



Board of Education
Boulder Valley School District RE-2
Boulder, Colorado

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component units and remaining fund information of the Boulder Valley School District RE-2 as of and for the year ended June 30, 2011, which collectively comprise the basic financial statements of the Boulder Valley School District RE-2, as listed in the table of contents. These financial statements are the responsibility of the Boulder Valley School District RE-2's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component units and remaining fund information of the Boulder Valley School District RE-2 as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

For the year ended June 30, 2011, the Boulder Valley School District RE-2 adopted the standards of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 2011, on our consideration of the Boulder Valley School District RE-2's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and required supplementary information listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Boulder Valley School District RE-2's basic financial statements. The combining and individual fund statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Swanlund & Company LLC

October 28, 2011

Management's Discussion and Analysis

As management of the Boulder Valley School District RE-2 (the district), we offer readers of the district's Comprehensive Annual Financial Report this narrative and analysis of the financial activities of the district for the fiscal year ended June 30, 2011. We encourage readers to consider the information presented here in conjunction with additional information that can be found in the letter of transmittal on pages 1-6 of this report.

Financial Highlights

At June 30, 2011:

- The primary government has government-wide net assets of \$147,244,566. Of this amount, unrestricted net assets of \$32,422,787 may be used to meet the district's ongoing financial obligations.
- The primary government's net assets increased from the prior year by \$15,159,739 and unrestricted net assets increased by \$20,113,516.
- At the end of the current fiscal year, the primary government's governmental funds reported combined ending fund balances of \$102,277,930, a decrease of \$42,432,513 from the prior year.
- At the end of the current fiscal year, unassigned fund balance for the Combined General Fund is \$7,440,288, or 3.16% of total Combined General Fund expenditures.
- The primary government's long-term general obligation debt decreased by \$11,005,000 to \$374,280,000.

Overview of the Financial Statements

Management's discussion and analysis is intended to serve as an introduction to the Boulder Valley School District RE-2's basic financial statements. The district's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers a broad overview of the district's financial activities in a manner similar to a private sector business.

The statement of net assets presents information on all of the district's assets and liabilities. The difference between assets and liabilities is reported as net assets. Over time, changes in net assets may serve as a useful indicator of whether the financial position of the district is improving or deteriorating.

The statement of activities presents information showing how the net assets of the district changed during the current fiscal year. Changes in net assets are recorded in the statement of activities when the underlying event occurs, regardless of the timing of related cash flows.

Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (example: levied but uncollected property taxes and earned but unused employees' vacation leave).

Both of the government-wide financial statements distinguish functions of the district that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover a significant portion of their costs through user fees and charges (business activities.) Governmental activities consolidate all of the following district funds: General Fund (consisting of the General Operating Fund, Risk Management Fund, Technology Fund, Athletics Fund, Community Schools Fund, Preschool Fund, Tuition Preschool Fund, and Colorado Preschool Program Fund), Bond Redemption Fund, Governmental Designated-Purpose Grants Fund, Transportation Fund, Capital Reserve Fund, Building Fund, Health Insurance Fund, and Dental Insurance Fund. Business-type activities include the Nutrition Services Fund.

The government-wide financial statements include not only the district itself (known as the primary government), but also information about the district's five charter schools (known as component units). Financial information for the charter schools is presented separately from the primary government because the charter schools are legally separate from the district but are financially accountable to the district and provide service to the district's students.

The government-wide financial statements can be found on pages 29-30 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The district, like other governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the district have been divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the district's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenue, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The district maintains four governmental funds called major funds: the General Fund (which combines the district's General Operating Fund, Risk Management Fund, Technology Fund, Athletics Fund, Community Schools Fund, Preschool Fund, Tuition Preschool Fund and the Colorado Preschool Program Fund), the Governmental Designated-Purpose Grants Fund, the Bond Redemption Fund and the Building Fund. They are presented separately in the fund

financial statements with the remaining governmental funds (combined into a single aggregated presentation labeled other governmental funds). Other governmental funds, called non-major funds, include the Transportation Fund and the Capital Reserve Fund. Individual fund information for the non-major funds is presented as combining and individual fund statements and schedules after the notes section of this report.

The basic governmental fund financial statements can be found on Pages 31-33 of this report.

Proprietary Funds: The district maintains two types of proprietary funds. Enterprise funds are used to present the same functions as the business-type activities presented in the government-wide financial statements. The district uses an enterprise fund to account for its nutrition service operation. Internal service funds are used to accumulate and allocate costs internally among the district's various functions. The district uses internal service funds to account for employee benefit programs for health and dental insurance. Because these services predominately benefit governmental rather than business-type functions, they have been included with governmental activities in the government-wide financial statements.

The basic proprietary fund financial statements can be found on pages 34-36 of this report.

Fiduciary Funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because these sources of funds are not available to support the district's direct educational programs. The accounting method used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 37-38 of this report.

Notes to the Financial Statements: The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements can be found on pages 39-57 of this report.

Other Information: In addition to the basic financial statements and accompanying notes, this report also contains other required supplementary information concerning the district's budget process. Within a statutory timeline, the board of education adopts a resolution appropriating an annual budget for each of the individual governmental funds. A Budgetary Comparison Schedule for the General Fund has been provided to demonstrate compliance with the adopted budget followed by the Notes to Required Supplementary Information. Required supplementary information can be found on pages 58-60 of this report.

The Combining and Individual Fund Statements and Schedules follow the Required Supplementary Information and include the remaining governmental funds budgetary comparison schedules. These statements and schedules can be found on pages 61-81 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The assets of the primary government exceed liabilities by \$147,244,566 with an unrestricted balance of \$32,422,787 at June 30, 2011.

Boulder Valley School District RE-2
Net Assets

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current and Other Assets	\$154,763,692	\$202,723,005	\$ 246,233	\$ (327,044)	\$155,009,925	\$ 202,395,961
Capital Assets	<u>421,422,915</u>	<u>380,881,015</u>	<u>221,203</u>	<u>247,954</u>	<u>421,644,118</u>	<u>381,128,969</u>
Total Assets	576,186,607	583,604,020	467,436	(79,090)	576,654,043	583,524,930
Long-term Liabilities	389,264,645	400,933,095	-	-	389,264,645	400,933,095
Other Liabilities	<u>39,863,285</u>	<u>50,221,942</u>	<u>281,547</u>	<u>1,351,157</u>	<u>40,144,832</u>	<u>51,573,099</u>
Total Liabilities	429,127,930	451,155,037	281,547	1,351,157	429,409,477	452,506,194
Net Assets						
Invested in Capital Assets						
Net of Related Debt	80,504,664	79,862,762	221,203	247,954	80,725,867	80,110,716
Restricted for:						
Debt Service	25,440,014	24,518,963	-	-	25,440,014	24,518,963
Multiple Year Obligations	120,000	120,000	-	-	120,000	120,000
Preschool Expenditures	55,863	92,136	-	-	55,863	92,136
Emergencies	7,389,699	7,495,151	286,940	176,491	7,676,639	7,671,642
Medicaid	777,768	-	-	-	777,768	-
Flexible Spending	25,628	-	-	-	25,628	-
Capital Projects	-	6,698,312	-	-	-	6,698,312
Transportation	-	563,787	-	-	-	563,787
Unrestricted	<u>32,745,041</u>	<u>13,097,872</u>	<u>(322,254)</u>	<u>(788,601)</u>	<u>32,422,787</u>	<u>12,309,271</u>
Total Net Assets	<u>\$147,058,677</u>	<u>\$132,448,983</u>	<u>\$ 185,889</u>	<u>\$ (364,156)</u>	<u>\$147,244,566</u>	<u>\$ 132,084,827</u>

The largest portion of the district's net assets \$80,725,867 (54.82%) represent its investment in capital assets (e.g. land, land improvements, buildings, equipment, and vehicles), less related debt used to acquire these assets that is still outstanding. The district uses these capital assets to provide services to its constituents; consequently these assets are not available for future spending. Although the district's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets cannot be liquidated to pay the debt.

An additional portion of the district's net assets \$34,095,912 (23.16%) are subject to external restrictions on how they may be used. The remaining amount of net assets \$32,422,787 (22.02%) is available to fund the district's ongoing programs.

At the end of the current fiscal year, the district is able to report positive balances in all three of the categories of net assets. In the prior year, the government as a whole and its separate governmental activities ended the year with positive balances, while business-type activities ended the year in a deficit position.

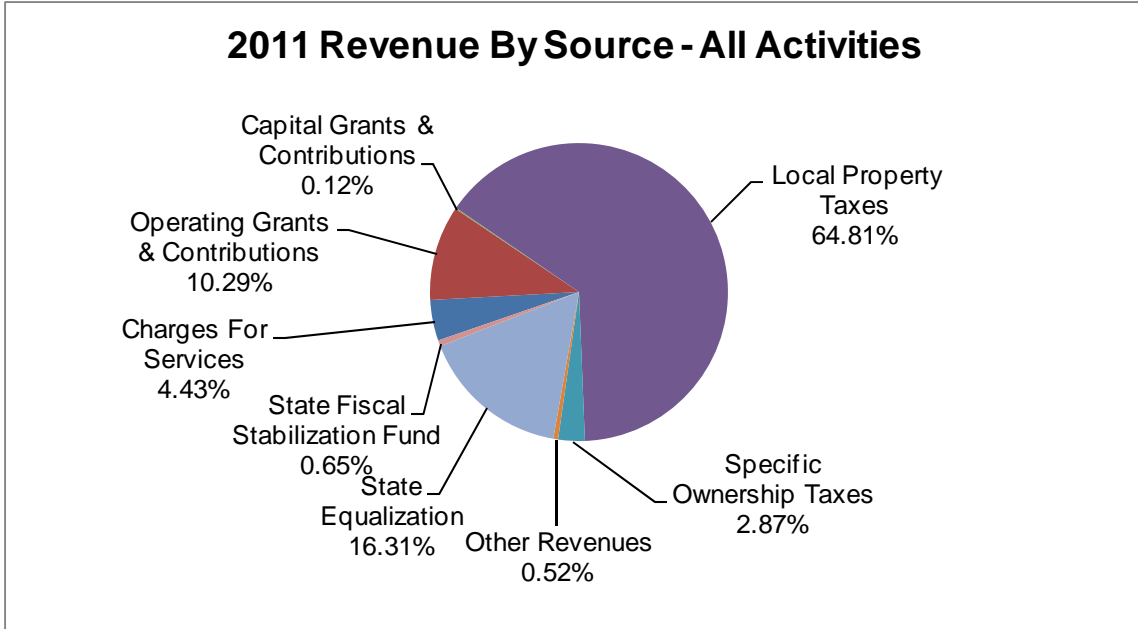
Governmental activities net assets increased by \$14,609,694. Governmental activities total assets decreased by \$7,417,413; this change is caused primarily by a decrease in cash and investments and restricted cash and investments of \$49,443,749, a decrease in other assets of \$787,544 offset by an increase in capital assets of \$42,813,880. The decrease in cash and investments and increase in capital assets is primarily spending of funds from the 2006 Capital Improvement Program.

Governmental activities total liabilities decreased by \$22,027,107. This decrease is generally due to current year payments on the district's general obligation debt and certificates of participation of \$11,570,000 and a decrease in summer salaries payable of \$10,301,230.

Business-type activities net assets increased by \$550,045. This increase is predominantly an decrease in grants receivable of \$288,529, a decrease in internal balances of \$787,774, an increase in inventories of \$74,032 and a decrease in capital assets of \$26,751.

Government-wide Activities: Government-wide activities increased the district's net assets by \$15,159,739. Key elements of this increase are as follows:

Boulder Valley School District RE-2						
Changes In Net Assets						
	Governmental Activities		Business-type Activities		Total	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Revenues:						
Program Revenues:						
Charges For Services	\$ 11,981,040	\$ 11,820,623	\$ 2,545,086	\$ 2,696,927	\$ 14,526,126	\$ 14,517,550
Operating Grants and Contributions	31,231,823	24,748,470	2,486,869	2,412,851	33,718,692	27,161,321
Capital Grants and Contributions	386,381	3,747,258	-	-	386,381	3,747,258
General Revenues:						
Local Property Taxes	212,383,487	193,973,616	-	-	212,383,487	193,973,616
Specific Ownership Taxes	9,404,630	9,251,558	-	-	9,404,630	9,251,558
State Equalization	53,462,090	64,227,060	-	-	53,462,090	64,227,060
State Fiscal Stabilization Fund	2,116,382	-	-	-	2,116,382	-
Other Revenues	1,266,488	1,266,334	-	-	1,266,488	1,266,334
Investment Earnings	444,720	716,554	-	-	444,720	716,554
Nutrition Service	(1,254,000)	(225,000)	1,254,000	225,000	-	-
Total Revenues	321,423,041	309,526,473	6,285,955	5,334,778	327,708,996	314,861,251
Expenses:						
Instruction	188,306,226	184,537,048	-	-	188,306,226	184,537,048
Supporting Services	102,051,046	93,260,558	-	-	102,051,046	93,260,558
Interest Expense	16,456,075	16,358,947	-	-	16,456,075	16,358,947
Nutrition Service	-	-	5,735,910	6,033,046	5,735,910	6,033,046
Total Expenses	306,813,347	294,156,553	5,735,910	6,033,046	312,549,257	300,189,599
Changes In Net Assets	14,609,694	15,369,920	550,045	(698,268)	15,159,739	14,671,652
Net Assets-Beginning	132,448,983	117,079,063	(364,156)	334,112	132,084,827	117,413,175
Net Assets-Ending	\$ 147,058,677	\$ 132,448,983	\$ 185,889	\$ (364,156)	147,244,566	\$ 132,084,827



Governmental Activities: Governmental activities program revenue increased from the prior year by \$3,282,893 or 8.14%. This increase is due primarily to increased operating grants and contributions recorded in the Governmental Designated-Purpose Grants Fund, primarily increased funding provided by the American Recovery and Reinvestment Act of 2009, and decreased capital grants and contributions recorded in the Building Fund.

Governmental Activities general revenues increased by \$8,613,675 or 3.20%. Local property tax revenues increased by \$18,409,871 due to the passage of the mill levy increase in November 2010. State Equalization decreased by \$10,764,970 due to funding cuts at the State level. To help mitigate the State Equalization cut, the State provided the district with one-time State Fiscal Stabilization Fund revenues of \$2,166,382.

Governmental activities expenses increased by \$12,656,794, or 4.30%, due most significantly to spending of additional revenues provided by funding through the American Recovery and Reinvestment Act of 2009 recorded in the Governmental Designated-Purpose Grants Fund, increased debt service principal paid in the Bond Redemption Fund, increased capital outlay expenditures recorded in the Capital Reserve Fund, and an increase in the required retirement plan contribution rate charged to all governmental funds.

Business-type Activities: The \$550,045 increase in net assets from enterprise activities is due to an increase in total revenues of \$951,177, due primarily to a General Fund transfer increase of \$1,029,000 and a \$297,136 decrease in expenses through reductions in labor hours and decreases in food costs.

Financial Analysis of the Government's Funds

The district uses fund accounting to ensure and demonstrate compliance with finance-related legal, federal and state requirements.

The focus of the district's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the

district's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the district's net resources available for spending at the end of the fiscal year.

As of June 30, 2011, the district's governmental funds reported combined ending fund balances of \$102,277,930. Of this amount \$373,499 (0.37%) is classified as nonspendable, \$33,421,535 (32.68%) as restricted, \$3,579,393 (3.50%) as committed, \$57,563,755 (56.28%) as assigned, and \$7,339,748 (7.18%) as unassigned fund balance.

Additional information on the district's ending fund balances can be found in Note 4 of this report.

The Combined General Fund is the chief operating fund of the district. The Combined General Fund under GASB 34 reporting requirements includes the General Operating Fund, Risk Management Fund, Technology Fund, Athletics Fund, Community Schools Fund, Preschool Fund, Tuition Preschool Fund, and the Colorado Preschool Program Fund. A Combining Schedule of Revenues, Expenditures and Changes in Fund Balances of the Combined General Fund is shown on page 62 of this document. As of June 30, 2011, the Combined General Fund shows an ending fund balance of \$30,625,322 up from the combined fund balance of \$19,645,363 for the prior year, an increase of \$10,979,959.

A Budgetary Comparison Schedule for the Combined General Fund is presented on page 58 of this document. There is a positive variance between final budgeted and actual revenue of \$3,191,821 or 1.23%. Major revenue variances include \$2,116,382 of State Fiscal Stabilization Fund funding which was allocated by the Colorado Department of Education in the spring of 2011 for which no budget was adopted. State Reimbursement Program revenues exceeded budget by \$650,560 as the state allocations were adjusted after the adoption of the final budget.

Expenditures net of reserves varied from the final budget by \$10,857,740, or 4.41%. The majority of the variance was due to expenditures budgeted for Instruction for Regular Programs; this category was under-spent by \$9,000,054, as follows:

\$3.9 million was budgeted in 2010-11 but unspent at year end and intentionally carried over into 2011-12. (This carryover amount is much larger than prior years due to a mid-year increase in funding from the district's successful 2010 mill levy override. These carryover funds include resources for textbooks, school operating funds, technology funds, athletics funds, and preschool funds.) \$2.8 million in benefit costs were budgeted for Instruction for Regular Programs but were spent out of Education Jobs Funds and recorded in the Designated-purpose Grants Fund for reporting efficiencies. Additionally, \$1.3 million in department budgets for special projects were also budgeted in 2010-11 but were unspent at year end and were carried forward into the 2011-12 fiscal year.

