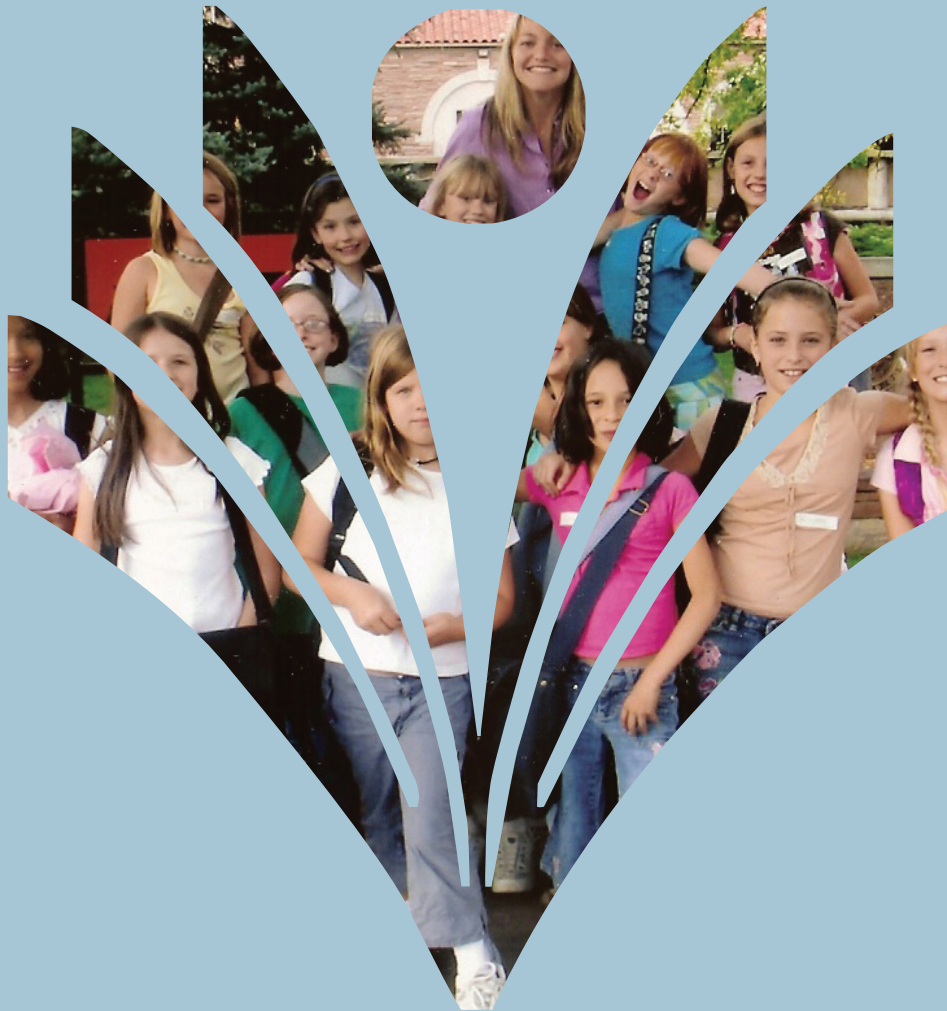




**Boulder Valley** School District  
*Excellence and Equity*



# COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDING JUNE 30, 2008

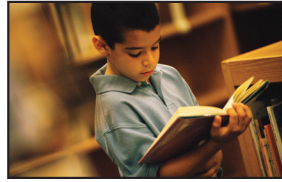
Boulder, Colorado ■ Boulder ■ Broomfield ■ Gilpin Counties





# **Boulder Valley** School District

*Excellence and Equity*



## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

*For the fiscal year ending June 30, 2008*

PREPARED BY: BUSINESS SERVICES DIVISION

**Leslie A. Stafford, CPA**  
*Chief Financial Officer*

**Charles R. McElwain, CPA**  
*Accounting Services Director*



# BOULDER VALLEY SCHOOL DISTRICT RE-2

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the fiscal year ending June 30, 2008

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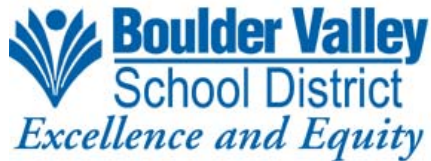
## **INTRODUCTORY SECTION**





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**Business Services Division**

November 18, 2008

Members of the Board of Education  
Dr. Christopher D. King, Superintendent of Schools  
Boulder Valley School District RE-2  
Boulder, Colorado

It is our pleasure to submit the Comprehensive Annual Financial Report of the Boulder Valley School District RE-2 for the fiscal year ended June 30, 2008.

State law requires that all local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. This report is being formally submitted to the Board of Education in fulfillment of those requirements.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls that it has established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The 2008 Comprehensive Annual Financial Report (CAFR) presentation is in compliance with the governmental financial reporting model established by the Governmental Accounting Standards Board (GASB) Statement No. 34 titled *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. Accounting and financial reporting for state and local governments previously focused on funds to demonstrate fiscal accountability. The GASB No. 34 reporting model parallels private sector reporting by consolidating fund-based presentations into government-wide financial statements designed to ensure and demonstrate fiscal and operational accountability.

Swanhorst & Company LLC, Certified Public Accountants, have issued an unqualified (“clean”) opinion on the Boulder Valley School District RE-2’s financial statements for the year ended June 30, 2008. The independent auditors’ report is located at the front of the financial section of this report.



Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

### **Profile of the Government**

Boulder Valley School District RE-2 is a public school district, organized and existing under the School District Organization Act of 1965, Article 30, Title 22, and Colorado Revised Statutes. It was originally organized in 1860 and was reorganized in 1961 to include numerous smaller districts. A seven member Board of Education elected by the citizens of Boulder, Broomfield and Gilpin Counties governs the District. Board members serve four-year terms, with four members elected every two years.

The district is located near the foothills of the Rocky Mountains approximately twenty miles northwest of Denver. The district is made up of approximately 500 square miles in the southern half of Boulder County, the northern part of Gilpin County and a significant portion of western Broomfield County. It covers one of the larger school regions in the metro-Denver area and encompasses the communities of Boulder, Broomfield, Erie, Gold Hill, Jamestown, Lafayette, Louisville, Nederland, Superior, and Ward. For the 2007/08 school year, the district's total enrollment and student full time equivalent was 28,490 and 27,229 respectively, including charter schools. The district owns over 750 acres of prime Boulder and Broomfield County property and maintains six artificial turf athletics fields and 56 buildings spanning over four million square feet.

The district provides a full and challenging range of educational programs and services authorized by Colorado State Statute including basic kindergarten through grade twelve education in elementary, middle and high schools, special education for special needs students, vocational education, English as a second language education and numerous other educational and support programs. In addition, the district offers preschool programs through the Colorado Preschool and Kindergarten Program, Community Montessori focus school and the Special Education program.

Five charter schools are included as component units of the Boulder Valley School District RE-2 for the 2008 CAFR: Boulder Preparatory High School, Horizons K-8 Alternative School, Peak to Peak K-12 Charter School, Summit Middle Charter School and Justice High Charter School.

### **Economic Conditions and Outlook**

The state economic picture is important to the district because a major source of funding for the district's General Operating Fund is received through the State's School Finance Act established by the state legislature. Also, a strong local economy combined with a stable or growing population are factors critical to the health of a school district.



