondary Program	Explorative Pathways for Innovative Careers
Special Instruction	Special Education	Career and Technical Education			
Governance	Board of Education	Superintendent			
Service Components	Learning Services	Safety, Security, and Operations	Human Resources	Financial Services	
	Information and Technology Services		Transportation Services	Other Facilities	

LITTLETON PUBLIC SCHOOLS
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2023–2024 BUDGET DEVELOPMENT CALENDAR

Each year, the district develops a budget calendar to identify the major activities in the preparation and implementation of the budget. The identification of these major steps and activities provides the Board, staff, and general community with the opportunity to be involved in and/or follow the budget-making process and be more cognizant of their role in the process as it affects the accomplishment of the finished product.

<u>Step</u>	<u>Activity/Description</u>	<u>Date</u>
1.	Budget calendar established by Financial Services.	August 2022
2.	Facility projects planning team holds stakeholder meetings on on-going capital needs and new requests.	Fall 2022
3.	Long-range budget forecast discussions with the Board.	August 2022–April 2023
4.	Review of facility project requests and application of priority matrix to identify greatest needs.	November 2022–December 2022
5.	Final reviews and approval of proposed capital projects completed for inclusion in budget document.	January 2023–March 2023
6.	Distribute budget development materials to principals and budget managers.	February 14–February 21, 2023
7.	Budget materials due to Financial Services for preparation of proposed budget.	March 24, 2023
8.	Budget process update given to the Board.	April 27, 2023
9.	Review draft of proposed budget document, with illustrations and presentation materials, and modify as appropriate.	May 4, 2023
10.	Present the proposed budget to the Board and make available to public and media. Establish date for public comment on budget.	May 25, 2023
11.	Provide newspaper with public notice of proposed budget and final adoption by the Board.	May 25 and June 1, 2023
12.	Adoption of the budget by the Board.	June 8, 2023
13.	Receive preliminary assessed valuation figure from Arapahoe County Assessor.	August 25, 2023
14.	Official pupil enrollment count day.	October 2, 2023
15.	Receive final assessed valuation from county assessor.	December 8, 2023
16.	Final day to certify mill levies and property tax collection figures to county commissioners.	December 15, 2023

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