The remainder, of this variance, approximately \$1 million was due to sick and vacation payouts budgeted in instructional categories but spent out of other expenditure categories, and changes in benefits and salary accruals attributable to the change in contract year for instructional staff.

Variances in remaining program areas (not including Operations and Maintenance) total approximately \$2.4 million. Of this amount, approximately \$2.06 million represents unspent 2010-11 budget allocations that will be carried forward into the 2011-12 year.

Finally, Operations and Maintenance expenditures were over budget by \$635,060, due to higher than expected increases in utility costs for the district.

The Bond Redemption Fund's fund balance increased by \$293,559 to \$24,325,632. Property tax revenues in the current year were based upon a 2011 levy of 5.791 mills applied against an assessed valuation of \$4,865,464,907. The large ending fund balance is necessary to fund debt service payments as they become due. Property tax levies are based upon a calendar year cycle while debt service payments are made each fiscal year in June and December.

The Building Fund ended the year with a fund balance of \$40,349,760, a decrease of \$54,161,068 from the prior year. Local revenue sources totaled \$730,150, including contributions from local sources of \$386,381 and investment earnings of \$343,769. Capital project expenditures were \$54,891,218 a \$17,086,666 decrease from the prior year.

Additional information regarding the Building Fund and project status may be found at www.bvsd.org/bondproject. This website contains detailed status reports of each project, including spending reports. The website also contains reports from the Citizen's Bond Oversight Committee. The committee provides an independent review of the bond projects that comprise the 2006 Bond Issue which are described in the Educational Facilities Master Plan. This monitoring and review is intended to provide a high level of accountability and communication on behalf of the board of education to the citizens of the district.

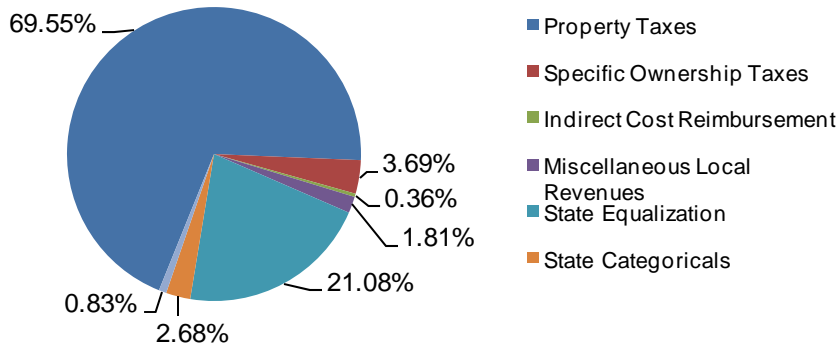
General Operating Fund Highlights

The General Operating Fund is the core operating fund of the district. At the end of the fiscal year, fund balance increased by \$10,168,829 to \$27,691,444. Major revenue variances are shown in the table below.

General Operating Fund Revenues by Source

	June 30, 2011	June 30, 2010	Variance
	<u>Amount</u>	<u>Amount</u>	
Local Revenues			
Property Taxes	\$ 177,048,549	\$ 154,934,584	\$ 22,113,965
Specific Ownership Taxes	9,404,630	9,251,558	153,072
Indirect Cost Reimbursement	920,155	976,644	(56,489)
Miscellaneous Local Revenues	4,600,550	4,566,265	34,285
Subtotal	<u>191,973,884</u>	<u>169,729,051</u>	<u>22,244,833</u>
State Revenues			
State Equalization	53,462,090	64,227,060	(10,764,970)
State Categoricals	7,044,116	7,180,722	(136,606)
Subtotal	<u>60,506,206</u>	<u>71,407,782</u>	<u>(10,901,576)</u>
Federal Sources			
State Fiscal Stabilization Fund	<u>2,116,382</u>	-	<u>2,116,382</u>
Total Revenues	<u>\$ 254,596,472</u>	<u>\$ 241,136,833</u>	<u>\$ 13,459,639</u>

2011 General Operating Fund Revenue By Source



Local Revenues

Current year General Fund property taxes were based upon a levy of 36.547 mills applied against an assessed valuation of \$4,865,464,097 compared to 31.398 mills and an assessed valuation of \$4,878,665,186. The mill levy increase was approved by the electorate of the district in an election held on November 2, 2010. The increase was effective with the 2011 tax collection year. The mill levy increased property tax revenues by approximately \$22.5 million in the 2010-11 fiscal year.

Specific ownership tax is applied to the fair value of vehicles registered in Colorado. Specific ownership tax revenue increased by 1.65% in the current year, ending an eight year downward trend that saw specific ownership tax revenues decrease by a \$2.8 million dollars from its highest point.

State Revenues

State equalization revenue decreased by 16.76% from the prior year. The decrease is due to a state-wide reduction in the School Finance Act funding. Revenue shortfalls at the State level necessitated cuts to K-12 education funding.

To help mitigate the effect of the cut in State equalization revenue, the State did provide one-time revenue funding of \$2.1 million of State Fiscal Stabilization Funds.

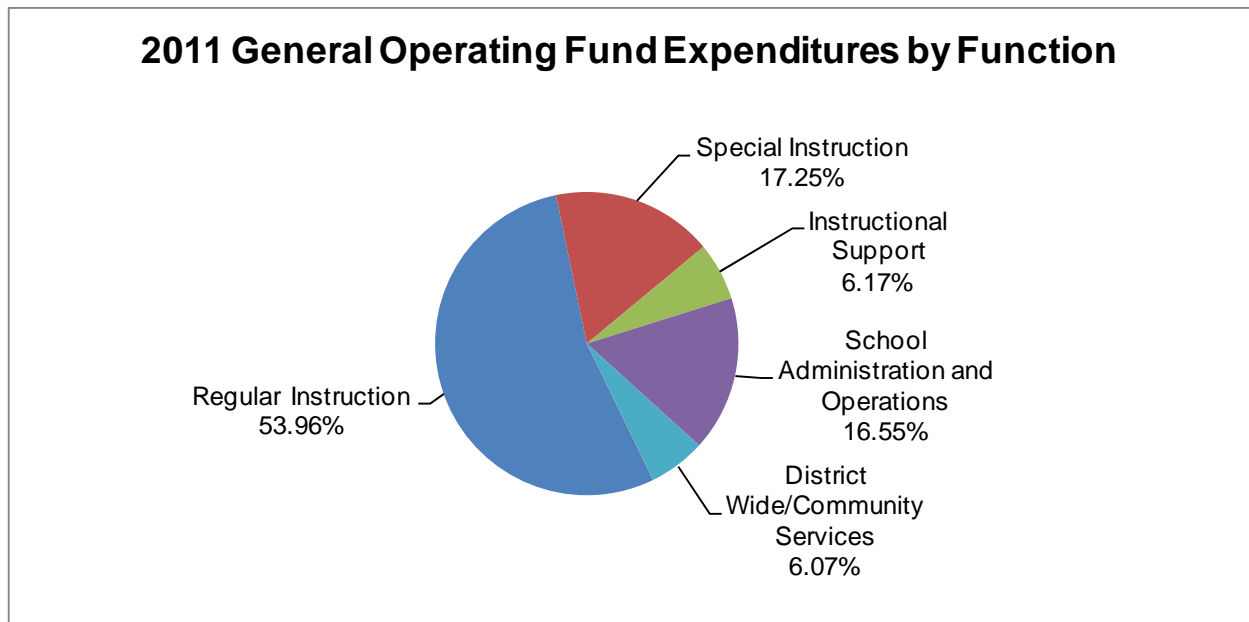
Expenditures

General Operating Fund expenditures decreased by 2.36% or \$5,337,744 to \$221,025,126. Because of anticipated funding decreases at the state level, the district's preliminary 2010-11 General Operating Fund Budget was developed with \$6.9 million of spending cuts from the 2009-10 budget. These cuts were accomplished by a 2.7% reduction to authorized full time equivalent positions while school and department operating budgets were cut 2.25% and 13.5% respectively.

The passage of the mill levy override election in November provided \$22,150,038 million of new revenues to the General Operating Fund. The uses of this additional revenues are as follows: \$3,199,249 allocated to schools are departments to backfill cuts made to the 2010-11 original budget, \$1,200,000 increase in contingency and emergency reserves, \$3,825,000 to backfill an additional cut to state equalization, \$837,985 in unallocated funds and transfers to other funds totaling \$13,087,804; \$8,177,951 to the Capital Reserve Fund to be used for bus replacement and for construction costs for a new district-wide preschool program; \$1,829,052 to the Charter School Fund to offset previous cuts to that fund; \$1,080,801 for operating costs for the new preschool program accounted for in the Preschool Fund, and \$1,900,000 and \$100,000, to the Health Insurance Fund and Dental Insurance Fund to offset future benefit cost increases.

Because the additional expenditure appropriation was not passed until January 2011, many schools and departments were not able to spend these additional amounts by June 30, 2011. Therefore these unspent funds will be carried over and appropriated in the 2011-12 budget.

General Operating Fund expenditures by function are shown in the following chart. 77.38% of expenditures are instruction related: regular program instruction, special program instruction, and direct instructional support. 16.55% of expenditures are for school administration, operations and maintenance of district facilities. 6.07% of expenditures are for district-wide services and community obligations.



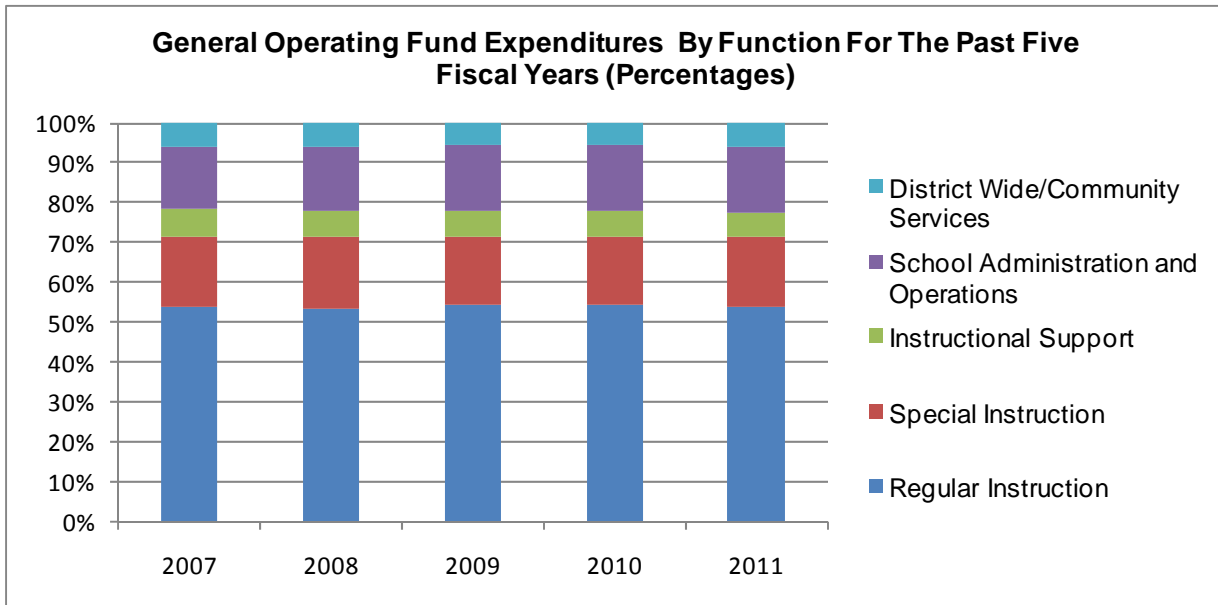
2011 General Operating Fund Expenditures By Function

<u>Function</u>	<u>June 30, 2011</u>	<u>Percent</u>
Regular Instruction		
Regular Instruction	\$ 119,274,510	53.96%
Special Instruction		
Special Education	28,070,124	
Vocational Education	2,096,815	
Co-curricular Education	1,094,212	
Language, Culture & Equity	5,547,686	
Talented and Gifted Education	1,312,170	
Subtotal Special Instruction	<u>38,121,007</u>	17.25%
Instructional Support		
Student Services	6,724,159	
Instructional Staff Support	6,914,975	
Subtotal Instructional Support	<u>13,639,134</u>	<u>6.17%</u>
Subtotal Instruction	171,034,651	77.38%
School Administration and Operations		
School Administration	16,938,682	
Operations and Maintenance	19,638,801	
Subtotal School Administration and Operations	<u>36,577,483</u>	16.55%
District Wide/Community Services		
General Administration	2,721,691	
Business Services	2,563,912	
Central Services	7,168,601	
Community Services	253,080	
Debt Services	705,708	
Subtotal District Wide/Community Services	<u>13,412,992</u>	<u>6.07%</u>
Total General Operating Fund Expenditures	<u>\$ 221,025,126</u>	<u>100.00%</u>

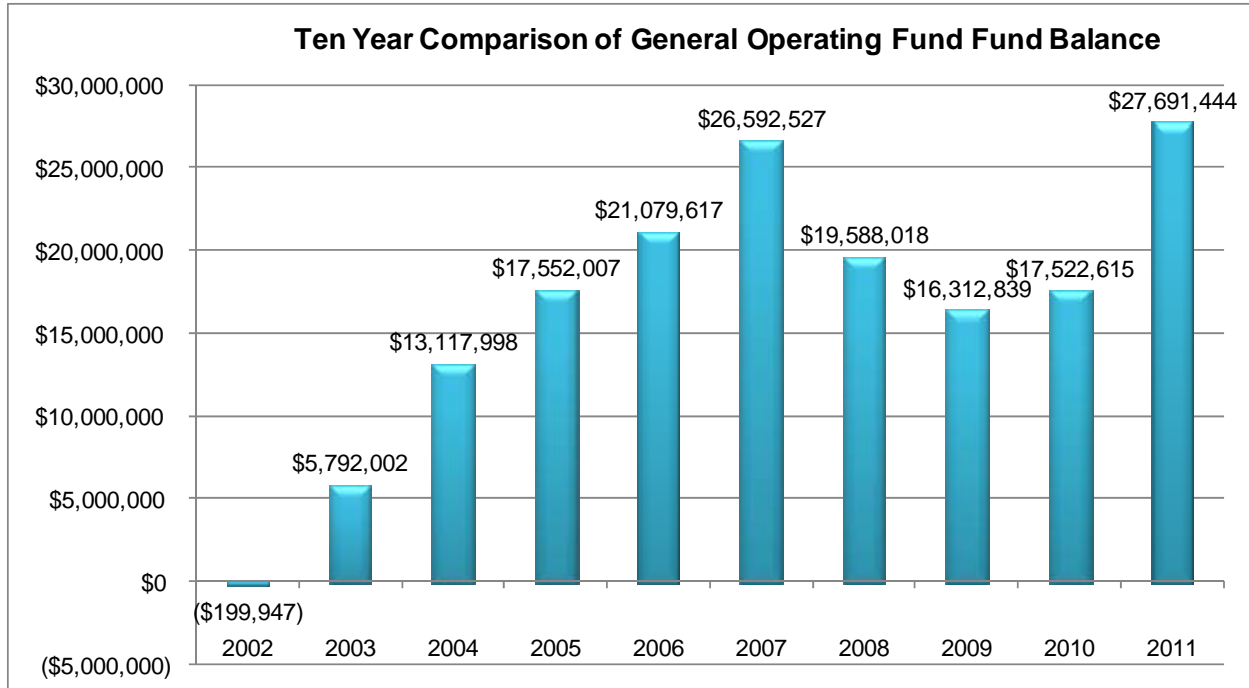
General Operating Fund expenditures by function for the past five fiscal years are shown in the following chart. The district has spent a minimum of 77.38% of General Operating Fund dollars on instruction related activities over the past five fiscal years. This trend is expected to continue into the future.

**General Operating Fund Expenditures By Function For The
Past Five Fiscal Years (Percentages)**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Regular Instruction	53.74%	53.57%	54.35%	54.53%	53.96%
Special Instruction	17.70%	17.73%	17.04%	16.87%	17.25%
Instructional Support	6.81%	6.90%	6.78%	6.42%	6.17%
Subtotal Instruction	<u>78.26%</u>	<u>78.20%</u>	<u>78.17%</u>	<u>77.82%</u>	<u>77.38%</u>
School Administration and Operations	15.92%	15.80%	16.10%	16.48%	16.55%
District Wide/Community Services	5.82%	6.00%	5.73%	5.70%	6.07%
Subtotal Support	<u>21.74%</u>	<u>21.80%</u>	<u>21.83%</u>	<u>22.18%</u>	<u>22.62%</u>
Total	<u><u>100.00%</u></u>	<u><u>100.00%</u></u>	<u><u>100.00%</u></u>	<u><u>100.00%</u></u>	<u><u>100.00%</u></u>



An analysis of the district's General Operating Fund ending fund balance is shown in the following chart. Over the 10 year period 2001-2002 to 2010-11, the fund balance of the General Operating Fund has fluctuated from a low of (\$199,947) to its current amount of \$27,691,444.



There are many factors that caused this fluctuation over time. First, the Colorado School Finance Act allows school districts to pass mill levy override elections up to a maximum of 25% of total program funding. The override percentage increased from 20% to 25% beginning with the 2009-10 fiscal year. The district passed mill levy override elections in November 1991, November 1998, November 2002 and November 2010 of \$7,062,468, \$10,600,000, \$15,000,000 and \$22,500,000 respectively. With the 1998 Referendum, a stabilization fund was established to fund the growing personnel costs that were expected to exceed the fixed revenue stream over time. This stabilization fund was continued and supplemented with the 2002 referendum. Previously, it was standard practice to spend 100% of each override on new programs and then seek voter approval of additional revenues when the fund was depleted. With Colorado's financial issues and the district's stable enrollment, the district changed this practice, halting the use of fund balance for ongoing costs and used the existing stabilization fund to fully fund GAAP budgeting as part of the establishment of Board Policy DB Fund Balance Requirements.