Boulder Valley School District RE-2 residents, particularly in the more densely settled urban areas where most of the population resides, participate in the large and increasingly diverse front-range economy, which includes the Cities of Denver, Boulder and Longmont and the growing communities in between. While the economy is still strong, this area has been impacted by the recent recession, particularly in the developing high-tech and telecommunications sector, which became an increasingly prominent piece of the local economy and drove growth during much of the late 1990s.

The City of Boulder is home to the University of Colorado, Boulder Campus, which is a significant stabilizing force for the local economy. Other major employers in the area include IBM Corporation, Sun Microsystems Inc, Level 3 Communications and numerous other smaller software, research, manufacturing and pharmaceutical firms. The City of Boulder is home to a campus of the National Institute of Standards and Technology, the National Center for Atmospheric Research, and the University Corporation for Atmospheric Research and other federal research laboratories.

In February 2008, it was announced that ConocoPhillips will be opening a new global technology and corporate learning center at the former Sun Microsystems/Storage Tek site in Louisville. Upon its completion in 2012, the learning center will handle research and development of renewable energy and high tech carbon fuels recovery. The facility will also house a training center to train employees from 40 different countries.

According to U.S. Bank's *2008 Economic Forecast*, "The Colorado economy grew sluggishly in 2007, mirroring national economic performance. With the exception of the energy boom affecting the northwest quadrant of the state, and, to a lesser extent, Weld County and other agricultural counties involved in the "corn-for-ethanol" hysteria, the same factors driving the national economy are determining what is happening in Colorado."

"Economic growth in 2008 will slow to 0.5% after expanding 1.5% in 2007. The unemployment rate will rise to 4.8%, as the recession deepens. Per capita personal income will rise 2.9%, below the metro Denver inflation rate of 3.1%. The lack of growth in real (inflation-adjusted) income, along with rising mortgage payments, will cause consumers to reduce the pace at which they spend. Total retail sales will rise 3.9%, well below the 7.6% gain in 2007."

"The worst of the housing recession will be behind us by the end of 2008, with permits falling another 7.1%. Multi-family housing will join single-family in the decline. The value of nonresidential contracts will decrease by 13.9%. With fewer houses there will be less need for new retail centers and rising office vacancy rates will discourage new office construction."

"Because Colorado has not experienced the speculative home-price appreciation that has taken hold in other parts of the country, the recession will not be as deep here as in other parts of the country. However, Colorado will follow the rest of the U.S. economy into recession and remain there until the national recovery gets underway."



## **Long-term Financial Planning**

The School Finance Act is the primary source of revenue to the district. While the Act determines how much funding the district receives on a per pupil basis, the funded pupil count is the driver of school funding. Because the Act distributes funds on a per pupil basis, the number of students enrolled in the district determines the amount of funding the district receives. Accordingly, when the funded pupil count increases, revenue increases. When the funded pupil count decreases, the district's revenue also decreases.

The district funded pupil count has increased by only 599 students since 2002-03, resulting in a minimal increase in School Finance Act revenue.

In addition, state law allows school districts to ask voters to approve override funding through an additional property tax mill levy. This is paid entirely with increased local property taxes. Voters generously approved such overrides in 1991, 1998, 2002 and 2005.

In May 2005, because of these factors and the state's economic climate, the board adopted Policy DB which dictates a minimum level of year-end fund balance in order to ensure the district's ongoing fiscal health. This policy restricts the district from using one-time money for ongoing programs. Any ongoing program maintenance or growth must be sustained with ongoing revenue.

The adoption of this policy means the district will have to make annual budget adjustments so that new expenditures do not exceed new revenues. Because the district has in the past funded necessary programs with fixed revenues provided by override funds, the cost of these programs will eventually exceed the fixed revenue stream. Using this policy now means the district can make smaller adjustments over time rather than making dramatic cuts in future years when the cost of programs has outgrown revenue sources.

The policy's five key requirements are outlined as follows:

- The General Operating Fund budget will be developed so that the total of annual ongoing expenditures, transfers and incremental increases in required reserves does not exceed annual revenues.
- If the General Operating Fund ends any fiscal year with a surplus of revenues beyond expenditures, this amount can only be used for one-time operating expenditures in subsequent years.
- In addition, the General Operating Fund budget will be developed containing an ending fund balance equal to or greater than the required TABOR reserve on a generally accepted accounting principles (GAAP) basis.
- The budgets for all other funds will be developed to include, at a minimum, the required TABOR reserve.



- The General Operating Fund budget will be developed on a generally accepted accounting principles (GAAP) basis.

At June 30, 2008, the district is in compliance with all provisions of this policy.

### **Major Initiatives**

The mission of the Boulder Valley School District RE-2 is to realize our ***Vision for the New Century Graduate:***

*“To graduate students in the New Century who have the knowledge, skills and personal characteristics that will make this world a safer, more thoughtful and more inclusive place in which to live.”*

The district’s goals are intended to support this mission.

In November 2007, the Board of Education approved three five-year goals for the district that relate to equity, achievement and organization. These goals were developed using the district’s Tools of Inquiry for Equitable Schools (TIES) process during multiple work sessions and board meetings during fall 2007.

These goals are quite different from prior goals set by the district in that they are more streamlined and measurable. As defined by the TIES process, these goals are SMART goals, which stand for “Specific, Measurable, Attainable, Realistic and Timely.” In a nutshell, the district aims to achieve academic excellence for all students, to produce equitable results that reduce persistent patterns of inequity and to create a culturally proficient and welcoming school climate.

The district’s goals for 2007 – 2012 are as follows:

- **Achievement Goal** – Increase measurable student achievement in specific content areas through curriculum and instruction that is rigorous and relevant.
- **Equity Goal** – Narrow the achievement gap in all content areas as measured by CSAP results, ACT scores, district graduation rates and curriculum-based assessments.
- **Organization Goal** – Create and sustain a safe and positive learning environment that protects and respects the rights of all individuals as measured by specific results from the district’s annual School Climate Survey.

For details about the goals and how progress toward them will be measured, read the BVSD Annual Report by visiting the district’s website [www.bvsd.org](http://www.bvsd.org).



## Other Information

### Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Boulder Valley School District RE-2 for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2007. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A certificate is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the Boulder Valley School District RE-2 also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning July 1, 2007. In order to qualify for the Distinguished Budget Presentation Award, the government's budget had to be judged proficient as a policy document, a financial plan, an operations guide and a communications device.

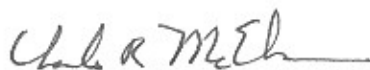
### Acknowledgments

The preparation of this report on a timely basis was made possible by the dedicated service of the entire staff of the Business Services Division. We would like to express our sincere appreciation to all members of the department for their contributions with this report. We also thank the district's independent auditors, Swanhorst & Company LLC, for the professional manner in which they accomplished the audit and for their work to publish this Comprehensive Annual Financial Report. We would also like to thank Dr. Christopher D. King, Superintendent of Schools and the Board of Education for their interest in and support of the finance and accounting operations of the Boulder Valley School District RE-2 and Heather Grooters CPA, District Accountant, for her assistance in the preparation of this document.