As part of the development of the 2011-12 Revised Budget, the preliminary allocation of the \$27,691,444 General Operating Fund ending fund balance is as follows:

Uses Of Ending Fund Balance

Required Reserves:		
Contingency Reserves	\$	6,830,711
TABOR Reserves		6,830,711
Other Required Reserves		1,990,898
Subtotal		15,652,320
One-time Uses:		
School and Department Carryover		5,085,895
Funds Identified To Be Spent In The 2011-12 Budget		6,873,229
Available For One-time Uses		80,000
Subtotal		12,039,124
Grand Total		\$27,691,444

Capital Assets and Debt Administration

The district's investment in capital assets for its governmental and business-type activities as of June 30, 2011 and 2010 are \$417,269,884 and \$378,856,989 respectively.

Boulder Valley School District RE-2 Capital Assets (Net of Depreciation)

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land	\$ 2,776,133	\$ 2,776,133	\$ -	\$ -	\$ 2,776,133	\$ 2,776,133
Construction in Progress	65,486,357	103,625,339	-	-	65,486,357	103,625,339
Land Improvements	9,198,978	9,153,940	-	-	9,198,978	9,153,940
Buildings	333,800,239	257,897,465	-	-	333,800,239	257,897,465
Equipment	6,283,988	1,118,447	221,203	247,954	6,505,191	1,366,401
Vehicles	3,877,220	4,037,711	-	-	3,877,220	4,037,711
	\$ 421,422,915	\$378,609,035	\$ 221,203	\$ 247,954	\$ 421,644,118	\$ 378,856,989

In November 2006, voters approved the sale of \$296,800,000 of general obligation bonds to fund critical repairs and capital improvements to the district's infrastructure as identified in the district's May 2006 Educational Facilities Master Plan. The bonds were issued in two installments; \$120,000,000 in February 2007 and \$176,800,000 in February 2009.

The 2010-11 fiscal year was the fifth year of work on these projects. \$272,387,781 has been spent on these projects from inception through June 30, 2011.

Additional information on the district's capital assets can be found in Note 4 of this report.

At June 30, 2011, the district had total bonded debt outstanding of \$374,280,000 backed by the full faith and credit of the district. Additionally, the district had long-term debt obligations for certificates of participation and compensated absences in the amount of \$3,145,000 and \$5,883,764 respectively, outstanding at the end of the current fiscal year. The certificates of participation are collateralized by specific buildings owned by the district.

**Boulder Valley School District RE-2
Long Term Debt**

	<u>June 30, 2011</u>	<u>June 30, 2010</u>
General Obligation Bonds	\$374,280,000	\$385,285,000
Certificates of Participation	3,145,000	3,710,000
Compensated Absences	5,883,764	5,404,014
	\$383,308,764	\$394,399,014

The district maintains a “AA” rating from Standard & Poor’s and Fitch Ratings and a “Aa3” rating from Moody’s Investors Services for its general obligation debt.

State statute limits the amount of general obligation debt a government may issue to 20% of its total assessed valuation. The Boulder Valley School District’s legal debt limit is \$973,092,819. At June 30, 2011, the district’s total outstanding general obligation bonds are under the legal debt limit by \$598,812,819.

Additional information on the district’s long-term obligations can be found in Note 7 of this report.

Economic Factors and Next Year’s Budget

Approximately 75 percent of the district’s General Operating Fund revenues are a result of state level decisions. The Colorado State Legislature approved the School Finance Act (SFA) that increased the statewide per pupil base funding by inflation, or 1.9 percent. However, for the second consecutive year, the Colorado State Legislature decreased the statewide total funding by applying a negative factor to reduce total program funding. For the district, this negative factor equates to \$27 million in lost state revenues, as calculated through the SFA.

The district’s projected state per pupil revenue (PPR) for 2011-12 is \$6,375 after accounting for a \$2 per pupil rescission to pay for finance staff at the Colorado Department of Education. Total program funding, defined by the SFA, is projected to be \$180 million, a decline of \$5.6 million from the district’s 2010-11 Revised Budget, or \$9.1 million from projected actual 2010-11 collections. Included in this figure is the impact of the timing of tax collections over two fiscal years, a reduction of around \$900,000 in 2010-11 from the state-determined per pupil revenues.

The funded pupil count is the real driver of school funding. The SFA identifies a per pupil funding amount, and the number of full-time students enrolled in a district determines the amount of total funding the district receives. The funded pupil count refers to the number of full-time students enrolled in a district. Not all students (kindergartners for example) attend school on a full-time basis; the funded pupil count is different from the total enrollment. The official pupil count occurs each October and results in the funded pupil count numbers.

When projecting student enrollment, the budget implications are substantial if expected growth is not realized. If a shortfall in actual enrollment occurs as compared to projections, this information is generally received after the close of the first quarter of the fiscal year and many staffing and programmatic changes cannot be made without significant impacts to students. For

this reason, the district generally undertakes a reasonable, yet conservative, projection methodology to reduce the risk of a funding shortfall compared to expected revenues.

Requests for Information

This financial report is designed to provide a general overview of the Boulder Valley School District RE-2's finances for all those with an interest in the district. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Leslie A. Stafford, CPA ,Chief Financial Officer
Boulder Valley School District RE-2
6500 East Arapahoe
P.O. Box 9011
Boulder, Colorado 80301

BASIC FINANCIAL STATEMENTS



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Boulder Valley School District RE-2

STATEMENT OF NET ASSETS

June 30, 2011

ASSETS	PRIMARY GOVERNMENT			COMPONENT
	GOVERNMENTAL	BUSINESS-TYPE	TOTAL	UNITS
	ACTIVITIES	ACTIVITIES		CHARTER SCHOOLS
Cash and Investments	\$ 87,261,842	\$ -	\$ 87,261,842	\$ 7,037,236
Restricted Cash and Investments	51,352,994	-	51,352,994	2,745,009
Accounts Receivable	1,028,443	-	1,028,443	21,809
Taxes Receivable	7,834,104	-	7,834,104	-
Grants Receivable	4,521,623	260,145	4,781,768	-
Internal Balances	278,317	(278,317)	-	-
Inventories	339,499	264,405	603,904	17,375
Prepaid Expenses	34,000	-	34,000	9,242
Debt Issuance Costs, Net of Accumulated Amortization	2,112,870	-	2,112,870	527,045
Capital Assets, Not Being Depreciated	68,262,490	-	68,262,490	3,262,896
Capital Assets, Net of Accumulated Depreciation	353,160,425	221,203	353,381,628	14,252,235
TOTAL ASSETS	576,186,607	467,436	576,654,043	27,872,847
LIABILITIES				
Accounts Payable	14,735,481	-	14,735,481	-
Accrued Liabilities	5,670,509	168,650	5,839,159	461,423
Accrued Summer Salaries	12,387,990	-	12,387,990	700,256
Accrued Salaries and Benefits	2,221,620	112,897	2,334,517	76,440
Unearned Revenues	356,596	-	356,596	64,405
Accrued Interest Payable	1,390,241	-	1,390,241	400,383
Claims Payable	3,100,848	-	3,100,848	-
Noncurrent Liabilities				
Due Within One Year	12,619,188	-	12,619,188	1,047,685
Due in More Than One Year	376,645,457	-	376,645,457	16,735,059
TOTAL LIABILITIES	429,127,930	281,547	429,409,477	19,485,651
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	80,504,664	221,203	80,725,867	259,432
Restricted for Debt Service	25,440,014	-	25,440,014	2,094,592
Restricted for Repairs and Replacements	-	-	-	250,034
Restricted for Multiple Year Obligations	120,000	-	120,000	-
Restricted for Colorado Preschool Program	55,863	-	55,863	-
Restricted for Emergencies	7,389,699	286,940	7,676,639	662,682
Restricted for Medicaid	777,768	-	777,768	-
Restricted for Flexible Spending	25,628	-	25,628	-
Unrestricted	32,745,041	(322,254)	32,422,787	5,120,456
TOTAL NET ASSETS	\$ 147,058,677	\$ 185,889	\$ 147,244,566	\$ 8,387,196

The accompanying notes are an integral part of the financial statements.

Boulder Valley School District RE-2

STATEMENT OF ACTIVITIES

Year Ended June 30, 2011

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
PRIMARY GOVERNMENT				
Governmental Activities				
Instruction	\$ 188,306,226	\$ 1,049,174	\$ 14,949,249	\$ -
Supporting Services	102,051,046	10,931,866	10,770,732	386,381
Interest Expense	16,456,075	-	-	-
Total Governmental Activities	306,813,347	11,981,040	25,719,981	386,381
Business-Type Activities				
Nutrition Services	5,735,910	2,545,086	2,486,869	-
Total Business-Type Activities	5,735,910	2,545,086	2,486,869	-
TOTAL PRIMARY GOVERNMENT	\$ 312,549,257	\$ 14,526,126	\$ 28,206,850	\$ 386,381
COMPONENT UNITS				
Charter Schools	22,145,137	1,257,248	1,598,110	-
TOTAL COMPONENT UNITS	\$ 22,145,137	\$ 1,257,248	\$ 1,598,110	\$ -

GENERAL REVENUES

Local Property Taxes
 Specific Ownership Taxes
 State Equalization
 Grants and Contributions Not Restricted to Specific Programs
 State Capital Construction Funding
 Investment Earnings
 Other

TRANSFERS

TOTAL GENERAL REVENUES AND TRANSFERS

CHANGE IN NET ASSETS

NET ASSETS, Beginning

NET ASSETS, Ending

The accompanying notes are an integral part of the financial statements.

NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS

PRIMARY GOVERNMENT			COMPONENT UNITS
GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	CHARTER SCHOOLS
\$ (172,307,803)	\$ -	\$ (172,307,803)	\$ -
(79,962,067)	-	(79,962,067)	-
(16,456,075)	-	(16,456,075)	-
<u>(268,725,945)</u>		<u>(268,725,945)</u>	<u>-</u>
-	(703,955)	(703,955)	-
-	(703,955)	(703,955)	-
<u>(268,725,945)</u>	<u>(703,955)</u>	<u>(269,429,900)</u>	<u>-</u>
			<u>(19,289,779)</u>
			<u>(19,289,779)</u>
212,383,487	-	212,383,487	-
9,404,630	-	9,404,630	-
53,462,090	-	53,462,090	-
7,628,224	-	7,628,224	1,092,966
-	-	-	179,540
444,720	-	444,720	107,774
1,266,488	-	1,266,488	19,898,525
(1,254,000)	1,254,000	-	-
<u>283,335,639</u>	<u>1,254,000</u>	<u>284,589,639</u>	<u>21,278,805</u>
14,609,694	550,045	15,159,739	1,989,026
<u>132,448,983</u>	<u>(364,156)</u>	<u>132,084,827</u>	<u>6,398,170</u>
<u>\$ 147,058,677</u>	<u>\$ 185,889</u>	<u>\$ 147,244,566</u>	<u>\$ 8,387,196</u>

Boulder Valley School District RE-2

BALANCE SHEET GOVERNMENTAL FUNDS June 30, 2011

	GENERAL	GRANTS	BOND REDEMPTION	BUILDING
ASSETS				
Cash and Investments	\$ 44,028,664	\$ -	\$ 23,772,154	\$ -
Restricted Cash and Investments	752,573	-	-	50,600,421
Accounts Receivable	641,217	-	1,590	163,341
Taxes Receivable	6,651,559	-	939,325	-
Grants Receivable	445,027	4,076,596	-	-
Due from Other Funds	3,166,180	-	-	-
Inventories	339,499	-	-	-
Prepaid Items	34,000	-	-	-
TOTAL ASSETS	<u>\$ 56,058,719</u>	<u>\$ 4,076,596</u>	<u>\$ 24,713,069</u>	<u>\$ 50,763,762</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 4,152,484	\$ 5,092	\$ -	\$ 10,409,786
Accrued Liabilities	5,670,509	-	-	-
Accrued Summer Salaries	11,616,589	771,401	-	-
Accrued Salaries and Benefits	1,346,086	302,566	-	4,216
Due to Other Funds	-	2,887,863	-	-
Deferred Revenues	246,922	109,674	-	-
Deferred Property Taxes	2,400,807	-	387,437	-
TOTAL LIABILITIES	<u>25,433,397</u>	<u>4,076,596</u>	<u>387,437</u>	<u>10,414,002</u>
FUND BALANCES				
Nonspendable	373,499	-	-	-
Restricted	8,446,994	-	24,325,632	-
Committed	3,579,393	-	-	-
Assigned	10,785,148	-	-	40,349,760
Unassigned	7,440,288	-	-	-
TOTAL FUND BALANCES	<u>30,625,322</u>	<u>-</u>	<u>24,325,632</u>	<u>40,349,760</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 56,058,719</u>	<u>\$ 4,076,596</u>	<u>\$ 24,713,069</u>	<u>\$ 50,763,762</u>

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not current financial resources and therefore, are not reported in the funds.

Other long-term assets are not available to pay for current year expenditures and therefore, are deferred in the funds.

An internal service fund is used by management to charge the costs of employee health and dental insurance to individual funds.

The assets and liabilities of the internal service fund is included in governmental activities in the statement of net assets.

Long-term liabilities, including bonds payable (\$374,280,000), bond premium (\$7,908,339), certificates of participation (\$3,145,000), compensated absences (\$5,883,764), debt issuance costs \$2,112,870, loss on refunding \$1,952,458 and accrued interest payable (\$1,390,241) are not due and payable in the current year and therefore, are not reported in the funds.

Net Assets of Governmental Activities

The accompanying notes are an integral part of the financial statements.

**OTHER
GOVERNMENTAL
FUNDS**

TOTAL

\$ 7,414,258	\$ 75,215,076
-	51,352,994
156,676	962,824
243,220	7,834,104
-	4,521,623
-	3,166,180
-	339,499
-	34,000
<u>\$ 7,814,154</u>	<u>\$ 143,426,300</u>

\$ 168,119	\$ 14,735,481
-	5,670,509
-	12,387,990
568,752	2,221,620
-	2,887,863
-	356,596
100,067	2,888,311
<u>836,938</u>	<u>41,148,370</u>

-	373,499
648,909	33,421,535
-	3,579,393
6,428,847	57,563,755
(100,540)	7,339,748

<u>6,977,216</u>	102,277,930
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\$ 7,814,154

421,422,915

2,888,311

9,011,537

(388,542,016)

\$ 147,058,677

Boulder Valley School District RE-2
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2011

	<u>GENERAL</u>	<u>GRANTS</u>	<u>BOND REDEMPTION</u>	<u>BUILDING</u>
REVENUES				
Local Sources	\$ 199,194,188	\$ 643,019	\$ 28,233,751	\$ 730,150
State Sources	60,506,206	830,508	-	-
Federal Sources	2,116,382	21,405,952	-	-
TOTAL REVENUES	<u>261,816,776</u>	<u>22,879,479</u>	<u>28,233,751</u>	<u>730,150</u>
EXPENDITURES				
Current				
Instruction	163,934,660	13,243,793	-	-
Supporting Services	70,890,911	8,210,949	-	-
Capital Outlay	-	2,560	-	54,891,218
Debt Service				
Principal	565,000	-	11,005,000	-
Interest and Fiscal Charges	140,708	-	16,935,192	-
TOTAL EXPENDITURES	<u>235,531,279</u>	<u>21,457,302</u>	<u>27,940,192</u>	<u>54,891,218</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>26,285,497</u>	<u>1,422,177</u>	<u>293,559</u>	<u>(54,161,068)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	(15,305,538)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(15,305,538)</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	10,979,959	1,422,177	293,559	(54,161,068)
FUND BALANCES, Beginning	<u>19,645,363</u>	<u>(1,422,177)</u>	<u>24,032,073</u>	<u>94,510,828</u>
FUND BALANCES, Ending	<u>\$ 30,625,322</u>	<u>\$ -</u>	<u>\$ 24,325,632</u>	<u>\$ 40,349,760</u>

The accompanying notes are an integral part of the financial statements.

OTHER GOVERNMENTAL FUNDS	TOTAL
\$ 7,862,322	\$ 236,663,430
2,730,405	64,067,119
-	23,522,334
10,592,727	324,252,883
1,189,231	178,367,684
11,081,204	90,183,064
11,340,970	66,234,748
-	11,570,000
-	17,075,900
23,611,405	363,431,396
(13,018,678)	(39,178,513)
12,051,538	12,051,538
-	(15,305,538)
12,051,538	(3,254,000)
(967,140)	(42,432,513)
7,944,356	144,710,443
\$ 6,977,216	\$ 102,277,930

Boulder Valley School District RE-2
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2011

Amounts reported for governmental activities in the statement of activities are different because:

Net Change in Fund Balances	\$ (42,432,513)
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net assets and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount by which capital outlay \$55,466,440 exceeded depreciation expense (\$12,639,010) and loss on disposal (\$13,550) in the current year.	42,813,880
Revenues that do not provide current financial resources are deferred in the governmental fund financial statements but are recognized in the government-wide financial statements.	(1,575,842)
Repayments of debt principal \$11,570,000 and changes in compensated absences (\$479,750) are expenditures in the governmental funds, but they reduce long-term liabilities in the statement of net assets and do not affect the statement of activities.	11,090,250
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets and does not affect the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt related items: amortization of loss on refunding (\$341,091), amortization of debt issuance costs (\$159,110), amortization of bond premium \$919,291, and change in accrued interest payable \$41,625.	460,715
An internal service fund is used by management to charge the costs of employee health and dental insurance to individual funds. The net revenue of the internal service fund is included in governmental activities in the statement of activities.	<u>4,253,204</u>
Change in Net Assets of Governmental Activities	<u><u>\$ 14,609,694</u></u>

The accompanying notes are an integral part of the financial statements.

Boulder Valley School District RE-2

BALANCE SHEET PROPRIETARY FUNDS June 30, 2011

	<u>BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND</u>	<u>GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS</u>
ASSETS		
Current Assets		
Cash and Investments	\$ -	\$ 12,046,766
Accounts Receivable	-	65,619
Grants Receivable	260,145	-
Inventories	264,405	-
	<hr/>	<hr/>
Total Current Assets	524,550	12,112,385
Noncurrent Assets		
Equipment	1,342,325	-
Accumulated Depreciation	(1,121,122)	-
	<hr/>	<hr/>
Total Noncurrent Assets	221,203	-
	<hr/>	<hr/>
TOTAL ASSETS	745,753	12,112,385
LIABILITIES		
Current Liabilities		
Claims Payable	-	3,100,848
Accrued Liabilities	168,650	-
Accrued Salaries and Benefits	112,897	-
Due to Other Funds	278,317	-
	<hr/>	<hr/>
TOTAL LIABILITIES	559,864	3,100,848
NET ASSETS		
Invested in Capital Assets	221,203	-
Restricted for Emergencies	286,940	-
Unrestricted	(322,254)	9,011,537
	<hr/>	<hr/>
TOTAL NET ASSETS	<u>\$ 185,889</u>	<u>\$ 9,011,537</u>

The accompanying notes are an integral part of the financial statements.

Boulder Valley School District RE-2
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
Year Ended June 30, 2011

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
OPERATING REVENUES		
Regular School Lunch	\$ 2,044,202	\$ -
Sandwich Line	342,430	-
Premiums and Services	-	25,102,145
Other	158,454	354,831
	<u>2,545,086</u>	<u>25,456,976</u>
OPERATING EXPENSES		
Salaries	2,605,488	135,385
Benefits	894,857	33,006
Purchased Food and Commodities	1,632,901	-
Nonfood Supplies	355,440	-
Purchased Services	97,966	22,053,128
Depreciation	58,530	-
Other	90,728	982,253
	<u>5,735,910</u>	<u>23,203,772</u>
TOTAL OPERATING EXPENSES		
	<u>(3,190,824)</u>	<u>2,253,204</u>
OPERATING INCOME (LOSS)		
	<u>(3,190,824)</u>	<u>2,253,204</u>
NONOPERATING REVENUES		
USDA Donated Commodities	318,414	-
Federal Reimbursements	2,104,578	-
State Sources	63,877	-
	<u>2,486,869</u>	<u>-</u>
TOTAL NONOPERATING REVENUES		
	<u>2,486,869</u>	<u>-</u>
NET INCOME (LOSS) BEFORE TRANSFERS		
	<u>(703,955)</u>	<u>2,253,204</u>
TRANSFERS		
Transfers In	1,254,000	2,000,000
	<u>1,254,000</u>	<u>2,000,000</u>
CHANGE IN NET ASSETS		
	<u>550,045</u>	<u>4,253,204</u>
NET ASSETS, Beginning		
	<u>(364,156)</u>	<u>4,758,333</u>
NET ASSETS, Ending		
	<u>\$ 185,889</u>	<u>\$ 9,011,537</u>

The accompanying notes are an integral part of the financial statements.

Boulder Valley School District RE-2

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS

Increase (Decrease) in Cash and Cash Equivalents
Year Ended June 30, 2011

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
Cash Flows From Operating Activities		
Premiums and Services	\$ -	\$ 25,456,976
Cash Received from Operations	2,545,086	-
Cash Payments for Premiums and Claims	-	(23,605,967)
Cash Paid to Employees	(3,533,781)	(168,391)
Cash Paid to Suppliers	(1,880,566)	-
	(2,869,261)	1,682,618
Net Cash Provided (Used) by Operating Activities		
Cash Flows From Noncapital Financing Activities		
Cash Received from Federal Reimbursements	2,389,116	-
Cash Received from State Matching Funds	67,868	-
Transfers from Other Funds	1,254,000	2,000,000
Repayment of Loans from Other Funds	(787,774)	-
	2,923,210	2,000,000
Net Cash Provided by Noncapital Financing Activities		
Cash Flows From Capital and Related Financing Activities		
Purchases of Equipment	(53,949)	-
	-	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
	-	3,682,618
CASH AND CASH EQUIVALENTS, Beginning		
	-	8,364,148
CASH AND CASH EQUIVALENTS, Ending		
	\$ -	\$ 12,046,766
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income (Loss)	\$ (3,190,824)	\$ 2,253,204
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities		
Depreciation	58,530	-
Loss on Disposal of Capital Assets	22,170	-
Donated Commodities	318,414	-
Changes in Assets and Liabilities Related to Operations		
Accounts Receivable	-	(65,619)
Inventories	(74,032)	-
Claims Payable	-	(504,967)
Accrued Liabilities	29,917	-
Accrued Salaries and Benefits	(33,436)	-
	(2,869,261)	1,682,618
Net Cash Provided (Used) by Operating Activities		
NON-CASH TRANSACTIONS		
Commodities Received	\$ 318,414	\$ -

The accompanying notes are an integral part of the financial statements.

Boulder Valley School District RE-2

STATEMENT OF FIDUCIARY NET ASSETS

June 30, 2011

	<u>PRIVATE PURPOSE TRUST FUNDS</u>	<u>AGENCY FUND</u>
ASSETS		
Cash and Investments	\$ 273,205	\$ 3,139,244
TOTAL ASSETS	<u>273,205</u>	<u>3,139,244</u>
LIABILITIES		
Due to Student and School Groups	<u>-</u>	<u>3,139,244</u>
TOTAL LIABILITIES	<u>-</u>	<u>3,139,244</u>
NET ASSETS		
Restricted for Scholarships	<u>273,205</u>	<u>-</u>
TOTAL NET ASSETS	<u>\$ 273,205</u>	<u>\$ -</u>

The accompanying notes are an integral part of the financial statements.

Boulder Valley School District RE-2
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
Year Ended June 30, 2011

	<u>PRIVATE PURPOSE TRUST FUNDS</u>
ADDITIONS	
Contributions	<u>\$ 21,191</u>
TOTAL ADDITIONS	<u>21,191</u>
DEDUCTIONS	
Scholarships and Awards	<u>9,000</u>
CHANGE IN NET ASSETS	12,191
NET ASSETS, Beginning	<u>261,014</u>
NET ASSETS, Ending	<u><u>\$ 273,205</u></u>

The accompanying notes are an integral part of the financial statements.



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Boulder Valley School District RE-2
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Boulder Valley School District RE-2 (the "district") conform to generally accepted accounting principles as applicable to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following is a summary of the more significant policies.

Reporting Entity

The financial reporting entity consists of the district and organizations for which the district is financially accountable. All funds, organizations, institutions, agencies, departments and offices that are not legally separate are part of the district. In addition, any legally separate organizations for which the district is financially accountable are considered part of the reporting entity. Financial accountability exists if the district appoints a voting majority of the organization's governing board and is able to impose its will on the organization, or if the organization provides benefits to, or imposes financial burdens on, the district.

Based upon the application of this criteria, the district includes five charter schools within its reporting entity. The charter schools are public schools authorized by State statutes to provide alternatives for parents, pupils and teachers. The charter schools are fiscally dependent on the district and their exclusion would render the district's financial statements incomplete. Since the charter schools have separately elected boards, the balances and transactions of the charter schools are discretely presented in the financial statements. Separate financial statements for the Peak to Peak Charter School may be obtained by contacting the School at 800 Merlin Drive, Lafayette, Colorado 80026. Separate financial statements for the remaining charter schools are not available.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all nonfiduciary activities of the district and its component units. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges for interfund services that are reasonably equivalent to the services provided. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the district is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of the given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to students or other customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

Boulder Valley School District RE-2
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (Continued)

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the district's government-wide financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary and trust fund financial statements. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Agency funds utilize the accrual basis of accounting.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the district considers revenues to be available if they are collected within 60 days of the end of the current year and within 90 days of the end of the current year for grants.

Taxes, intergovernmental revenues, grants, and interest associated with the current year are considered to be susceptible to accrual and so have been recognized as revenues of the current year. All other revenues are considered to be measurable and available only when cash is received by the district.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the fund's principal ongoing operations. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Boulder Valley School District RE-2
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

When both restricted and unrestricted resources are available for use, it is the district's practice to use restricted resources first, then unrestricted resources as they are needed.

In the fund financial statements, the district reports the following major governmental funds:

The *General Fund* is the district's primary operating fund. It accounts for all financial resources of the district, except those required to be accounted for in another fund.

The *Grants Fund* is provided to maintain a separate accounting for fully funded Federal, State and local grant programs.

The *Bond Redemption Fund* accounts for property taxes restricted for the payment of long-term debt obligations of the district.

The *Building Fund* reports bond proceeds and other revenues to be used for major building repairs and renovations.

Additionally, the district reports the following fund types:

The *Nutrition Services Enterprise Fund* accounts for the financial activities associated with the district's breakfast and lunch program.

The *Internal Service Funds* account for the district's employee health and dental insurance programs, which are partially self-insured by the district.

The *Private-Purpose Trust Funds* account for the activities of various scholarship accounts. The district holds all resources in a purely custodial capacity.

The *Agency Fund* is used to account for resources used to support each school's student and fundraising activities. The district holds all resources in a purely custodial capacity.

Assets, Liabilities and Fund Equity

Cash and Investments - The district utilizes the pooled cash concept whereby cash balances of each of the district's funds and component units are pooled and invested by the district. It is the intention of the investment pool to maximize interest income, and securities are selected according to their risk, marketability, and diversification. Investments are reported at fair value.

For purposes of the statement of cash flows, the district considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Investments in pooled cash are considered to be cash equivalents.

Accounts Receivable - All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Property taxes levied in the current year but not received at year end are identified as property taxes receivable and are presented net of an allowance for uncollectible taxes of 1% of the total levy.

Boulder Valley School District RE-2
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Fund Equity (Continued)

Interfund Receivables and Payables - During the course of operations, numerous transactions occur between individual funds. The resulting receivables and payables are classified on the balance sheet as *due from other funds* and *due to other funds* because they are short-term in nature. Any residual balances outstanding between governmental and business-type activities are reported in the government-wide financial statements as internal balances.

Inventories - Materials and supplies inventories are stated at average cost. Nutrition Services Fund inventories consist of purchased and donated commodities. Purchased inventories are stated at average cost. Donated inventories, received at no cost under a program supported by the federal government, are valued based upon the cost furnished by the federal government.

Inventory is recorded as an asset when individual items are purchased. When they are consumed, they are recorded as expenses in the government-wide financial statements and proprietary fund financial statements or as expenditures in the governmental fund financial statements.

Prepaid Expenses - Payments made to vendors for services that will benefit subsequent years are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets - Capital assets, which include property and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and the proprietary funds in the fund financial statements. Capital assets are defined by the district as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materiality extend assets lives are not capitalized.

Property and equipment of the district and its component units is depreciated using the straight line method over the following estimated useful lives.

Land Improvements	25 years
Buildings	50 years
Equipment and Vehicles	5 to 20 years

Deferred Revenues - Unearned/deferred revenues include grant funds that have been collected but the corresponding expenditures have not been incurred. Property taxes and grants earned but not available are reported as deferred revenue in the governmental fund financial statements.

Boulder Valley School District RE-2
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Fund Equity (Continued)

Compensated Absences - District policy allows unlimited accumulation of sick time and accumulation of vacation time to a maximum of 40 days for certain personnel classifications. Accrued sick leave is paid to those eligible employees upon termination of employment at varying rates based upon longevity and classification. Accrued vacation is paid to those eligible employees upon termination of employment.

These compensated absences are recognized as current salary costs when earned in the proprietary funds and when due in the governmental funds. A long-term liability has been recorded in the government-wide financial statements for the accrued compensated absences.

Long-Term Debt - In the government-wide financial statements, and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net assets. Debt premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the debt using the straight-line method.

In the fund financial statements, governmental funds recognize the face amount of debt issued as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as current expenditures.

Fund Equity - At the governmental fund financial reporting level, fund equity is classified as *fund balance*. For all other reporting, it is classified as *net assets*.

Net Assets - In the government-wide financial statements and the proprietary funds in the fund financial statements, net assets are restricted when constraints placed on the net assets are externally imposed.

Fund Balance - In general, fund balance represents the difference between current assets and current liabilities. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the district is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

- *Nonspendable fund balance* - Amounts that are not in a spendable form (such as inventory) or are required to be maintained intact (such as the corpus of an endowment fund).
- *Restricted fund balance* - Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- *Committed fund balance* - Amounts constrained to specific purposes through formal action by the board of education to be reported as committed. Amounts cannot be used for any other purpose unless the board takes the same action to modify or rescind the commitment.

Boulder Valley School District RE-2
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Fund Equity (Continued)

- Assigned fund balance - Amounts constrained by the district for specific purposes, but are neither restricted nor committed. Through resolution, the board of education has authorized the district's superintendent to assign fund balances.

- Unassigned fund balance - The residual amount reported when the balances do not meet any of the above criterion. The district reports positive unassigned fund balance only in the general fund. Negative unassigned balances may be reported in all funds.

Fund Balance Policy - The district's policy is to have a sufficient balance in the Combined General Fund with sufficient working capital and a margin of safety to address local and regional emergencies without borrowing. The district shall strive to maintain a yearly fund balance in the General Operating Fund in which the total fund balance is 3% of the total operating expenditures in addition to any amounts required by statute.

Flow Assumptions - In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows: restricted fund balance, followed by committed fund balance, assigned fund balance, and lastly, unassigned fund balance.

Revenues

Property Taxes - Property taxes for a calendar year are certified in arrears on December 10 and attached as a lien on the property the previous January 1. For example, property taxes owed in 2011 are certified to the county in December 2010 and are available for collection on the levy date, January 1. Property taxes are payable in full by April 30 or in two equal installments due February 28 and June 15. Property tax receipts collected by the county are generally remitted to the district in the subsequent month.

State Revenues - The district receives unrestricted state equalization revenues and the charter schools receive capital construction funding as required by state statutes.

Interest Income - Interest income earned on pooled cash is recorded as revenue in the General Fund. Interest income from the Bond Redemption Fund and certain Trust and Agency Fund accounts is recorded when earned in the related fund.

Boulder Valley School District RE-2
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 2: CASH AND INVESTMENTS

At June 30, 2011, the district had the following cash and investments:

Cash on Hand	\$ 29,209
Deposits	105,283,445
Investments	<u>39,749,699</u>
Total	<u>\$ 145,062,353</u>

Cash and investments are reported in the financial statements as follows:

Primary Government Cash and Investments	\$ 87,261,842
Primary Government Restricted Cash and Investments	51,352,994
Fiduciary Funds Cash and Investments	3,412,449
Charter School Cash Held by District	<u>3,035,068</u>
Total	<u>\$ 145,062,353</u>

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires all local government entities to deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all uninsured public deposits as a group. The fair value of the collateral must be at least equal to 102% of the uninsured deposits. At June 30, 2011, the district had bank deposits of \$100,827,529 collateralized with the securities held by the financial institutions' agents but not in the district's name.

Investments

The district is required to comply with state statutes and district policy which specify investment instruments meeting defined rating, maturity, and concentration risk criteria in which local governments may invest, which include the following. State statutes do not address custodial risk.

- Obligations of the United States and certain U.S. Agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptance of certain banks
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

Boulder Valley School District RE-2
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 2: CASH AND INVESTMENTS (Continued)

Investments (Continued)

The district had the following investments at June 30, 2011:

Investment Type	S&P Rating	Investment Maturities (in Years)		
		Less Than 1	1 - 5	Fair Value
U.S. Agency Securities	AAA	\$ 14,875,208	\$ 703,312	\$ 15,578,520
Wells Fargo Money Market Funds	AAAm	23,633	-	23,633
Local Government Investment Pool	AAAm	24,147,546	-	24,147,546
Total		\$ 39,046,387	\$ 703,312	\$ 39,749,699

Interest Rate Risk - Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. To manage exposure to this risk, the District's investment policy limits investment maturities to five years or less. Colorado revised statute 24-75-601 also limits most investment maturities to five years or less.

Credit Risk - State statutes limit investments in U.S. Agency securities to the highest rating issued by two or more nationally recognized statistical rating organizations ("NRSROs"). State statutes also limit investments in money market funds to those that maintain a constant share price, with a maximum maturity in accordance with Rule 2a-7, and have either assets of \$1 billion or the highest rating issued by a NRSRO.

Concentration of Credit Risk - State statutes generally do not limit the amount the district may invest in one issuer. The district's investment in the following securities is in excess of 5% of its total portfolio: Federal Farm Credit Bank, 11.92%, Federal Home Loan Mortgage Corporation, 12.63%, and Federal Home Loan Bank 12.88%.