Respectfully Submitted,



Leslie A. Stafford, CPA  
Chief Financial Officer



Charles R. McElwain, CPA  
Accounting Services Director



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Boulder Valley School  
District RE-2, Colorado

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Chene S. Cox*

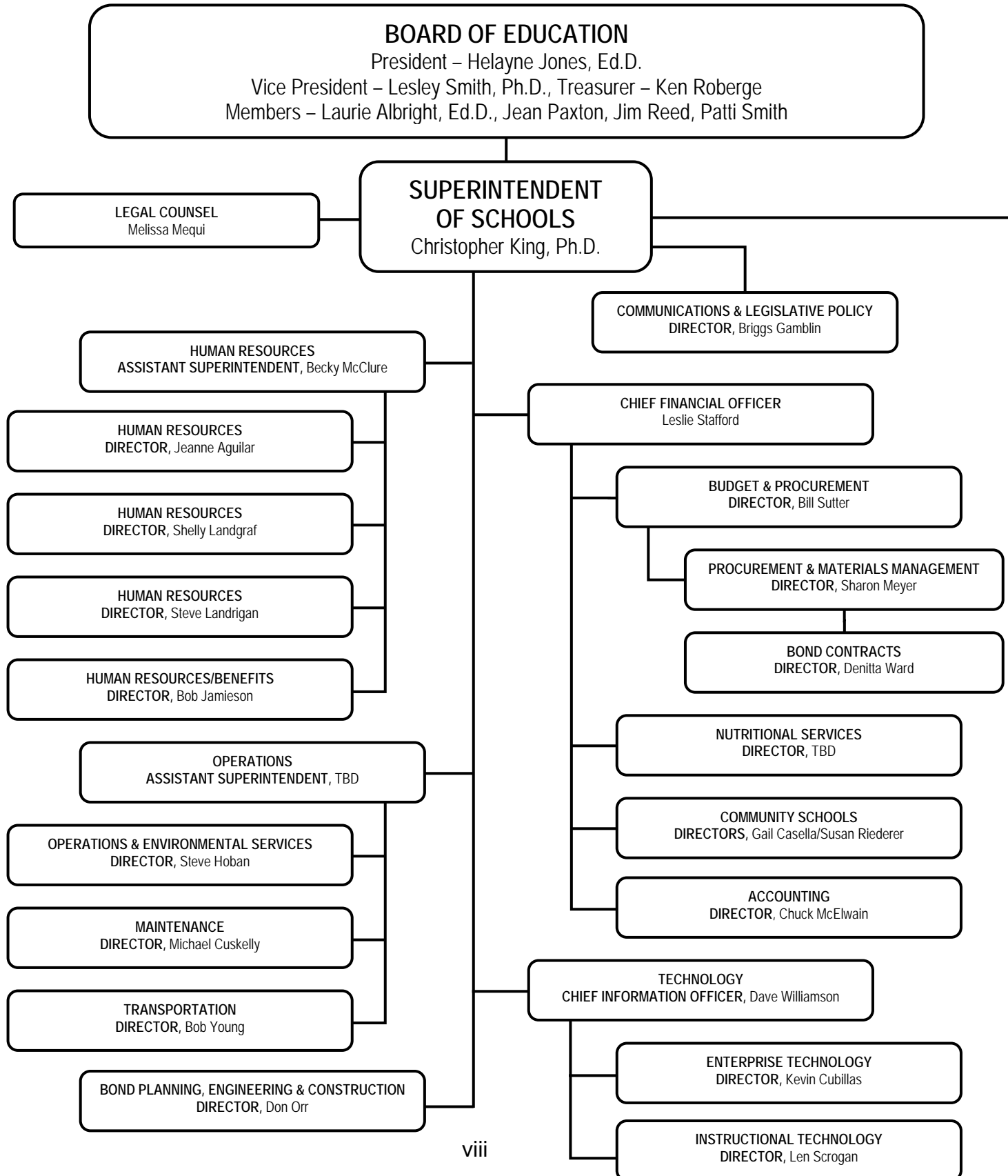
President

*Jeffrey R. Emen*

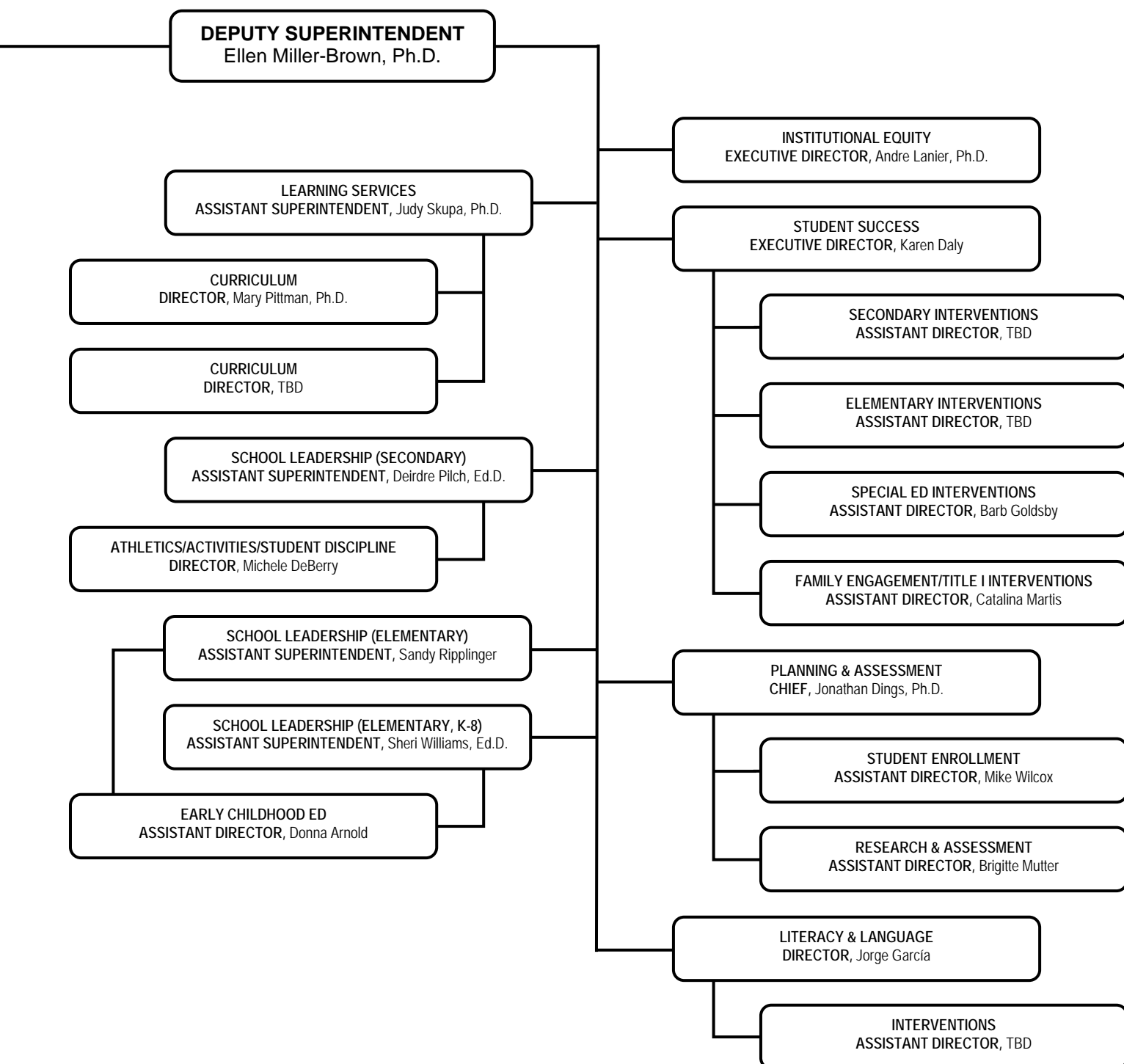
Executive Director



**BOULDER VALLEY SCHOOL DISTRICT RE-2**  
**ORGANIZATION CHART**









## **BOULDER VALLEY SCHOOL DISTRICT RE-2**

### **List of Elected and Appointed Officials**

**June 30, 2008**

#### **Elected Officials**

Helayne Jones, Ed. D.....President, District A  
Lesley Smith, Ph. D.....Vice President, District B  
Ken Roberge.....Treasurer, District D  
Jean Paxton.....Director, District F  
Patti J. Smith.....Director, District E  
Laurie Albright, Ed. D.....Director, District C  
Jim Reed .....Director, District G

#### **Appointed Officials**

Christopher King, Ph. D.....Superintendent  
Ellen Miller-Brown, Ph. D.....Deputy Superintendent  
Judy Skupa, Ph. D.....Assistant Superintendent-Learning Services  
Deirdre Pilch, Ed. D.....Assistant Superintendent-School Leadership (Secondary)  
Sheri Williams, Ed. D.....Assistant Superintendent-School Leadership (Elementary, K-8)  
Sandy Ripplinger.....Assistant Superintendent-School Leadership (Elementary)  
Becky McClure.....Assistant Superintendent-Human Resources  
Joe Sleeper.....Assistant Superintendent-Operations  
Leslie Stafford, CPA.....Chief Financial Officer  
Dave Williamson.....Chief Technology Officer  
Melissa Mequi, JD. ....Legal Counsel  
Briggs Gamlin.....Director-Communications & Legislative Policy  
Jonathan Dings.....Chief-Planning & Assessment  
Karen Daly.....Executive Director-Student Services  
Andre Lanier.....Executive Director-Institutional Equity



## **FINANCIAL SECTION**





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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, 2008, 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 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, 2008, 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.

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 supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 5, 2008, 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 the 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.



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.

*Swauders Company LLC*

November 5, 2008



## **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, 2008. 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 i – vi of this report.

### **Financial Highlights**

At June 30, 2008:

- The primary government has government-wide net assets of \$113,686,366.
- Governmental activities have an unrestricted net assets surplus of \$15,970,059.
- Business-type activities have deficit unrestricted net assets of \$19,621.
- Fund balance of the district's governmental funds decreased by \$42,128,142 resulting in an ending fund balance of \$133,913,298. This is due primarily to planned spending increases in the General Fund and Bond Redemption Fund and project expenditures from the 2007 bond issue in the Building Fund.
- The Combined General Fund ending balance decreased by \$6,825,365 to \$21,765,991 due to planned use of funds related to capital expenditures, program implementation and support, and a reserve for the new self-funded health insurance program.
- The district's long-term general obligation debt decreased by \$15,700,000 to \$230,175,000. This is the result of the issuance of \$49,910,000 of 2007B general obligation refunding bonds used to refund \$55,590,000 of 1997 general obligation bonds and \$10,020,000 of current year principal payments on other outstanding general obligation bonds.

### **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 themselves.

### **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, Tuition Preschool Fund, and Colorado Preschool 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 1-2 of this report.

## **Fund Financial Statements**

Fund financial statements are designed to demonstrate compliance with finance-related legal requirements. 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. 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 three 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, Tuition Preschool Fund and the Colorado Preschool and Kindergarten 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 Governmental Designated-Purpose Grants Fund, the Transportation Fund and the Capital Reserve Fund. Individual fund information for the non-major funds is presented as other supplemental information after the notes section of this report.

The district adopts an annual appropriated budget for each of the individual governmental funds. A budgetary comparison schedule for the General Fund is included in the fund financial statements to demonstrate compliance with the adopted budget. The remaining governmental funds budgetary comparisons are reported as other supplemental information and can be found after the notes section of this report.

The basic governmental fund financial statements can be found on Pages 3-5 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 6-8 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 9-10 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 11-27 of this report.

### **Other Information**

In addition to the basic financial statements and accompanying notes, this report also contains other required supplementary information. This includes a Budgetary Comparison Schedule for the General Fund and Notes to Required Supplementary Information. Required supplementary information can be found on pages 28-29 of this report.

The Combining and Individual Fund Statements and Schedules follow the Required Supplementary Information. These statements and schedules can be found on pages 30-51 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 \$13,786,366 with an unrestricted balance of \$15,950,438 at June 30, 2008.

The largest portion of the district's net assets (58.11%) 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 (27.88%) are subject to external restrictions on how they may be used. The remaining amount of net assets (14.01%) is available to fund the district's ongoing programs.

### Boulder Valley School District RE-2 Net Assets

	Governmental Activities		Business-type Activities		Total	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Current and other assets	\$190,399,092	\$208,161,958	\$403,932	\$612,328	\$190,803,024	\$208,774,286
Capital assets	<u>215,065,757</u>	<u>185,693,977</u>	<u>356,784</u>	<u>217,527</u>	<u>215,422,541</u>	<u>185,911,504</u>
Total Assets	405,464,849	393,855,935	760,716	829,855	406,225,565	394,685,790
Long-term liabilities	240,500,649	254,581,694	-	-	240,500,649	254,581,694
Other liabilities	<u>51,785,924</u>	<u>32,254,266</u>	<u>252,626</u>	<u>258,753</u>	<u>52,038,550</u>	<u>32,513,019</u>
Total Liabilities	292,286,573	286,835,960	252,626	258,753	292,539,199	287,094,713
Net assets						
Investment in capital assets						
net of related debt	65,673,525	53,686,966	356,784	217,527	66,030,309	53,904,493
Restricted for:						
Debt Service	17,437,110	23,429,867	-	-	17,437,110	23,429,867
Capital Projects	6,666,387	2,459,893	-	-	6,666,387	2,459,893
Multiple Year Obligations	120,000	200,000	-	-	120,000	200,000
Preschool Expenditures	79,217	81,096	-	-	79,217	81,096
Risk Management	53,635	-	-	-	53,635	-
Emergencies	7,178,343	6,626,660	170,927	163,236	7,349,270	6,789,896
Unrestricted	<u>15,970,059</u>	<u>20,535,493</u>	<u>(19,621)</u>	<u>190,339</u>	<u>15,950,438</u>	<u>20,725,832</u>
Total Net Assets	<u>\$113,178,276</u>	<u>\$107,019,975</u>	<u>\$508,090</u>	<u>\$571,102</u>	<u>\$113,686,366</u>	<u>\$107,591,077</u>



The district's net assets increased by \$6,195,289 resulting from an increase of \$6,158,301 in governmental activities net assets and a decrease of \$63,012 in business-type net assets. Governmental activities total assets increased by \$11,608,914 primarily caused by increases in short-term receivable balances, inventories and prepaid items. Decreases in restricted cash and investments have been offset by increases in capital assets as funds are being spent on capital projects as part of the 2007 capital improvement program. Governmental activities total liabilities increased by \$5,450,613 due primarily to increases in short-term liabilities incurred as part of the 2007 capital improvement program.