Local Government Investment Pool - At June 30, 2011, the district had \$24,147,546 invested in the Colorado Local Government Liquid Asset Trust (Colotrust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces the requirements of creating and operating Colotrust. The pool operates in conformity with the Securities and Exchange Commission's Rule 2a-7 as promulgated under the Investment Company Act of 1940, as amended. Colotrust is rated AAAM by Standard and Poor's. Investments of Colotrust are limited to those allowed by state statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

Boulder Valley School District RE-2
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 2: CASH AND INVESTMENTS (Continued)

Restricted Cash and Investments

Cash and investments of \$726,945 and \$25,628, representing required reserves for the Certificates of Participation and employee flexible spending benefits, respectively, have been restricted in the General Fund. In addition, \$50,600,421, representing unspent bond proceeds, have been restricted in the Building Fund.

NOTE 3: INTERFUND BALANCES AND TRANSFERS

<u>Due from Other Funds</u>	<u>Due to Other Funds</u>	<u>Balance</u>
General Fund	Grants Fund	\$ 2,887,863
General Fund	Nutrition Services Fund	<u>278,317</u>
Total		<u>\$ 3,166,180</u>

The General Fund has temporarily covered the negative cash balance in the Grants Fund and Nutrition Services Fund.

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Balance</u>
Capital Reserve Fund	General Fund	\$ 10,888,535
Transportation Fund	General Fund	1,163,003
Nutrition Services Fund	General Fund	1,254,000
Internal Services Funds	General Fund	<u>2,000,000</u>
Total		<u>\$ 15,305,538</u>

The General Fund transfers a portion of its funding to the Capital Reserve Fund to be used for capital purposes. The General Fund subsidizes the student transportation program reported in the Transportation Fund. The General Fund transferred cash to the Nutrition Services Fund due to the additional expenditures incurred during the restructuring of the nutrition services program. The General Fund transferred cash to the Internal Service Funds to offset future employee medical and dental premiums.

Boulder Valley School District RE-2
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 4: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2011, is summarized below.

	Balances 6/30/10	Additions	Deletions	Balances 6/30/11
Governmental Activities				
Capital Assets, Not Being Depreciated				
Land	\$ 2,776,133	\$ -	\$ -	\$ 2,776,133
Construction in Progress	103,625,339	54,175,975	(92,314,957)	65,486,357
Total Capital Assets, Not Being Depreciated	<u>106,401,472</u>	<u>54,175,975</u>	<u>(92,314,957)</u>	<u>68,262,490</u>
Capital Assets, Being Depreciated				
Land Improvements	11,316,974	624,662	-	11,941,636
Buildings	370,122,112	85,581,205	(53,933)	455,649,384
Equipment	3,427,974	6,441,139	-	9,869,113
Vehicles	18,289,294	958,416	-	19,247,710
Total Capital Assets, Being Depreciated	<u>403,156,354</u>	<u>93,605,422</u>	<u>(53,933)</u>	<u>496,707,843</u>
Less Accumulated Depreciation For				
Land Improvements	2,163,034	579,624	-	2,742,658
Buildings	112,224,647	9,664,881	(40,383)	121,849,145
Equipment	2,309,527	1,275,598	-	3,585,125
Vehicles	14,251,583	1,118,907	-	15,370,490
Total Accumulated Depreciation	<u>130,948,791</u>	<u>12,639,010</u>	<u>(40,383)</u>	<u>143,547,418</u>
Total Capital Assets, Being Depreciated, Net	<u>272,207,563</u>	<u>80,966,412</u>	<u>(13,550)</u>	<u>353,160,425</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 378,609,035</u></u>	<u><u>\$ 135,142,387</u></u>	<u><u>\$ (92,328,507)</u></u>	<u><u>\$ 421,422,915</u></u>
Business-Type Activities				
Capital Assets, Being Depreciated				
Equipment	\$ 1,313,957	\$ 53,949	\$ (25,581)	\$ 1,342,325
Less Accumulated Depreciation For				
Equipment	<u>1,066,003</u>	<u>58,530</u>	<u>(3,411)</u>	<u>1,121,122</u>
Business-Type Activities Capital Assets, Net	<u><u>\$ 247,954</u></u>	<u><u>\$ (4,581)</u></u>	<u><u>\$ (22,170)</u></u>	<u><u>\$ 221,203</u></u>
Charter Schools				
Capital Assets, Not Being Depreciated				
Land	\$ 2,260,260	\$ -	\$ -	\$ 2,260,260
Construction in Progress	201,300	801,336	-	1,002,636
Total Capital Assets, Not Being Depreciated	<u>2,461,560</u>	<u>801,336</u>	<u>-</u>	<u>3,262,896</u>
Capital Assets, Being Depreciated				
Land Improvements	942,055	58,113	-	1,000,168
Buildings	17,680,656	23,217	-	17,703,873
Equipment	19,260	-	-	19,260
Total Capital Assets, Being Depreciated	<u>18,641,971</u>	<u>81,330</u>	<u>-</u>	<u>18,723,301</u>
Less Accumulated Depreciation For				
Land Improvements	636,709	97,825	-	734,534
Buildings	3,401,273	329,481	-	3,730,754
Equipment	3,852	1,926	-	5,778
Total Accumulated Depreciation	<u>4,041,834</u>	<u>429,232</u>	<u>-</u>	<u>4,471,066</u>
Total Capital Assets, Being Depreciated, Net	<u>14,600,137</u>	<u>(347,902)</u>	<u>-</u>	<u>14,252,235</u>
Charter School Capital Assets, Net	<u><u>\$ 17,061,697</u></u>	<u><u>\$ 453,434</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 17,515,131</u></u>

Boulder Valley School District RE-2
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 4: CAPITAL ASSETS (Continued)

Depreciation expense was charged to programs of the district as follows:

Governmental Activities	
Instruction	\$ 10,962,800
Supporting Services	1,676,210
Total	\$ 12,639,010
Business-Type Activities	
Nutrition Services	\$ 58,530

NOTE 5: ACCRUED SUMMER SALARIES

Salaries and benefits of certain contractually employed personnel are paid over a twelve month period from August to July, but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, at June 30, 2011, were \$12,387,990 and \$700,256 for the district and charter schools, respectively. This accrued compensation is reflected as a liability in the accompanying financial statements.

NOTE 6: SHORT-TERM DEBT

During the year ended June 30, 2011, the district borrowed \$66,197,643 from the state-sponsored interest-free loan program to provide cash flow throughout the fiscal year. The loan was paid in full by June 30, 2011, from property taxes received primarily from February through June. The schedule of changes is summarized below.

	Balances 6/30/10	Additions	Payments	Balances 6/30/11
State-sponsored interest-free loan	\$ -	\$ 66,197,643	\$ 66,197,643	\$ -
Total	\$ -	\$ 66,197,643	\$ 66,197,643	\$ -

NOTE 7: LONG-TERM DEBT

Following is a summary of long-term debt transactions of the district for the year ended June 30, 2011.

	Balances 6/30/10	Additions	Payments	Balances 6/30/11	Due Within One Year
Governmental Activities					
General Obligation Bonds	\$ 385,285,000	\$ -	\$ 11,005,000	\$ 374,280,000	\$ 11,745,000
Bond Premium	8,827,630	-	919,291	7,908,339	-
Certificates of Participation	3,710,000	-	565,000	3,145,000	580,000
Loss on Refunding	(2,293,549)	-	(341,091)	(1,952,458)	-
Compensated Absences	5,404,014	4,689,281	4,209,531	5,883,764	294,188
Total	\$ 400,933,095	\$ 4,689,281	\$ 16,357,731	\$ 389,264,645	\$ 12,619,188

Compensated absences are expected to be liquidated with resources of the General Fund.

Boulder Valley School District RE-2
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 7: LONG-TERM DEBT (Continued)

General Obligation Bonds

General obligation bonds payable at June 30, 2011, are comprised of the following issues:

<p>\$52,645,000 General Obligation Bonds, Series 2009B. Issued to refund the general obligation bonds, Series 1999. Principal payments due on December 1 and interest payments due on December 1 and June 1, through 2018. Interest accrues at rates ranging from 2.00% to 4.00%.</p>	<p>\$ 52,645,000</p>
<p>\$176,565,000 General Obligation Bonds, Series 2009. Issued to implement a district-wide capital construction and improvement program. Principal payments due on December 1 and interest payments due on December 1 and June 1, through 2034. Interest accrues at rates ranging from 4.00% to 5.00%.</p>	<p>\$ 176,565,000</p>
<p>\$33,430,000 General Obligation Bonds, Series 2007B. Issued to refund certain general obligation bonds. Principal payments due on December 1 and interest payments due on December 1 and June 1, through 2014. Interest accrues at rates ranging from 4.00% to 5.00%.</p>	<p>\$ 33,430,000</p>
<p>\$111,640,000 General Obligation Bonds, Series 2007. Issued to implement a district-wide capital construction and improvement program. Principal payments due on December 1 and interest payments due on December 1 and June 1, through 2032. Interest accrues at rates ranging from 3.50% to 4.50%.</p>	<p><u>\$ 111,640,000</u></p>
<p>Total</p>	<p><u><u>\$ 374,280,000</u></u></p>

Bond payments, to maturity, are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	11,745,000	16,419,193	28,164,193
2013	12,250,000	15,879,742	28,129,742
2014	12,790,000	15,310,380	28,100,380
2015	13,370,000	14,706,524	28,076,524
2016	13,835,000	14,199,118	28,034,118
2017 - 2021	68,360,000	63,621,122	131,981,122
2022 - 2026	69,720,000	48,722,275	118,442,275
2027 - 2031	86,875,000	30,547,644	117,422,644
2032 - 2035	85,335,000	8,637,356	93,972,356
Total	<u><u>\$ 374,280,000</u></u>	<u><u>\$ 228,043,354</u></u>	<u><u>\$ 602,323,354</u></u>

On June 30, 2011, \$2.445 million of the 1997 General Obligation Bonds were outstanding and considered defeased.

Boulder Valley School District RE-2
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 7: LONG-TERM DEBT (Continued)

Certificates of Participation

On November 1, 2003, the district issued \$7,275,000 Certificates of Participation, Series 2003. Principal payments are due annually on June 1 and interest payments are due on June 1 and December 1, through 2016. Interest accrues at rates ranging from 2.5% to 4%. Proceeds of the Certificates were used to currently refund the district's outstanding Certificates of Participation and to finance the installation of artificial turf on the athletic fields at various district facilities. Future debt service requirements of the Certificate of Participation are as follows.

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	580,000	118,563	698,563
2013	605,000	98,263	703,263
2014	625,000	76,331	701,331
2015	655,000	52,581	707,581
2016	680,000	27,200	707,200
Total	<u><u>\$ 3,145,000</u></u>	<u><u>\$ 372,938</u></u>	<u><u>\$ 3,517,938</u></u>

Component Units

The Peak to Peak Charter School has entered into a capital lease agreement with Prairie View, Inc., a component unit, to construct facilities. The Colorado Educational and Cultural Facilities Authority ("CECFA") has issued Charter School Revenue and Refunding Bonds on behalf of Prairie View, Inc. The School makes monthly payments to Prairie View, Inc., and Prairie View, Inc., makes similar payments to CECFA.

In August 2006, Justice High School entered into a loan agreement to purchase facilities. The note requires a payment of \$20,000 each July 15 and subsequent monthly payments of \$4,000 including interest at 6.5%. The balance of the note is due and payable on September 1, 2011. On September 16, 2011, this property was sold and the loan was paid in full.

In September 2007, Boulder Prep High School entered into a loan agreement to purchase facilities. The loan requires monthly principal and interest payments of \$1,803 with interest at 7.125%. The final payment on the note is due in February 2032.

In June 2009, Summit Middle School entered into a loan agreement to finance facility improvements. The note requires 22 monthly interest payments with interest computed at a variable rate based upon the Wall Street Journal Prime Rate plus 1%, currently 5%. The note requires annual principal payments of \$70,000 due December 30, 2010, December 30, 2011, December 30, 2012, December 30, 2013 and a final payment of \$70,400 due on December 30, 2014. On June 1, 2011, the loan was paid in full.

Boulder Valley School District RE-2
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 7: LONG-TERM DEBT (Continued)

Component Units (Continued)

Changes in long-term debt of the Charter Schools for the year ended June 30, 2011, were as follows:

	Balances 6/30/10	Additions	Payments	Balances 6/30/11	Due Within One Year
Peak to Peak					
Capital Lease	\$ 21,230,000	\$ -	\$ 455,000	\$ 20,775,000	\$ 470,000
Premium	422,812	-	17,740	405,072	
Loss on Refunding	(4,388,477)	-	(184,132)	(4,204,345)	
Justice High					
Loan Payable	602,893	-	30,304	572,589	572,589
Boulder Prep					
Loan Payable	239,174	-	4,746	234,428	5,096
Summit					
Loan Payable	350,400	-	350,400	-	-
Total	\$ 18,456,802	\$ -	\$ 674,058	\$ 17,782,744	\$ 1,047,685

Debt payments to maturity are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 1,047,685	\$ 1,080,681	\$ 2,128,366
2013	495,471	1,054,537	1,550,008
2014	515,874	1,033,634	1,549,508
2015	536,306	1,011,881	1,548,187
2016	561,770	985,983	1,547,753
2017 - 2021	3,277,105	4,441,812	7,718,917
2022 - 2026	4,235,060	3,456,544	7,691,604
2027 - 2031	5,470,674	2,182,216	7,652,890
2032 - 2035	5,442,072	588,157	6,030,229
Total	\$ 21,582,017	\$ 15,835,445	\$ 37,417,462

Boulder Valley School District RE-2
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 8: FUND BALANCES

The following table portrays the detailed fund balance classifications which are summarized on the Governmental Funds Balance Sheet.

	<u>GENERAL</u>	<u>OTHER MAJOR FUNDS</u>	<u>NONMAJOR FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
FUND BALANCES				
Nonspendable:				
Inventories	\$ 339,499	\$ -	\$ -	\$ 339,499
Prepaid Items	34,000	-	-	34,000
Total Nonspendable	<u>373,499</u>	<u>-</u>	<u>-</u>	<u>373,499</u>
Restricted For:				
Debt Service	-	24,325,632	-	24,325,632
Certificates of Participation	726,945	-	-	726,945
Multiple Year Obligations	120,000	-	-	120,000
Colorado Preschool Program	55,863	-	-	55,863
Emergencies	6,740,790	-	648,909	7,389,699
Medicaid	777,768	-	-	777,768
Flexible Spending	25,628	-	-	25,628
Total Restricted	<u>8,446,994</u>	<u>24,325,632</u>	<u>648,909</u>	<u>33,421,535</u>
Committed For:				
School Resource Allocation Funds	1,955,319	-	-	1,955,319
Textbook and Learning Material Funds	575,262	-	-	575,262
Funds Allocated for Software Implementation	255,630	-	-	255,630
Business Services Funds Identified for Software Implementation & Business Projects	161,181	-	-	161,181
Special Education Funds for Staff and Student Support	582,700	-	-	582,700
Funds Identified for TIES Support	25,059	-	-	25,059
AVID Training	24,242	-	-	24,242
Total Committed	<u>3,579,393</u>	<u>-</u>	<u>-</u>	<u>3,579,393</u>
Assigned For:				
Carryover	3,911,919	-	-	3,911,919
Certificates of Participation Refunding	2,557,736	-	-	2,557,736
Lawson Implementation/Upgrade	1,023,200	-	-	1,023,200
Unemployment Insurance Claims	500,000	-	-	500,000
School Construction & Projects	1,242,000	-	-	1,242,000
Curriculum Development, Learning Materials & Student Support	572,763	-	-	572,763
State-wide K-12 Support Initiatives	45,400	-	-	45,400
Technology & Equipment	370,165	-	-	370,165
Staff Support & Training	561,965	-	-	561,965
Capital Projects	-	40,349,760	6,428,847	46,778,607
Total Assigned	<u>10,785,148</u>	<u>40,349,760</u>	<u>6,428,847</u>	<u>57,563,755</u>
Unassigned, Reported In				
General Fund	7,440,288	-	-	7,440,288
Transportation	-	-	(100,540)	(100,540)
Total Unassigned	<u>7,440,288</u>	<u>-</u>	<u>(100,540)</u>	<u>7,339,748</u>
TOTAL FUND BALANCES	<u><u>\$ 30,625,322</u></u>	<u><u>\$ 64,675,392</u></u>	<u><u>\$ 6,977,216</u></u>	<u><u>\$ 102,277,930</u></u>

Boulder Valley School District RE-2
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 9: RISK MANAGEMENT

The district is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The district plans to provide for or restore the economic damages of those losses through risk retention and risk transfer.

Joint School District Worker's Compensation Self-Insurance Pool

The district, along with Aurora, Cherry Creek, and Littleton School Districts, combined to form the Joint School District Pool for Workers' Compensation (the JSD Pool) which is a public entity risk pool currently operating as a common risk management and insurance program for the school district members noted above. The JSD Pool is administered by a Board of Directors consisting of one individual from each of the four school districts, generally the district's chief financial officer.

The board exercises control over the Pool and has contracted the management of the Pool operations to third parties. The participating districts make annual contributions to the JSD Pool based on the size of their respective payrolls. The contributions are retroactively adjusted based on the districts' actual loss experience.

Each member of the JSD Pool is responsible for the first \$100,000 of each loss. Losses between \$100,000 and \$400,000 are pooled between the member districts, and losses in excess of \$400,000 are reinsured for up to statutory limits.

There is no current or long-term debt associated with the JSD Pool. The contributions are determined on an actuarial basis and are sufficient to provide for the estimated claims and losses as determined by the actuarial computation. No settlements exceeded insurance coverage for each of the past three fiscal years.