#### Government-wide Activities

Government-wide activities increased the district's net assets by \$6,195,289. 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>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Revenues						
Charges For Services	\$11,301,762	\$10,466,889	\$3,649,198	\$3,486,250	\$14,950,960	\$13,953,139
Grants/Contributions	19,718,065	20,948,003	2,016,276	1,828,748	21,734,341	22,776,751
General Revenues:						
Taxes:						
Local Property Taxes	174,440,943	164,129,499	-	-	174,440,943	164,129,499
Specific Ownership Taxes	11,258,208	11,108,990	-	-	11,258,208	11,108,990
State Equalization	56,336,553	58,089,462	-	-	56,336,553	58,089,462
Other Revenues	4,834,871	1,210,079	-	-	4,834,871	1,210,079
Investment Earnings	<u>7,152,235</u>	<u>3,629,865</u>	<u>-</u>	<u>-</u>	<u>7,152,235</u>	<u>3,629,865</u>
Total Revenue	285,042,637	269,582,787	5,665,474	5,314,998	290,708,111	274,897,785
Expenses						
Instruction	174,678,565	162,839,335	-	-	174,678,565	159,937,411
Supporting Services	94,388,108	85,954,536	-	-	94,388,108	76,041,071
Interest Expense	9,817,663	8,429,419	-	-	9,817,663	6,732,019
Food Services	<u>-</u>	<u>-</u>	<u>5,728,486</u>	<u>5,625,673</u>	<u>5,728,486</u>	<u>5,211,811</u>
Total Expenses	278,884,336	257,223,290	5,728,486	5,625,673	284,612,822	247,922,312
Change in net assets	6,158,301	12,359,497	(63,012)	(310,675)	6,095,289	12,048,822
Net Assets - Beginning	<u>107,019,975</u>	<u>94,660,478</u>	<u>571,102</u>	<u>881,777</u>	<u>107,591,077</u>	<u>95,542,255</u>
Net Assets - Ending	<u>\$113,178,276</u>	<u>\$107,019,975</u>	<u>\$508,090</u>	<u>\$571,102</u>	<u>\$113,686,366</u>	<u>\$107,591,077</u>



## Governmental Activities

- Revenue from governmental activities increased from the prior year by \$15,459,850 or 5.73%. Local property taxes increased by \$10,311,474 due to mill levy and assessed valuation increases in the General Fund, the Bond Redemption Fund and the Transportation Fund for the 2008 tax year. State equalization revenue decreased by \$1,752,909 due to a change in the School Finance Act which changed the district's distribution of local tax revenue versus state equalization revenues. Investment earnings increased by \$3,522,370 due primarily to higher investable cash balances in the Building Fund than in the prior year. Other revenues increased by \$3,522,370 primarily due to the sale of a vacant building.
- Expenditures for governmental activities increased from the prior year by \$21,661,046 or 8.42%. This increase is due primarily to pay increases given to district employees, an increase in staffing numbers, increased employee benefit costs for health insurance and retirement plan contributions, and an increase in interest expense due to the 2007 general obligation bonds issued in February 2007 and the 2007B refunding general obligation bonds sold in October 2007.

## Enterprise Activities

- The \$63,012 decrease in net assets from enterprise activities is due to higher than expected labor and food costs offset somewhat by higher revenues due to higher participation levels.

## 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, unreserved fund balance may serve as a useful measure of the district's net resources available for spending at the end of the fiscal year.

The Combined General Fund is the major governmental 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, the Tuition Preschool Fund, and the Colorado Preschool and Kindergarten Fund. A Combining Schedule of Revenues, Expenditures and Changes in Fund Balances of the Combined General Fund is shown on Page 31 of this document. As of June 30, 2008, the Combined General Fund shows an ending fund balance of \$21,765,991 down from the combined fund balance of \$28,591,356 for the prior year, a decrease of \$6,825,365.

A Budgetary Comparison Schedule for the Combined General Fund is presented on page 28 of this document. There is a positive variance between final budgeted and actual revenue of \$921,244 or 0.39%. The majority of this variance (\$642,998 or 64.86%) is due to increased school finance act revenues (taxes and state equalization.)

Expenditures vary from the final budget by \$20,551,993 or 8.24% of the final budget amount. This variance is caused primarily by budget reserves appropriated but not spent of \$15,278,493. The remaining variance is attributable to salary and benefit cost savings based upon attrition and expenditures budgeted for 2007-08, but not spent until 2008-09.



The General Operating Fund is the core of operations for the district. At the end of the fiscal year, the fund balance decreased by \$7,004,509 to a balance of \$19,588,018. Revenues increased by \$8,507,753 primarily due to increased property tax revenues of \$10,240,817, offset by a decrease in state equalization revenues provided by the School Finance Act of \$1,752,910 compared to the prior year. Expenditures increased by \$13,124,445 due primarily to wage increases and increases in employee benefits for health insurance and retirement plan contributions, and the payment of expenditures originally budgeted in 2006-07 which were carried over and spent in 2007-08. Other financing sources increased by \$7,900,727 primarily due to a \$4,100,000 transfer to the Health Insurance Fund and larger transfers to the Capital Reserve Fund and Transportation Fund than in the prior year.

The Bond Redemption Fund had a decrease in fund balance of \$6,022,588 to \$17,282,227. Revenues from local sources decreased by \$1,456,808 while current year principal and interest payments increased by \$7,527,615. Other financing sources were \$4,430,510 due to the issuance of the 2007B general obligation bonds. The large increase in principal and interest payments in 2007-08 are the result of the first set of principal and interest payments in the 2007 general obligation bonds that were sold during the 2006-07 fiscal year.

The Building Fund ended the year with a fund balance of \$87,195,962, a decrease of \$33,286,439. Interest earnings were \$5,703,231, an increase of \$3,852,348 over the prior year. Phase I capital project expenditures were \$39,037,658, a \$36,766,485 increase over the prior year.

Building Fund investments at June 30, 2008 are summarized below.

	<u>Cost</u>	<u>Weighted Average Maturity (Days)</u>	<u>Percentage of Portfolio</u>	<u>Weighted Average Yield</u>
Cash and Cash Equivalents	\$21,539,728	1	21.16%	2.42%
Commercial Paper	24,763,672	63	24.33%	2.79%
U.S. Instrumentalities	55,493,608	122	54.51%	5.32%
Total	\$101,797,008	82	100.00%	4.10%

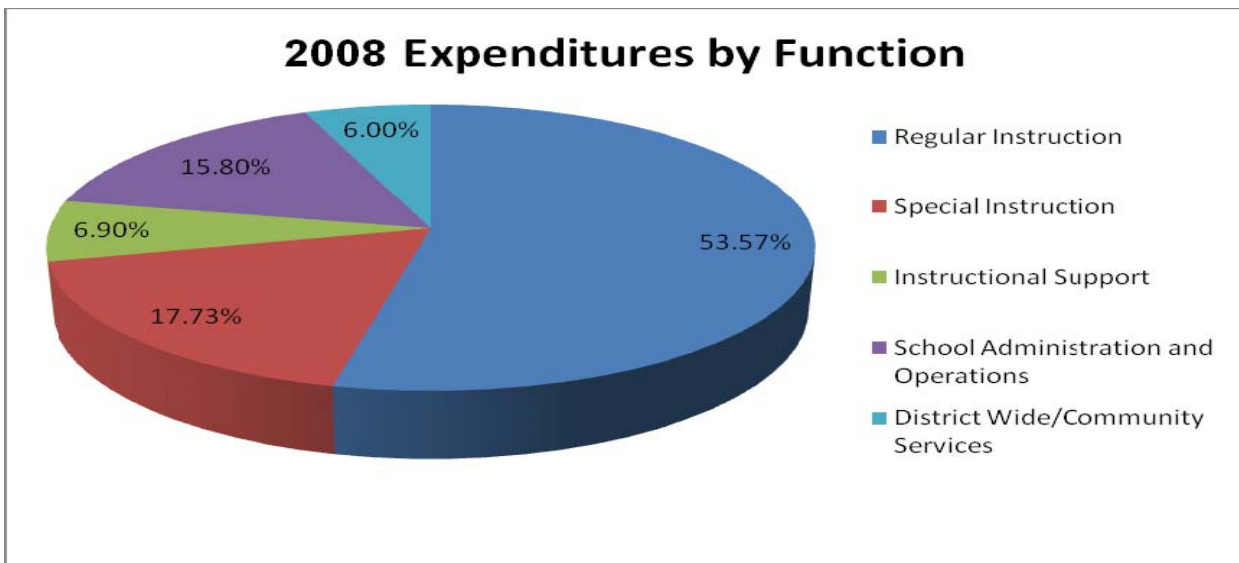
### **General Operating Fund Expenditure Highlights**

General Operating Fund spending in 2006-07 provided for the continuation of district programs and services. General Operating Fund expenditures by function is shown in the following chart. 78.20% of expenditures are instruction related: regular program instruction, special program instruction, and direct instructional support. 15.80% of expenditures are for school administration, operations and maintenance of district facilities. 6.00% of expenditures are for district wide services and community obligations. Additionally, the district has spent a minimum of 73.63% of General Operating Fund dollars on instruction-related programs over the past five fiscal years. These spending trends will continue for the next few fiscal years.



## Spending Your Boulder Valley School District RE-2 Dollar

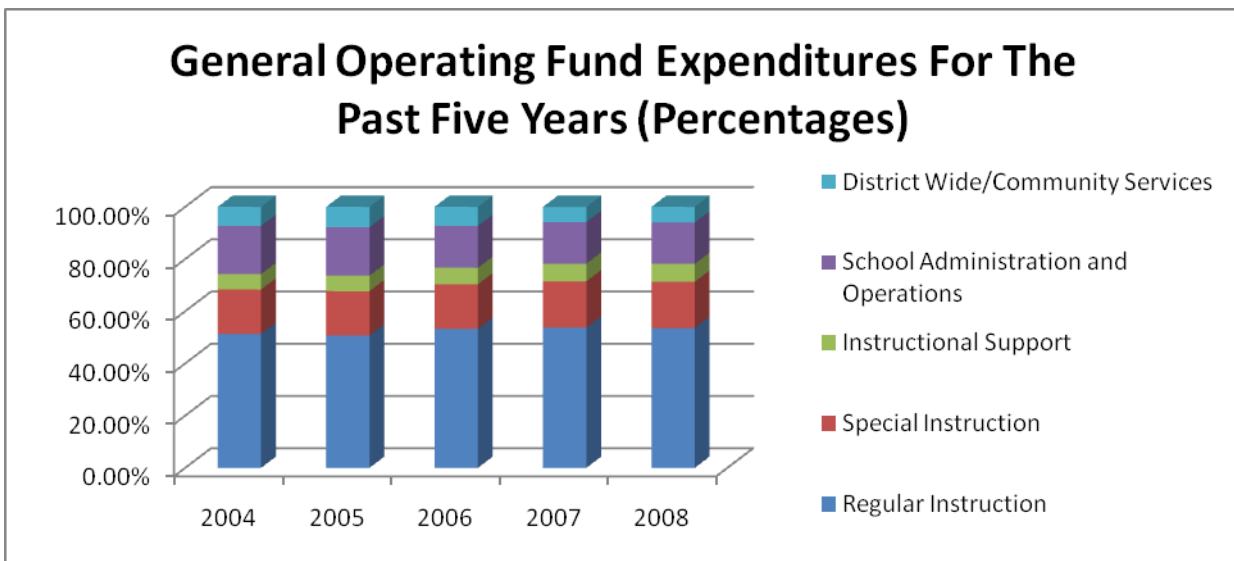
<b><u>Function</u></b>	<b><u>June 30, 2008</u></b>	<b><u>Percent</u></b>
Regular Instruction		
Regular Instruction	\$ 114,565,748	53.57%
Special Instruction		
Special Education	27,497,843	
Vocational Education	2,934,660	
Co-curricular Education	1,031,229	
Literacy & Language Support Services	5,330,123	
Talented and Gifted Education	1,114,549	
Sub-Total Special Instruction	37,908,404	17.73%
Instructional Support		
Student Services	6,449,176	
Instructional Staff Support	8,308,165	
Sub-Total Instructional Support	14,757,341	6.90%
Sub-Total Instruction	\$ 167,231,493	78.20%
School Administration and Operations		
School Administration	16,014,783	
Operations and Maintenance	17,765,849	
Sub-Total School Administration and Operations	33,780,632	15.80%
District Wide/Community Services		
General Administration	3,189,816	
Business Services	2,211,860	
Central Services	6,630,944	
Community Services	124,808	
Debt Services	699,507	
Sub-Total District Wide/Community Services	12,856,935	6.00%
Total General Operating Fund Expenditures	\$ 213,869,060	100.00%





### General Operating Fund Expenditures For The Past Five Fiscal Years (Percentages)

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Regular Instruction	51.36%	50.72%	53.29%	53.74%	53.57%
Special Instruction	16.96%	16.98%	17.04%	17.70%	17.73%
Instructional Support	5.94%	5.93%	6.34%	6.81%	6.90%
Sub-total Instruction	74.26%	73.63%	76.67%	78.26%	78.20%
School Administration and Operations	18.46%	18.56%	16.01%	15.92%	15.80%
District Wide/Community Services	7.28%	7.81%	7.32%	5.82%	6.00%
Sub-total Support	25.74%	26.37%	23.33%	21.74%	21.80%
Total	100.00%	100.00%	100.00%	100.00%	100.00%