Colorado School Districts Self-Insurance Pool

The Colorado School Districts Self-Insurance Pool (CSDSIP), sponsored by the Colorado Association of School Boards (CASB), operates as a self-insurance pool comprised of various school districts and other related public educational entities within the State of Colorado. The CSDSIP is administered by the Pool Board which is comprised of eight members. The eight members include the president, vice president, and executive director of CASB, with the remaining five members being appointed by the Board of Directors of CASB. The district pays an annual premium to the CSDSIP for various types of property and liability insurance coverage. The Pool Agreement provides that the CSDSIP will be self-sustaining through member premiums and will reinsure through a duly authorized insurer. The reinsurance covers claims against the CSDSIP in excess of specific claim amounts and in the aggregate in an amount and at limits determined by the CSDSIP to be adequate to protect the solvency of the CSDSIP. The district did not have any significant reductions in insurance coverage in the prior year, nor did it have any insurance settlements exceed insurance coverage in the past three years.

Boulder Valley School District RE-2
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 9: RISK MANAGEMENT (Continued)

Health and Dental Self-Insurance

Under the district's employee health insurance plan and dental insurance plan, the district provides coverage for its employees. Claims liabilities are reported in each fund respectively if information available prior to the issuance of the financial statements indicates that it is probable that the liability has been incurred at the date of the financial statements and the amount of loss can be reasonably estimated. Changes in claims payable for the employee health insurance plan and dental insurance plan were as follows:

	Health Insurance	Dental Insurance
Claims Payable, June 30, 2009	\$ 3,063,264	\$ 343,939
Claims Incurred and Adjustments	11,623,037	2,039,309
Payments	(11,554,941)	(1,908,793)
Claims Payable, June 30, 2010	3,131,360	474,455
Claims Incurred and Adjustments	10,834,727	1,865,679
Payments	(11,310,457)	(1,894,916)
Claims Payable, June 30, 2011	\$ 2,655,630	\$ 445,218

Claims payable at June 30, 2011 are expected to be liquidated within the next fiscal year.

NOTE 10: DEFINED BENEFIT PENSION PLAN

Plan Description - The district contributes to the School Division Trust Fund (SDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). The SDTF provides retirement and disability, annual increases, and death benefits for members or their beneficiaries. All employees of the district are members of the SDTF. Title 24, Article 51 of the Colorado Revised Statutes (CRS), as amended, assigns the authority to establish benefit provisions to the State Legislature.

PERA issues a publicly available annual financial report that includes financial statements and required supplementary information for the SDTF. That report may be obtained by writing to PERA of Colorado, 1301 Pennsylvania Street, Denver, Colorado 80203 or by calling PERA at 303-832-9550 or 1-800-759-PERA (7372).

Funding Policy - The contribution requirements of plan members and the district are established under Title 24, Article 51, Part 4 of the CRS, as amended. The contribution rate for members was 8%. The district's contribution rate for calendar years 2009, 2010, and 2011 was 12.95%, 13.85%, and 14.75% of covered salary, respectively. A portion of the district's contribution (1.02% of covered salary) is allocated to the Health Care Trust Fund (See Note 11). The district's contributions to the SDTF for the years ended June 30, 2011, 2010, and 2009 were \$26,994,363, \$24,366,046, and \$22,461,866, respectively, equal to the required contributions for each year.

Boulder Valley School District RE-2
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 11: POSTEMPLOYMENT HEALTHCARE BENEFITS

Plan Description - The district contributes to the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer post-employment healthcare plan administered by PERA. The HCTF provides a health care premium subsidy to PERA-participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the CRS, as amended, assigns the authority to establish the HCTF benefit provisions to the State Legislature. PERA issues a publicly available annual financial report that includes financial statements and required supplementary information for the HCTF. That report may be obtained by writing to PERA of Colorado, 1301 Pennsylvania Street, Denver, Colorado 80203 or by calling PERA at 303-832-9550 or 1-800-759-PERA (7372).

Funding Policy - The district was required to contribute at a rate of 1.02% of covered salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the district are established under Title 24, Article 51, Part 4 of the CRS, as amended. The apportionment of the contributions of the HCTF is established under Title 24, Article 51, Section 208 of the CRS, as amended. The districts' apportionment to the HCTF for the years ended June 30, 2011, 2010, and 2009 was \$1,924,844, \$1,853,864, and \$1,831,754, respectively.

NOTE 12: COMMITMENTS AND CONTINGENCIES

Claims and Judgments

The district participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the district may be required to reimburse the grantor government. At June 30, 2011, significant amounts of grant expenditures have not been audited by the grantor agency, but the district believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the district.

Litigation

Several claims are presently pending against the district, but district management believes the final settlements of these matters will not have a materially adverse effect on the financial position of the district.

Construction Commitments

At June 30, 2011, the district had construction commitments totaling \$30,718,482, primarily for building renovations to be funded with bond proceeds.

Boulder Valley School District RE-2
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 12: COMMITMENTS AND CONTINGENCIES (Continued)

Tabor Amendment

In November 1992, Colorado voters passed Article X, Section 20 (the "Amendment") to the State Constitution which limits state and local government tax powers and imposes spending limitations. The district is subject to the Amendment.

Fiscal year 1993 provides the basis for limits in future years to which may be applied allowable increases for inflation and student enrollment. In November, 1999, voters within the district authorized the district to collect, retain, and expend all excess revenues and other funds received from every source, without limitation, in the 1999-2000 budget year and each subsequent budget year thereafter without future voter approval, notwithstanding the limitations of the Amendment. The Amendment is subject to many interpretations, but the district believes it is in substantial compliance with the Amendment.

The Amendment requires all governments to establish a reserve for emergencies. At June 30, 2011, net assets of \$7,676,639 and \$662,682 for the district and the charter schools, respectively, were restricted to satisfy the reserve requirement.



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REQUIRED SUPPLEMENTARY INFORMATION



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Boulder Valley School District RE-2

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Year Ended June 30, 2011

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL Positive (Negative)
REVENUES				
Taxes	\$ 164,320,016	\$ 186,470,054	\$ 186,453,178	\$ (16,876)
Tuition	945,800	994,901	1,049,174	54,273
Investment Earnings	100,000	100,000	69,678	(30,322)
Other Local Revenue	11,397,613	11,599,384	11,622,158	22,774
State Equalization	57,074,466	53,249,466	53,462,090	212,624
State Reimbursement Programs	2,060,340	2,093,444	2,744,004	650,560
Special Education	4,258,145	4,117,706	4,300,112	182,406
State Fiscal Stabilization Fund	-	-	2,116,382	2,116,382
TOTAL REVENUES	240,156,380	258,624,955	261,816,776	3,191,821
EXPENDITURES				
Current				
Instruction - Regular Programs	126,388,063	130,532,163	121,532,109	9,000,054
Instruction - Special Programs	42,078,528	42,500,431	42,402,551	97,880
Student Support Services	6,056,665	7,374,605	6,735,747	638,858
Instructional Staff Services	7,847,771	8,182,604	7,312,220	870,384
General Administration	2,559,010	2,691,718	2,783,571	(91,853)
School Administration	16,023,414	17,017,431	16,941,780	75,651
Business Services	2,718,902	2,784,600	2,582,777	201,823
Operations and Maintenance	18,606,125	19,007,368	19,642,428	(635,060)
Central Support Services	10,596,109	10,576,984	10,265,263	311,721
Community Services	4,880,187	5,022,982	4,627,125	395,857
Emergency Reserves	6,598,268	6,680,183	-	6,680,183
Reserves	7,365,716	10,245,578	-	10,245,578
Debt Service				
Principal	565,000	565,000	565,000	-
Interest	133,133	133,133	140,708	(7,575)
TOTAL EXPENDITURES	252,416,891	263,314,780	235,531,279	27,783,501
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(12,260,511)	(4,689,825)	26,285,497	30,975,322
OTHER FINANCING SOURCES (USES)				
Transfers Out	(3,856,286)	(14,955,538)	(15,305,538)	(350,000)
NET CHANGE IN FUND BALANCE	(16,116,797)	(19,645,363)	10,979,959	30,625,322
FUND BALANCE, Beginning	16,116,797	19,645,363	19,645,363	-
FUND BALANCE, Ending	\$ -	\$ -	\$ 30,625,322	\$ 30,625,322

See the accompanying Independent Auditors' Report.

Boulder Valley School District RE-2

BUDGETARY COMPARISON SCHEDULE

GRANTS FUND

Year Ended June 30, 2011

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Local Sources	\$ 186,592	\$ 596,023	\$ 643,019	\$ 46,996
State Sources	320,760	693,308	830,508	137,200
Federal Sources	18,992,648	23,210,669	21,405,952	(1,804,717)
TOTAL REVENUES	19,500,000	24,500,000	22,879,479	(1,620,521)
EXPENDITURES				
Current				
Instruction and Supporting Services-Unallocated	19,500,000	509,572	-	509,572
Instruction - Regular Programs	-	8,500,075	8,162,667	337,408
Instruction - Special Programs	-	7,961,681	5,081,126	2,880,555
Student Support Services	-	1,086,433	1,085,346	1,087
Instructional Staff Services	-	4,107,722	4,527,433	(419,711)
School Administration	-	1,243,194	1,236,976	6,218
Business Services	-	11,711	10,300	1,411
Operations and Maintenance	-	77,129	533,510	(456,381)
Student Transportation	-	191,918	103,598	88,320
Central Support Services	-	34,770	34,635	135
Nutrition Services Operations	-	93,545	90,810	2,735
Community Services	-	490,183	438,634	51,549
Adult Education	-	169,567	149,707	19,860
Capital Outlay	-	22,500	2,560	19,940
TOTAL EXPENDITURES	19,500,000	24,500,000	21,457,302	3,042,698
NET CHANGE IN FUND BALANCE	-	-	1,422,177	1,422,177
FUND BALANCE, Beginning	-	-	(1,422,177)	(1,422,177)
FUND BALANCE, Ending	\$ -	\$ -	\$ -	\$ -

See the accompanying Independent Auditors' Report.

Boulder Valley School District RE-2
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2011

NOTE 1: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets

The district follows the following procedures in establishing the budgetary data reflected in the financial statements:

- In March, the superintendent submits to the board of education a preliminary proposed budget for the period commencing the following July 1. The budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted at regular board of education meetings to obtain taxpayer comments.
- In June, the budget is legally adopted by the board of education.
- In October, a revised budget is legally adopted by the board of education.

Colorado Budget Law requires that all funds have legally adopted budgets and appropriations. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles ("GAAP"). Total expenditures for each fund may not exceed the amount appropriated. Appropriations for a fund may be increased provided they are offset by unanticipated revenue. All appropriations lapse at the end of each fiscal year. Authorization to transfer budget amounts between programs and/or departments within any fund and the reallocation of budget line items within any program and/or department rests with the superintendent. Revisions and/or supplemental appropriations that alter the total expenditures of any fund must be approved by the board of education.



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COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES



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GENERAL FUND

Boulder Valley School District RE-2

COMBINING BALANCE SHEET

GENERAL FUND

June 30, 2011

	<u>GENERAL</u>	<u>RISK MANAGEMENT</u>	<u>TECHNOLOGY</u>
ASSETS			
Cash and Investments	\$ 40,898,875	\$ 93,731	\$ 1,361,282
Restricted Cash and Investments	752,573	-	-
Accounts Receivable	639,627	-	-
Taxes Receivable	6,651,559	-	-
Grants Receivable	445,027	-	-
Due from Other Funds	3,166,180	-	-
Inventories	339,499	-	-
Prepaid Items	34,000	-	-
	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 52,927,340</u>	<u>\$ 93,731</u>	<u>\$ 1,361,282</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 4,152,484	\$ -	\$ -
Accrued Liabilities	5,670,509	-	-
Accrued Summer Salaries	11,616,589	-	-
Accrued Salaries and Benefits	1,294,120	-	22,048
Deferred Revenues	101,387	-	-
Deferred Property Taxes	2,400,807	-	-
	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES	<u>25,235,896</u>	<u>-</u>	<u>22,048</u>
FUND BALANCES			
Nonspendable	373,499	-	-
Restricted	7,918,533	85,369	98,718
Committed	3,579,393	-	-
Assigned	8,379,731	8,362	1,240,516
Unassigned	7,440,288	-	-
	<hr/>	<hr/>	<hr/>
TOTAL FUND BALANCES	<u>27,691,444</u>	<u>93,731</u>	<u>1,339,234</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 52,927,340</u>	<u>\$ 93,731</u>	<u>\$ 1,361,282</u>

See the accompanying Independent Auditors' Report.

ATHLETICS	COMMUNITY SCHOOLS	PRESCHOOL	TUITION PRESCHOOL	COLORADO PRESCHOOL PROGRAM	TOTAL GENERAL FUND
\$ 403,514	\$ 279,186	\$ 774,144	\$ 158,283	\$ 59,649	\$ 44,028,664
-	-	-	-	-	752,573
-	1,590	-	-	-	641,217
-	-	-	-	-	6,651,559
-	-	-	-	-	445,027
-	-	-	-	-	3,166,180
-	-	-	-	-	339,499
-	-	-	-	-	34,000
<u>\$ 403,514</u>	<u>\$ 280,776</u>	<u>\$ 774,144</u>	<u>\$ 158,283</u>	<u>\$ 59,649</u>	<u>\$ 56,058,719</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,152,484
-	-	-	-	-	5,670,509
-	-	-	-	-	11,616,589
1,438	15,819	4,305	4,570	3,786	1,346,086
-	98,291	-	47,244	-	246,922
-	-	-	-	-	2,400,807
<u>1,438</u>	<u>114,110</u>	<u>4,305</u>	<u>51,814</u>	<u>3,786</u>	<u>25,433,397</u>
-	-	-	-	-	373,499
98,160	133,572	31,480	25,299	55,863	8,446,994
-	-	-	-	-	3,579,393
303,916	33,094	738,359	81,170	-	10,785,148
-	-	-	-	-	7,440,288
<u>402,076</u>	<u>166,666</u>	<u>769,839</u>	<u>106,469</u>	<u>55,863</u>	<u>30,625,322</u>
<u>\$ 403,514</u>	<u>\$ 280,776</u>	<u>\$ 774,144</u>	<u>\$ 158,283</u>	<u>\$ 59,649</u>	<u>\$ 56,058,719</u>

Boulder Valley School District RE-2
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GENERAL FUND
Year Ended June 30, 2011

	<u>GENERAL</u>	<u>RISK MANAGEMENT</u>	<u>TECHNOLOGY</u>
REVENUES			
Local Sources	\$ 191,973,884	\$ 22,736	\$ 174,980
State Sources	60,506,206	-	-
Federal Sources	2,116,382	-	-
TOTAL REVENUES	<u>254,596,472</u>	<u>22,736</u>	<u>174,980</u>
EXPENDITURES			
Current			
Instruction - Regular Programs	119,274,510	-	1,681,684
Instruction - Special Programs	38,121,007	-	-
Student Support Services	6,724,159	-	-
Instructional Staff Services	6,914,975	-	148,115
General Administration	2,721,691	-	-
School Administration	16,938,682	-	-
Business Services	2,563,912	-	-
Operations and Maintenance	19,638,801	-	-
Central Support Services	7,168,601	2,850,023	220,095
Community Services	253,080	-	-
Debt Service			
Principal	565,000	-	-
Interest and Fiscal Charges	140,708	-	-
TOTAL EXPENDITURES	<u>221,025,126</u>	<u>2,850,023</u>	<u>2,049,894</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>33,571,346</u>	<u>(2,827,287)</u>	<u>(1,874,914)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	742,605	2,797,771	2,159,918
Transfers Out	(24,145,122)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(23,402,517)</u>	<u>2,797,771</u>	<u>2,159,918</u>
NET CHANGE IN FUND BALANCE	10,168,829	(29,516)	285,004
FUND BALANCE, Beginning	<u>17,522,615</u>	<u>123,247</u>	<u>1,054,230</u>
FUND BALANCE, Ending	<u>\$ 27,691,444</u>	<u>\$ 93,731</u>	<u>\$ 1,339,234</u>

See the accompanying Independent Auditors' Report.

ATHLETICS	COMMUNITY SCHOOLS	PRESCHOOL	TUITION PRESCHOOL	COLORADO PRESCHOOL PROGRAM	TOTAL GENERAL FUND
\$ 1,231,596	\$ 5,019,627	\$ -	\$ 771,365	\$ -	\$ 199,194,188
-	-	-	-	-	60,506,206
-	-	-	-	-	2,116,382
<u>1,231,596</u>	<u>5,019,627</u>	<u>-</u>	<u>771,365</u>	<u>-</u>	<u>261,816,776</u>
-	-	167,639	408,276	-	121,532,109
2,939,438	-	-	305,099	1,037,007	42,402,551
-	-	11,588	-	-	6,735,747
-	-	82,974	75,211	90,945	7,312,220
61,626	-	254	-	-	2,783,571
-	-	3,098	-	-	16,941,780
-	-	18,865	-	-	2,582,777
3,627	-	-	-	-	19,642,428
-	-	26,544	-	-	10,265,263
-	4,374,045	-	-	-	4,627,125
-	-	-	-	-	565,000
-	-	-	-	-	140,708
<u>3,004,691</u>	<u>4,374,045</u>	<u>310,962</u>	<u>788,586</u>	<u>1,127,952</u>	<u>235,531,279</u>
<u>(1,773,095)</u>	<u>645,582</u>	<u>(310,962)</u>	<u>(17,221)</u>	<u>(1,127,952)</u>	<u>26,285,497</u>
1,934,415	-	1,080,801	-	1,122,240	9,837,750
-	(967,605)	-	-	(30,561)	(25,143,288)
<u>1,934,415</u>	<u>(967,605)</u>	<u>1,080,801</u>	<u>-</u>	<u>1,091,679</u>	<u>(15,305,538)</u>
161,320	(322,023)	769,839	(17,221)	(36,273)	10,979,959
240,756	488,689	-	123,690	92,136	19,645,363
<u>\$ 402,076</u>	<u>\$ 166,666</u>	<u>\$ 769,839</u>	<u>\$ 106,469</u>	<u>\$ 55,863</u>	<u>\$ 30,625,322</u>



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NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Fund

Transportation Fund - This fund accounts for a mill levy dedicated by election to the district's transportation needs.