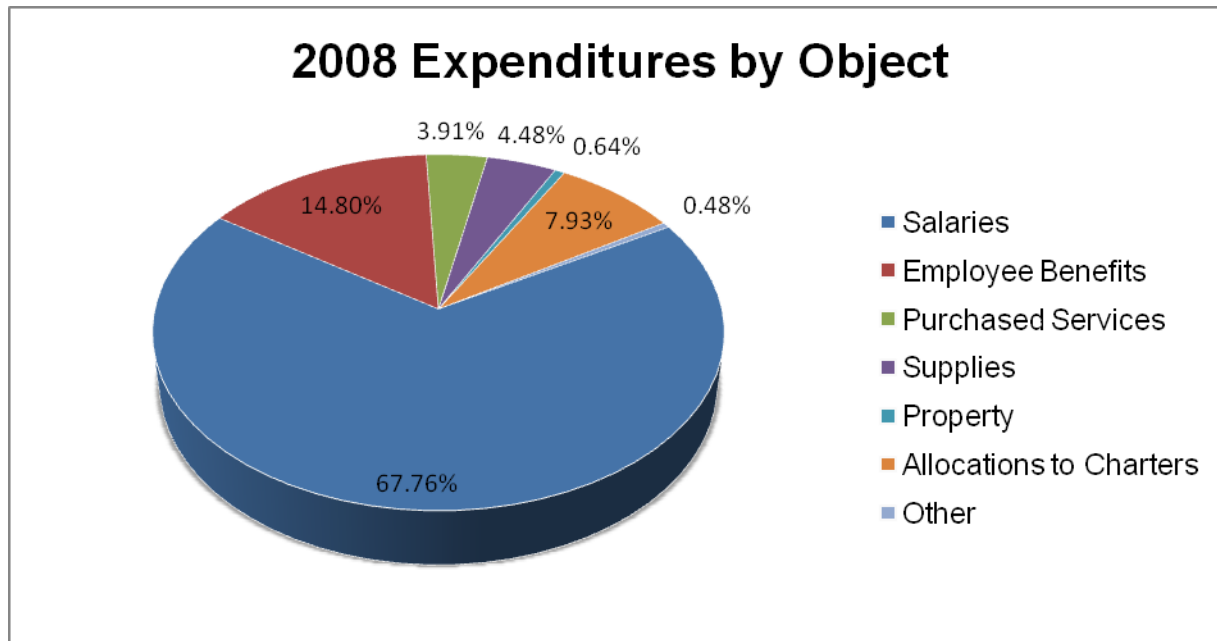


General Operating Fund expenditures by object is shown in the following charts. For the 2007-08 fiscal year, 82.32% of expenditures are for salary and benefit costs, 9.85% are for non-personnel costs and 7.93% are for allocations to district charter schools.



## General Operating Fund Expenditures by Object

<u>Object</u>	<u>June 30, 2008</u>	<u>Percent</u>
Personnel Costs:		
Salaries	\$144,911,805	67.76%
Employee Benefits	31,643,735	14.80%
Subtotal	176,555,540	82.32%
Non-Personnel Costs:		
Purchased Services	8,369,583	3.91%
Supplies	9,583,675	4.48%
Property	1,360,968	0.64%
Other	1,036,072	0.48%
Subtotal	20,350,298	9.85%
Operating Expenditures	196,905,838	92.07%
Allocations to Charters	16,963,222	7.93%
Total Expenditures	\$213,869,060	100.00%

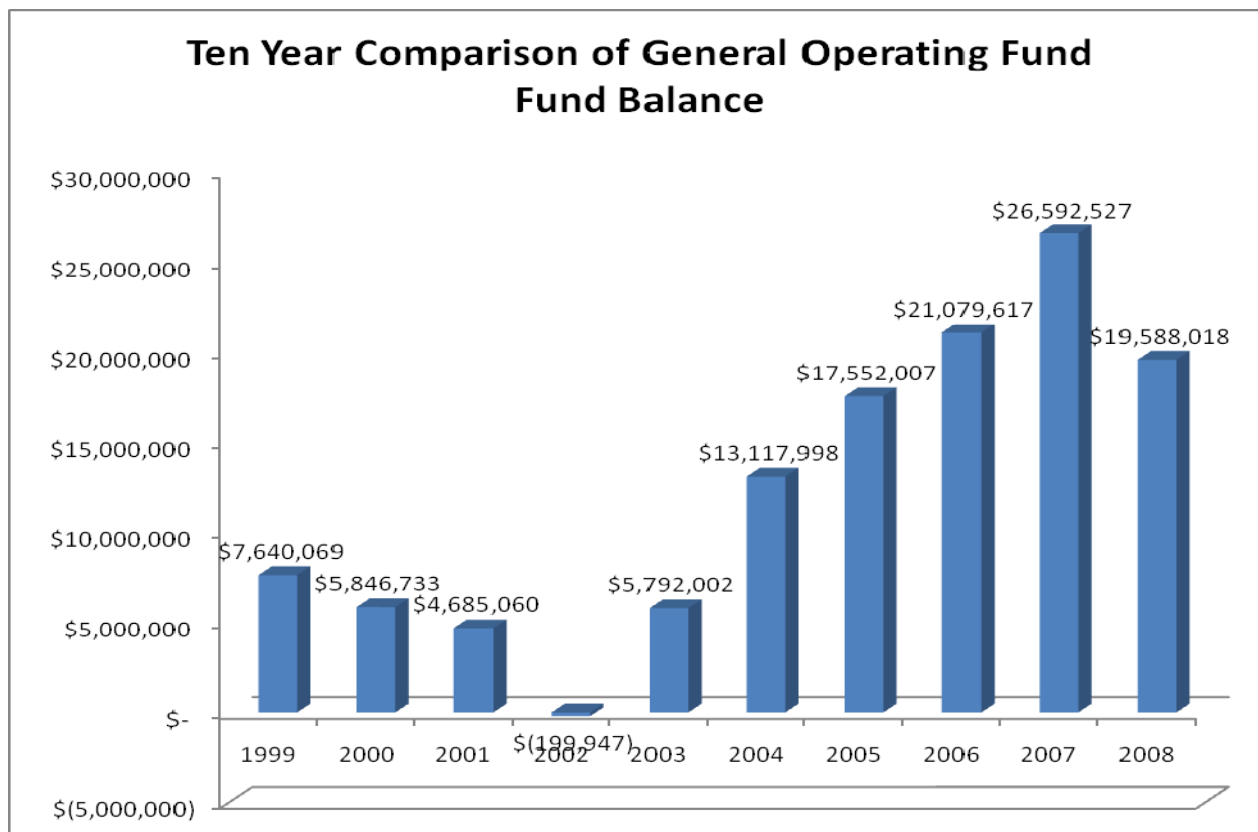


Salary and benefit costs will continue to be the major spending category in the General Operating Fund in the future. While the number of authorized positions in the General Operating Fund have increased minimally by only 49.287 full time equivalent positions from 2003-04 to 2007-08, wage rates have increased approximately 10% during that time. Additionally, the cost of district paid health insurance benefits have increased over 27% during the same time period.



## Combined General Fund Fund Balance Analysis

An analysis of the district's Combined General Fund fund balance is shown in the following chart. Over the 10 year period 1998-99 to 2007-08, the Combined General Fund fund balance has increased from \$7,640,069 to \$19,588,018.



There are many factors that caused this increase. First, the Colorado School Finance Act allows school districts to pass mill levy override elections up to a maximum of 20% of total program funding. The district passed mill levy override elections in November 1991, November 1998 and November 2002 of \$7,062,468, \$10,600,000 and \$15,000,000 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 fund was continued and supplemented with the 2002 referendum. It was the district's budget philosophy to spend 100% of each override on new programs and then ask the voters for additional revenues when the fund was depleted. This trend can be seen in the graph above between 1999 and 2002 when fund balance declined as expenditures exceeded revenues except in the year following the passage of a mill levy override. With Colorado's financial issues and the district's stable enrollment, the district changed this philosophy, 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.