Capital Projects Fund

Capital Reserve Fund - This fund is authorized by Colorado School Law and is used to fund ongoing capital needs such as site acquisition, building additions, and equipment purchases.



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Boulder Valley School District RE-2

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS

June 30, 2011

	<u>SPECIAL REVENUE</u>	<u>CAPITAL PROJECTS</u>	
	<u>TRANSPORTATION</u>	<u>CAPITAL RESERVE</u>	<u>TOTAL</u>
ASSETS			
Cash and Investments	\$ 530,352	\$ 6,883,906	\$ 7,414,258
Accounts Receivable	156,676	-	156,676
Taxes Receivable	243,220	-	243,220
	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 930,248</u>	<u>\$ 6,883,906</u>	<u>\$ 7,814,154</u>
LIABILITIES AND FUND BALANCE			
LIABILITIES			
Accounts Payable	\$ -	\$ 168,119	\$ 168,119
Accrued Salaries and Benefits	568,752	-	568,752
Deferred Property Taxes	100,067	-	100,067
	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES	<u>668,819</u>	<u>168,119</u>	<u>836,938</u>
FUND BALANCES			
Restricted	361,969	286,940	648,909
Assigned	-	6,428,847	6,428,847
Unassigned	(100,540)	-	(100,540)
	<hr/>	<hr/>	<hr/>
TOTAL FUND BALANCES	<u>261,429</u>	<u>6,715,787</u>	<u>6,977,216</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 930,248</u>	<u>\$ 6,883,906</u>	<u>\$ 7,814,154</u>

See the accompanying Independent Auditors' Report.

Boulder Valley School District RE-2
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2011

	<u>SPECIAL REVENUE</u>	<u>CAPITAL PROJECTS</u>	
	<u>TRANSPORTATION</u>	<u>CAPITAL RESERVE</u>	<u>TOTAL</u>
REVENUES			
Local Sources	\$ 7,733,126	\$ 129,196	\$ 7,862,322
State Sources	2,730,405	-	2,730,405
TOTAL REVENUES	<u>10,463,531</u>	<u>129,196</u>	<u>10,592,727</u>
EXPENDITURES			
Current			
Instruction - Special Programs	1,189,231	-	1,189,231
Operations and Maintenance	230,496	-	230,496
Student Transportation	10,850,708	-	10,850,708
Capital Outlay	-	11,340,970	11,340,970
TOTAL EXPENDITURES	<u>12,270,435</u>	<u>11,340,970</u>	<u>23,611,405</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,806,904)	(11,211,774)	(13,018,678)
OTHER FINANCING SOURCES			
Transfers In	1,163,003	10,888,535	12,051,538
NET CHANGE IN FUND BALANCE	(643,901)	(323,239)	(967,140)
FUND BALANCE, Beginning	<u>905,330</u>	<u>7,039,026</u>	<u>7,944,356</u>
FUND BALANCE, Ending	<u>\$ 261,429</u>	<u>\$ 6,715,787</u>	<u>\$ 6,977,216</u>

See the accompanying Independent Auditors' Report.

Boulder Valley School District RE-2

BUDGETARY COMPARISON SCHEDULE

TRANSPORTATION FUND

Year Ended June 30, 2011

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Positive (Negative)</u>
REVENUES				
Property Taxes	\$ 7,299,509	\$ 7,299,509	\$ 7,286,126	\$ (13,383)
State Transportation Reimbursement	2,315,657	2,604,936	2,730,405	125,469
Other Local Revenue	228,567	454,834	447,000	(7,834)
TOTAL REVENUES	<u>9,843,733</u>	<u>10,359,279</u>	<u>10,463,531</u>	<u>104,252</u>
EXPENDITURES				
Current				
Instruction - Special Programs	1,035,595	1,257,486	1,189,231	68,255
Operations and Maintenance	215,632	204,432	230,496	(26,064)
Student Transportation	10,322,843	10,603,725	10,850,708	(246,983)
Emergency Reserves	347,222	361,969	-	361,969
TOTAL EXPENDITURES	<u>11,921,292</u>	<u>12,427,612</u>	<u>12,270,435</u>	<u>157,177</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(2,077,559)</u>	<u>(2,068,333)</u>	<u>(1,806,904)</u>	<u>261,429</u>
OTHER FINANCING SOURCES				
Transfers In	1,163,003	1,163,003	1,163,003	-
NET CHANGE IN FUND BALANCE	<u>(914,556)</u>	<u>(905,330)</u>	<u>(643,901)</u>	<u>261,429</u>
FUND BALANCE, Beginning	<u>914,556</u>	<u>905,330</u>	<u>905,330</u>	<u>-</u>
FUND BALANCE, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 261,429</u>	<u>\$ 261,429</u>

See the accompanying Independent Auditors' Report.

Boulder Valley School District RE-2

BUDGETARY COMPARISON SCHEDULE

BOND REDEMPTION FUND

Year Ended June 30, 2011

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Positive (Negative)</u>
REVENUES				
Property Taxes	\$ 31,085,469	\$ 27,959,941	\$ 28,202,478	\$ 242,537
Investment Earnings	50,000	35,000	31,273	(3,727)
TOTAL REVENUES	<u>31,135,469</u>	<u>27,994,941</u>	<u>28,233,751</u>	<u>238,810</u>
EXPENDITURES				
Debt Service				
Principal	11,005,000	11,005,000	11,005,000	-
Interest and Fiscal Charges	16,952,643	16,952,643	16,935,192	17,451
TOTAL EXPENDITURES	<u>27,957,643</u>	<u>27,957,643</u>	<u>27,940,192</u>	<u>17,451</u>
NET CHANGE IN FUND BALANCE	3,177,826	37,298	293,559	256,261
FUND BALANCE, Beginning	<u>22,772,647</u>	<u>24,032,073</u>	<u>24,032,073</u>	<u>-</u>
FUND BALANCE, Ending	<u>\$ 25,950,473</u>	<u>\$ 24,069,371</u>	<u>\$ 24,325,632</u>	<u>\$ 256,261</u>

See the accompanying Independent Auditors' Report.

Boulder Valley School District RE-2

BUDGETARY COMPARISON SCHEDULE

BUILDING FUND

Year Ended June 30, 2011

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Positive (Negative)</u>
REVENUES				
Local Sources				
Investment Earnings	\$ 279,560	\$ 279,560	\$ 343,769	\$ 64,209
Other Local Revenue	-	-	386,381	386,381
TOTAL REVENUES	<u>279,560</u>	<u>279,560</u>	<u>730,150</u>	<u>450,590</u>
EXPENDITURES				
Capital Outlay	<u>74,234,140</u>	<u>74,234,140</u>	<u>54,891,218</u>	<u>19,342,922</u>
TOTAL EXPENDITURES	<u>74,234,140</u>	<u>74,234,140</u>	<u>54,891,218</u>	<u>19,342,922</u>
NET CHANGE IN FUND BALANCE	(73,954,580)	(73,954,580)	(54,161,068)	19,793,512
FUND BALANCE, Beginning	<u>112,212,017</u>	<u>94,510,828</u>	<u>94,510,828</u>	<u>-</u>
FUND BALANCE, Ending	<u>\$ 38,257,437</u>	<u>\$ 20,556,248</u>	<u>\$ 40,349,760</u>	<u>\$ 19,793,512</u>

See the accompanying Independent Auditors' Report.

Boulder Valley School District RE-2

BUDGETARY COMPARISON SCHEDULE

CAPITAL RESERVE FUND

Year Ended June 30, 2011

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Positive (Negative)</u>
REVENUES				
Local Sources	\$ 102,000	\$ 102,000	\$ 129,196	\$ 27,196
TOTAL REVENUES	<u>102,000</u>	<u>102,000</u>	<u>129,196</u>	<u>27,196</u>
EXPENDITURES				
Capital Outlay				
Salaries and Benefits	347,000	347,000	279,821	67,179
Building Improvements	1,263,000	1,303,462	876,445	427,017
Operating Departments	1,309,000	4,481,564	1,709,891	2,771,673
School Projects	1,412,065	11,372,402	8,474,813	2,897,589
Reserves	129,932	525,133	-	525,133
TOTAL EXPENDITURES	<u>4,460,997</u>	<u>18,029,561</u>	<u>11,340,970</u>	<u>6,688,591</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(4,358,997)	(17,927,561)	(11,211,774)	6,715,787
OTHER FINANCING SOURCES				
Transfers In	2,468,283	10,888,535	10,888,535	-
NET CHANGE IN FUND BALANCE	(1,890,714)	(7,039,026)	(323,239)	6,715,787
FUND BALANCE, Beginning	<u>1,890,714</u>	<u>7,039,026</u>	<u>7,039,026</u>	<u>-</u>
FUND BALANCE, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,715,787</u>	<u>\$ 6,715,787</u>

See the accompanying Independent Auditors' Report.

Boulder Valley School District RE-2

BUDGETARY COMPARISON SCHEDULE

NUTRITION SERVICES FUND

Year Ended June 30, 2011

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
OPERATING REVENUES				
Regular School Lunch	\$ 2,307,499	\$ 2,139,491	\$ 2,044,202	\$ (95,289)
A La Carte	664,031	662,935	342,430	(320,505)
Other	111,174	132,420	158,454	26,034
TOTAL OPERATING REVENUES	<u>3,082,704</u>	<u>2,934,846</u>	<u>2,545,086</u>	<u>(389,760)</u>
OPERATING EXPENSES				
Salaries	2,586,291	2,529,321	2,605,488	(76,167)
Benefits	773,955	767,940	894,857	(126,917)
Purchased Food and Commodities	1,930,083	2,048,675	1,632,901	415,774
Nonfood Supplies	270,000	270,000	355,440	(85,440)
Purchased Services	88,749	88,749	97,966	(9,217)
Depreciation	63,500	56,500	58,530	(2,030)
Other	44,009	44,861	90,728	(45,867)
Reserves	173,954	-	-	-
Emergency Reserves	172,698	174,181	-	174,181
TOTAL OPERATING EXPENSES	<u>6,103,239</u>	<u>5,980,227</u>	<u>5,735,910</u>	<u>244,317</u>
OPERATING INCOME (LOSS)	<u>(3,020,535)</u>	<u>(3,045,381)</u>	<u>(3,190,824)</u>	<u>(145,443)</u>
NONOPERATING REVENUES				
USDA Donated Commodities	245,811	245,811	318,414	72,603
Federal Reimbursements	2,484,562	2,372,806	2,104,578	(268,228)
State Sources	57,000	70,000	63,877	(6,123)
TOTAL NONOPERATING REVENUES	<u>2,787,373</u>	<u>2,688,617</u>	<u>2,486,869</u>	<u>(201,748)</u>
NET INCOME (LOSS) BEFORE TRANSFERS	<u>(233,162)</u>	<u>(356,764)</u>	<u>(703,955)</u>	<u>(347,191)</u>
TRANSFERS				
Transfers In	<u>225,000</u>	<u>904,000</u>	<u>1,254,000</u>	<u>350,000</u>
CHANGE IN NET ASSETS	<u>(8,162)</u>	<u>547,236</u>	<u>550,045</u>	<u>2,809</u>
NET ASSETS, Beginning	<u>8,162</u>	<u>(364,156)</u>	<u>(364,156)</u>	<u>-</u>
NET ASSETS, Ending	<u>\$ -</u>	<u>\$ 183,080</u>	<u>\$ 185,889</u>	<u>\$ 2,809</u>

See the accompanying Independent Auditors' Report.



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INTERNAL SERVICE FUNDS

Internal Service Funds are used to accumulate and allocate costs internally among the district's various functions.

Health Insurance Fund - This fund is used to account for claims and administrative fees of the district's health insurance employee benefit program.

Dental Insurance Fund - This fund is used to account for claims and administrative fees of the district's dental insurance employee benefit program.



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Boulder Valley School District RE-2

COMBINING STATEMENT OF NET ASSETS

INTERNAL SERVICE FUNDS

June 30, 2011

	<u>HEALTH INSURANCE FUND</u>	<u>DENTAL INSURANCE FUND</u>	<u>TOTAL</u>
ASSETS			
Cash and Investments	\$ 11,118,681	\$ 928,085	\$ 12,046,766
Accounts Receivable	65,555	64	65,619
TOTAL ASSETS	<u>11,184,236</u>	<u>928,149</u>	<u>12,112,385</u>
LIABILITIES			
Claims Payable	<u>2,655,630</u>	<u>445,218</u>	<u>3,100,848</u>
TOTAL LIABILITIES	<u>2,655,630</u>	<u>445,218</u>	<u>3,100,848</u>
NET ASSETS			
Unrestricted	<u>8,528,606</u>	<u>482,931</u>	<u>9,011,537</u>
TOTAL NET ASSETS	<u>\$ 8,528,606</u>	<u>\$ 482,931</u>	<u>\$ 9,011,537</u>

See the accompanying Independent Auditors' Report.

Boulder Valley School District RE-2

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS INTERNAL SERVICE FUNDS Year Ended June 30, 2011

	HEALTH INSURANCE FUND	DENTAL INSURANCE FUND	TOTAL
OPERATING REVENUES			
Premiums and Services	\$ 22,936,449	\$ 2,165,696	\$ 25,102,145
Other	354,031	800	354,831
TOTAL OPERATING REVENUES	23,290,480	2,166,496	25,456,976
OPERATING EXPENSES			
Salaries	109,501	25,884	135,385
Benefits	26,994	6,012	33,006
Insurance Premiums and Claims	19,277,153	1,865,679	21,142,832
Administrative Fees	747,705	162,591	910,296
Other	971,713	10,540	982,253
TOTAL OPERATING EXPENSES	21,133,066	2,070,706	23,203,772
OPERATING INCOME	2,157,414	95,790	2,253,204
TRANSFERS			
Transfers In	1,900,000	100,000	2,000,000
TOTAL TRANSFERS	1,900,000	100,000	2,000,000
CHANGE IN NET ASSETS	4,057,414	195,790	4,253,204
NET ASSETS, Beginning	4,471,192	287,141	4,758,333
NET ASSETS, Ending	\$ 8,528,606	\$ 482,931	\$ 9,011,537

See the accompanying Independent Auditors' Report.

Boulder Valley School District RE-2

COMBINING STATEMENT OF CASH FLOWS

INTERNAL SERVICE FUNDS

Increase (Decrease) in Cash and Cash Equivalents

Year Ended June 30, 2011

	HEALTH INSURANCE FUND	DENTAL INSURANCE FUND	TOTAL
Cash Flows From Operating Activities			
Premiums and Services	\$ 23,290,480	\$ 2,166,496	\$ 25,456,976
Cash Payments for Premiums and Claims	(21,537,856)	(2,068,111)	(23,605,967)
Cash Paid to Employees	(136,495)	(31,896)	(168,391)
Net Cash Provided by Operating Activities	<u>1,616,129</u>	<u>66,489</u>	<u>1,682,618</u>
Cash flows from Noncapital Financing Activities			
Transfers from Other Funds	<u>1,900,000</u>	<u>100,000</u>	<u>2,000,000</u>
Net Cash Provided by Noncapital Financing Activities	<u>1,900,000</u>	<u>100,000</u>	<u>2,000,000</u>
Net Change in Cash and Cash Equivalents	3,516,129	166,489	3,682,618
CASH AND CASH EQUIVALENTS, Beginning	<u>7,602,552</u>	<u>761,596</u>	<u>8,364,148</u>
CASH AND CASH EQUIVALENTS, Ending	<u>\$ 11,118,681</u>	<u>\$ 928,085</u>	<u>\$ 12,046,766</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating Income	\$ 2,157,414	\$ 95,790	\$ 2,253,204
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities			
Changes in Assets and Liabilities Related to Operations			
Accounts Receivable	(65,555)	(64)	(65,619)
Claims Payable	(475,730)	(29,237)	(504,967)
Net Cash Provided by Operating Activities	<u>\$ 1,616,129</u>	<u>\$ 66,489</u>	<u>\$ 1,682,618</u>

See the accompanying Independent Auditors' Report.

Boulder Valley School District RE-2

BUDGETARY COMPARISON SCHEDULE

HEALTH INSURANCE FUND

Year Ended June 30, 2011

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Positive (Negative)</u>
OPERATING REVENUES				
Premiums and Services	\$ 22,339,804	\$ 22,339,804	\$ 22,936,449	\$ 596,645
Other	215,000	219,000	354,031	135,031
TOTAL OPERATING REVENUES	<u>22,554,804</u>	<u>22,558,804</u>	<u>23,290,480</u>	<u>731,676</u>
OPERATING EXPENSES				
Salaries	111,611	112,560	109,501	3,059
Benefits	25,986	26,134	26,994	(860)
Insurance Premiums and Claims	21,776,977	22,178,785	19,277,153	2,901,632
Administrative Fees	753,408	753,408	747,705	5,703
Other	140,000	145,000	971,713	(826,713)
Reserves	3,423,989	5,714,109	-	5,714,109
TOTAL OPERATING EXPENSES	<u>26,231,971</u>	<u>28,929,996</u>	<u>21,133,066</u>	<u>7,796,930</u>
OPERATING INCOME (LOSS)	<u>(3,677,167)</u>	<u>(6,371,192)</u>	<u>2,157,414</u>	<u>8,528,606</u>
TRANSFERS				
Transfers In	-	1,900,000	1,900,000	-
CHANGE IN NET ASSETS	<u>(3,677,167)</u>	<u>(4,471,192)</u>	<u>4,057,414</u>	<u>8,528,606</u>
NET ASSETS, Beginning	<u>3,677,167</u>	<u>4,471,192</u>	<u>4,471,192</u>	<u>-</u>
NET ASSETS, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,528,606</u>	<u>\$ 8,528,606</u>

See the accompanying Independent Auditors' Report.

Boulder Valley School District RE-2

BUDGETARY COMPARISON SCHEDULE

DENTAL INSURANCE FUND

Year Ended June 30, 2011

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Positive (Negative)</u>
OPERATING REVENUES				
Premiums and Services	\$ 2,210,184	\$ 2,210,184	\$ 2,165,696	\$ (44,488)
Other	2,000	2,000	800	(1,200)
TOTAL OPERATING REVENUES	<u>2,212,184</u>	<u>2,212,184</u>	<u>2,166,496</u>	<u>(45,688)</u>
OPERATING EXPENSES				
Salaries	25,233	26,400	25,884	516
Benefits	5,810	5,986	6,012	(26)
Insurance Premiums and Claims	2,007,910	1,938,966	1,865,679	73,287
Administrative Fees	168,152	168,152	162,591	5,561
Other	11,000	11,000	10,540	460
Reserves	428,553	448,821	-	448,821
TOTAL OPERATING EXPENSES	<u>2,646,658</u>	<u>2,599,325</u>	<u>2,070,706</u>	<u>528,619</u>
OPERATING INCOME (LOSS)	<u>(434,474)</u>	<u>(387,141)</u>	<u>95,790</u>	<u>482,931</u>
TRANSFERS				
Transfers In	-	100,000	100,000	-
CHANGE IN NET ASSETS	<u>(434,474)</u>	<u>(287,141)</u>	<u>195,790</u>	<u>482,931</u>
NET ASSETS, Beginning	<u>434,474</u>	<u>287,141</u>	<u>287,141</u>	<u>-</u>
NET ASSETS, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 482,931</u>	<u>\$ 482,931</u>

See the accompanying Independent Auditors' Report.



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FIDUCIARY FUNDS

Private Purpose Trust Funds

Scholarship Fund - This fund is used to account for donations and disbursements that are related to specific purposes such as scholarships and awards.

Trust Fund - This fund is used to account for the principal trust amount received from a Japanese Exchange Program and the Carlson, Bostrom, and Bascom Scholarship funds.

Agency Fund

Agency Fund - This fund is used to account for receipts and disbursements from student and district fundraising activities.



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Boulder Valley School District RE-2
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
PRIVATE PURPOSE TRUST FUNDS
June 30, 2011

	SCHOLARSHIP	TRUST	TOTAL
ASSETS			
Cash and Investments	\$ 61,489	\$ 211,716	\$ 273,205
TOTAL ASSETS	61,489	211,716	273,205
NET ASSETS			
Restricted for Scholarships	\$ 61,489	\$ 211,716	\$ 273,205

See the accompanying Independent Auditors' Report.

Boulder Valley School District RE-2
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PRIVATE PURPOSE TRUST FUNDS
Year Ended June 30, 2011

	<u>SCHOLARSHIP</u>	<u>TRUST</u>	<u>TOTAL</u>
ADDITIONS			
Contributions	\$ 114	\$ 21,077	\$ 21,191
TOTAL ADDITIONS	<u>114</u>	<u>21,077</u>	<u>21,191</u>
DEDUCTIONS			
Scholarships and Awards	<u>6,000</u>	<u>3,000</u>	<u>9,000</u>
CHANGE IN NET ASSETS	(5,886)	18,077	12,191
NET ASSETS, Beginning	<u>67,375</u>	<u>193,639</u>	<u>261,014</u>
NET ASSETS, Ending	<u>\$ 61,489</u>	<u>\$ 211,716</u>	<u>\$ 273,205</u>

See the accompanying Independent Auditors' Report.

Boulder Valley School District RE-2
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
Year Ended June 30, 2011

	<u>Balances 6/30/10</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balances 6/30/11</u>
ASSETS				
Cash and Investments - Student Groups	\$ 2,431,877	\$ 8,315,936	\$ 8,165,491	\$ 2,582,322
Cash and Investments - School Groups	593,090	2,648,316	2,684,484	556,922
TOTAL ASSETS	<u>\$ 3,024,967</u>	<u>\$ 10,964,252</u>	<u>\$ 10,849,975</u>	<u>\$ 3,139,244</u>
LIABILITIES				
Due to Student Groups	\$ 2,431,877	\$ 8,315,936	\$ 8,165,491	\$ 2,582,322
Due to School Groups	593,090	2,648,316	2,684,484	556,922
TOTAL LIABILITIES	<u>\$ 3,024,967</u>	<u>\$ 10,964,252</u>	<u>\$ 10,849,975</u>	<u>\$ 3,139,244</u>

See the accompanying Independent Auditors' Report.



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COMPONENT UNITS

The component units consist of five charter schools: Boulder Preparatory, Horizons K-8, Peak to Peak K-12, Summit Middle, and Justice High. The schools have separate governing boards but are dependent upon the district for the majority of their funding.

Boulder Valley School District RE-2

COMBINING STATEMENT OF NET ASSETS

COMPONENT UNITS

June 30, 2011

	BOULDER PREP	HORIZONS	PEAK TO PEAK
ASSETS			
Cash and Investments	\$ 349,467	\$ 969,485	\$ 4,830,787
Restricted Cash and Investments	-	-	2,745,009
Accounts Receivable	-	-	16,143
Inventories	-	-	17,375
Prepaid Expenses	-	5,575	3,667
Debt Issuance Costs, Net of Accumulated Amortization	-	-	527,045
Capital Assets, Not Being Depreciated	-	-	2,660,602
Capital Assets, Net of Accumulated Depreciation	791,422	19,215	13,330,095
TOTAL ASSETS	1,140,889	994,275	24,130,723
LIABILITIES			
Accrued Liabilities	-	-	461,423
Accrued Summer Salaries	-	140,894	432,644
Accrued Salaries and Benefits	-	14,070	45,429
Unearned Revenues	-	-	56,605
Accrued Interest Payable	-	-	400,383
Noncurrent Liabilities			
Due Within One Year	5,096	-	470,000
Due in More Than One Year	229,332	-	16,505,727
TOTAL LIABILITIES	234,428	154,964	18,372,211
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	556,994	19,215	(457,985)
Restricted for Debt Service	-	-	2,094,592
Restricted for Repairs and Replacements	-	-	250,034
Restricted for Emergencies	38,063	87,555	427,259
Unrestricted	311,404	732,541	3,444,612
TOTAL NET ASSETS	\$ 906,461	\$ 839,311	\$ 5,758,512

See the accompanying Independent Auditors' Report.

<u>SUMMIT</u>	<u>JUSTICE HIGH</u>	<u>TOTAL</u>
\$ 724,581	\$ 162,916	\$ 7,037,236
-	-	2,745,009
5,666	-	21,809
-	-	17,375
-	-	9,242
-	-	527,045
-	602,294	3,262,896
25,095	86,408	14,252,235
<u>755,342</u>	<u>851,618</u>	<u>27,872,847</u>
-	-	461,423
126,718	-	700,256
16,941	-	76,440
5,667	2,133	64,405
-	-	400,383
-	572,589	1,047,685
-	-	16,735,059
<u>149,326</u>	<u>574,722</u>	<u>19,485,651</u>
25,095	116,113	259,432
-	-	2,094,592
-	-	250,034
86,196	23,609	662,682
494,725	137,174	5,120,456
<u>\$ 606,016</u>	<u>\$ 276,896</u>	<u>\$ 8,387,196</u>

Boulder Valley School District RE-2

COMBINING STATEMENT OF ACTIVITIES

COMPONENT UNITS

Year Ended June 30, 2011

	<u>BOULDER PREP</u>	<u>HORIZONS</u>	<u>PEAK TO PEAK</u>
EXPENSES			
Instruction	\$ 828,655	\$ 2,632,397	\$ 7,083,587
Supporting Services	456,705	755,563	5,391,061
Interest and Fiscal Charges	16,888	-	1,236,412
	<hr/>	<hr/>	<hr/>
TOTAL EXPENSES	1,302,248	3,387,960	13,711,060
	<hr/>	<hr/>	<hr/>
PROGRAM REVENUES			
Charges for Services	-	-	1,257,248
Operating Grants and Contributions	48,449	780,774	231,433
	<hr/>	<hr/>	<hr/>
TOTAL PROGRAM REVENUES	48,449	780,774	1,488,681
	<hr/>	<hr/>	<hr/>
NET EXPENSE (REVENUE)	(1,253,799)	(2,607,186)	(12,222,379)
	<hr/>	<hr/>	<hr/>
GENERAL REVENUES			
Per Pupil Revenues	927,607	2,073,751	9,244,183
Mill Levy Override	275,394	649,361	2,845,511
Grants and Contributions Not Restricted to Specific Programs	99,653	56,194	686,123
Capital Construction Funding	12,801	14,284	127,303
Investment Earnings	-	-	107,774
Other	-	-	221,645
	<hr/>	<hr/>	<hr/>
TOTAL GENERAL REVENUES	1,315,455	2,793,590	13,232,539
	<hr/>	<hr/>	<hr/>
CHANGE IN NET ASSETS	61,656	186,404	1,010,160
	<hr/>	<hr/>	<hr/>
NET ASSETS, Beginning	844,805	652,907	4,748,352
	<hr/>	<hr/>	<hr/>
NET ASSETS, Ending	<u>\$ 906,461</u>	<u>\$ 839,311</u>	<u>\$ 5,758,512</u>

See the accompanying Independent Auditors' Report.

<u>SUMMIT</u>	<u>JUSTICE HIGH</u>	<u>TOTAL</u>
\$ 1,794,260	\$ 413,601	\$ 12,752,500
1,002,646	480,698	8,086,673
14,968	37,696	1,305,964
<u>2,811,874</u>	<u>931,995</u>	<u>22,145,137</u>
-	-	1,257,248
<u>506,548</u>	<u>30,906</u>	<u>1,598,110</u>
<u>506,548</u>	<u>30,906</u>	<u>2,855,358</u>
<u>(2,305,326)</u>	<u>(901,089)</u>	<u>(19,289,779)</u>
2,194,285	720,269	15,160,095
659,459	87,060	4,516,785
51,654	199,342	1,092,966
15,145	10,007	179,540
-	-	107,774
-	-	221,645
<u>2,920,543</u>	<u>1,016,678</u>	<u>21,278,805</u>
615,217	115,589	1,989,026
<u>(9,201)</u>	<u>161,307</u>	<u>6,398,170</u>
<u>\$ 606,016</u>	<u>\$ 276,896</u>	<u>\$ 8,387,196</u>

Boulder Valley School District RE-2

COMBINING BALANCE SHEET

COMPONENT UNITS

June 30, 2011

	BOULDER PREP	HORIZONS	PEAK TO PEAK
ASSETS			
Cash and Investments	\$ 349,467	\$ 969,485	\$ 4,830,787
Restricted Cash and Investments	-	-	2,745,009
Accounts Receivable	-	-	16,143
Inventories	-	-	17,375
Prepaid Items	-	5,575	3,667
	-	5,575	3,667
TOTAL ASSETS	\$ 349,467	\$ 975,060	\$ 7,612,981
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accrued Liabilities	\$ -	\$ -	\$ 461,423
Accrued Summer Salaries	-	140,894	432,644
Accrued Salaries and Benefits	-	14,070	45,429
Deferred Revenues	-	-	56,605
	-	-	56,605
TOTAL LIABILITIES	-	154,964	996,101
FUND BALANCES			
Nonspendable Inventories	-	-	17,375
Nonspendable Prepaid Items	-	5,575	3,667
Restricted for Repairs and Replacements	-	-	250,034
Restricted for Debt Service	-	-	2,494,975
Restricted for Emergencies	38,063	87,555	427,259
Assigned for Capital Projects	-	-	1,066,979
Assigned for Student Activities	-	-	20,220
Unassigned	311,404	726,966	2,336,371
	311,404	726,966	2,336,371
TOTAL FUND BALANCES	349,467	820,096	6,616,880
TOTAL LIABILITIES AND FUND BALANCES	\$ 349,467	\$ 975,060	\$ 7,612,981

Amounts reported in the statement of net assets are different because:

Fund Balances	\$ 349,467	\$ 820,096	\$ 6,616,880
Capital Assets	791,422	19,215	15,990,697
Debt Issuance Costs	-	-	527,045
Accrued Interest Payable	-	-	(400,383)
Long-Term Debt	(234,428)	-	(20,775,000)
Debt Premium	-	-	(405,072)
Loss on Refunding	-	-	4,204,345
	-	-	4,204,345
Net Assets	\$ 906,461	\$ 839,311	\$ 5,758,512

See the accompanying Independent Auditors' Report.

SUMMIT	JUSTICE HIGH	TOTAL
\$ 724,581	\$ 162,916	\$ 7,037,236
-	-	2,745,009
5,666	-	21,809
-	-	17,375
-	-	9,242
<u>\$ 730,247</u>	<u>\$ 162,916</u>	<u>\$ 9,830,671</u>

\$ -	\$ -	\$ 461,423
126,718	-	700,256
16,941	-	76,440
5,667	2,133	64,405
<u>149,326</u>	<u>2,133</u>	<u>1,302,524</u>

-	-	17,375
-	-	9,242
-	-	250,034
-	-	2,494,975
86,196	23,609	662,682
-	-	1,066,979
-	-	20,220
<u>494,725</u>	<u>137,174</u>	<u>4,006,640</u>
<u>580,921</u>	<u>160,783</u>	<u>8,528,147</u>
<u>\$ 730,247</u>	<u>\$ 162,916</u>	<u>\$ 9,830,671</u>

\$ 580,921	\$ 160,783	\$ 8,528,147
25,095	688,702	17,515,131
-	-	527,045
-	-	(400,383)
-	(572,589)	(21,582,017)
-	-	(405,072)
-	-	4,204,345
<u>\$ 606,016</u>	<u>\$ 276,896</u>	<u>\$ 8,387,196</u>

Boulder Valley School District RE-2
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
COMPONENT UNITS
Year Ended June 30, 2011

	BOULDER PREP	HORIZONS	PEAK TO PEAK
REVENUES			
Local Sources	\$ 1,245,411	\$ 3,490,121	\$ 14,085,687
State Sources	90,688	22,191	358,736
Federal Sources	27,805	62,052	276,797
TOTAL REVENUES	1,363,904	3,574,364	14,721,220
EXPENDITURES			
Current			
Instruction	828,655	2,632,397	7,083,587
Supporting Services	439,867	754,432	4,944,667
Capital Outlay	-	-	901,070
Debt Service			
Principal	4,746	-	455,000
Interest and Fiscal Charges	16,888	-	1,077,015
TOTAL EXPENDITURES	1,290,156	3,386,829	14,461,339
NET CHANGE IN FUND BALANCES	73,748	187,535	259,881
FUND BALANCES, Beginning	275,719	632,561	6,356,999
FUND BALANCES, Ending	\$ 349,467	\$ 820,096	\$ 6,616,880
Amounts reported in the statement of activities are different because:			
Net Change in Fund Balances	\$ 73,748	\$ 187,535	\$ 259,881
Capital Outlay	-	-	882,666
Depreciation Expense	(16,838)	(1,131)	(404,907)
Accrued Interest Payable	-	-	6,994
Repayment of Debt Principal	4,746	-	455,000
Amortization of Debt Premium	-	-	17,740
Amortization of Loss on Refunding	-	-	(184,132)
Amortization of Debt Issuance Costs	-	-	(23,082)
Change in Net Assets	\$ 61,656	\$ 186,404	\$ 1,010,160

See the accompanying Independent Auditors' Report.

<u>SUMMIT</u>	<u>JUSTICE HIGH</u>	<u>TOTAL</u>
\$ 3,346,170	\$ 833,416	\$ 23,000,805
15,129	192,433	679,177
65,792	21,735	454,181
<u>3,427,091</u>	<u>1,047,584</u>	<u>24,134,163</u>

1,794,260	413,601	12,752,500
1,001,170	475,818	7,615,954
-	-	901,070
350,400	30,304	840,450
14,968	37,696	1,146,567
<u>3,160,798</u>	<u>957,419</u>	<u>23,256,541</u>
266,293	90,165	877,622
314,628	70,618	7,650,525
<u>\$ 580,921</u>	<u>\$ 160,783</u>	<u>\$ 8,528,147</u>

\$ 266,293	\$ 90,165	\$ 877,622
-	-	882,666
(1,476)	(4,880)	(429,232)
-	-	6,994
350,400	30,304	840,450
-	-	17,740
-	-	(184,132)
-	-	(23,082)
<u>\$ 615,217</u>	<u>\$ 115,589</u>	<u>\$ 1,989,026</u>



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