The second factor causing the increase in fund balance is the passage of Board Policy DB. The policy's five key requirements are outlined as follows:

- The General Operating Fund budget will be developed so that the total of annual ongoing expenditures, transfers and incremental increases in required reserves does not exceed annual revenues.



- If the General Operating Fund ends any fiscal year with a surplus of revenues beyond expenditures, this amount can only be used for one-time operating expenditures in subsequent years.
- In addition, the General Operating Fund budget will be developed containing an ending fund balance equal to or greater than the required TABOR reserve on a generally accepted accounting principles (GAAP) basis.
- The budgets for all other funds will be developed to include, at a minimum, the required TABOR reserve.
- The General Operating Fund budget will be developed on a generally accepted accounting principles (GAAP) basis.

During the development of the 2008-09 budget, the uses of the \$19,588,018 ending fund balances are as follows:

Required Reserves:	
Contingency reserve	\$ 6,051,041
TABOR reserve	6,051,041
Other required reserves	1,257,064
Sub-total	<u>13,365,146</u>
One-time Expenditures	
Restricted funds carryover	2,477,166
Funds identified to be spent in the 2007-08 budget	3,509,923
Available for one-time expenditures	235,783
Sub-total	<u>6,222,872</u>
Grand Total	<u><u>\$19,588,018</u></u>

The decrease in ending fund balance from 2006-07 to 2007-08 is attributable to the spending of one-time funds budgeted in 2007-08. As the district's ending fund balance decreases towards the required reserves amount, the amount of one-time funds available will decrease accordingly.

### **General Operating Fund Budgetary Highlights**

The district began the budget process with development of a calendar as presented to the Board of Education on December 12, 2006.

The superintendent conducted budget information forums at selected schools in January and February, 2007. Two publications, titled ***Budget Perspectives*** and ***Directing Resources Toward Student Achievement***, were developed by the Budget Services and Communications departments to inform school staffs, parents, and the community at large about school finance in Colorado and the budget process within the district.

During the months of February and March, the superintendent conducted budget focus groups with all school levels, including two elementary groups: targeted assistance schools and neighborhood/focus schools. The major themes that were heard in these focus groups were used in developing the 2007-08 budget and include:

What programs and/or services are essential to meet school TIES goals?

- Direct services for students with high needs including ESL, Special Education, Talented and Gifted, and counseling services.



- Support services that coordinate instruction and curriculum, including literacy coaches, math coaches and professional development.

A budget work session was held with the Board of Education on April 10, 2007. This work session reviewed the assumptions and projections for 2007-08 and identified the following district issues:

- Employee Compensation
- Maintain Student Achievement
- Close Achievement Gap
- Critical District Needs
- Legislative Actions
- Other District Funds

After reviewing the input from the Board of Education, the budget focus groups, enrollment projections, and the most current revenue assumptions, the superintendent and his senior staff prepared a preliminary budget guided by the priorities outlined in the BVSD Strategic Plan. The preliminary budget was presented to the Board of Education on April 24, 2007. A public input session hosted by the District Accountability Committee (DAC) was conducted on April 26, 2007 in the district board room at the BVSD Education Center. This meeting provided an opportunity for the general public to listen to a presentation by the superintendent on the preliminary budget, ask questions regarding budget development and provide input.

### **The BVSD Strategic Plan**

- Maximize student learning and achievement
- Foster collaboration and partnerships
- Value diversity and promote understanding
- Provide a high-quality, committed staff
- Manage assets responsibly
- Plan and assess for continuous improvement

The Board of Education meetings between April and June provided an opportunity for the general public to contribute direct input to the board regarding the budget, as agenda item IV at each meeting is set aside for public participation. Each speaker is allotted two minutes to discuss topics of interest to the individual. The Board of Education takes public comments into consideration during the budget development process.

After the presentation of the 2007-08 Proposed Budget on May 22, 2007, the Board of Education continued discussions at the scheduled board meetings until adoption of the 2007-08 budget at the June 12, 2007 meeting. Some minor adjustments related to the use of available one-time funds were included in the final adopted budget.

The final phase of budget development was the modification of the June adopted budget based on final 2006-07 financial data and updated enrollment information gained from the first month of school. This budget development process is consistent with current Colorado statutes that require a proposed budget be presented to the Board of Education by June 1, with budget adoption by June 30. The law provides the opportunity for the board to adjust revenues and expenditures through January 31. The Board of Education adopted this revised budget based on the new information as described above on October 9, 2007.



The adoption of the budget by the Board of Education includes the formal approval of both the Budget Resolution and the Appropriation Resolution, as defined in Colorado State Statute 22-44-103(1). The resolutions set the maximum amount of funds which can be utilized in a given fiscal year. All available resources are appropriated through this process, and each accounting fund is included in each of the resolutions. A board of education of a school district shall not expend any moneys in excess of the amount appropriated by resolution for a particular fund, C.R.S. 22-44-115(1).

Changes to the budget following the adoption by the Board of Education are authorized under policy DBK which allows the transfer of funds between accounts with the approval of the Budget Services Director.

## Capital Assets and Debt Administration

The district's investment in capital assets for its governmental and business-type activities as of June 30, 2008 and 2007 are \$215,422,541 and \$185,229,850 respectively.

### Boulder Valley School District RE-2

#### Capital Assets (net of accumulated depreciation)

	<u>June 30, 2008</u>	<u>June 30, 2007</u>
Governmental Activities		
Land	\$ 2,802,833	\$ 2,802,833
Construction in Progress	37,855,770	1,686,819
Land Improvements	5,065,681	5,324,193
Buildings	163,332,827	169,583,729
Equipment	729,058	794,899
Vehicles	<u>5,279,588</u>	<u>4,819,850</u>
Sub-total	215,065,757	185,012,323
Business-type Activities		
Equipment	<u>356,784</u>	<u>217,527</u>
Grand Total	<u>\$ 215,422,541</u>	<u>\$ 185,229,850</u>

The 2007-08 fiscal year was the second year of work on Phase I infrastructure projects using proceeds of the 2007 General Obligation Bond Issue. These projects were identified in the district's May 2006 Educational Facilities Master Plan. \$37,855,770 was spent on these projects through June 30, 2008.

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

At June 30, 2008, the district had total bonded debt outstanding of \$230,175,000 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 \$4,785,000 and \$2,059,240 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, 2008</u>	<u>June 30, 2007</u>
General Obligation Bonds	\$ 230,175,000	\$ 245,875,000
Certificates of Participation	4,785,000	5,300,000
Compensated Absences	<u>2,059,240</u>	<u>2,093,084</u>
<b>Total</b>	<b><u>\$ 237,019,240</u></b>	<b><u>\$ 253,268,084</u></b>

During the current fiscal year, the district refinanced some of its existing debt to take advantage of favorable interest rates.

On September 21, 2007, the district issued \$49.91 million in General Obligation Refunding Bonds with an average interest rate of 4.995%. These funds will be used to currently refund \$55.59 million of the district's General Obligation Refunding Bonds, Series 1997 with an average interest rate of 5.04%. The current refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$1.57 million.

The district maintains a "AA" rating from Standard & Poor's and Fitch Ratings and a "Aa2" rating from Moody's Investors Services.

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

Over 80% of the General Operating Fund revenues come from state level decisions. The Colorado State Legislature approved School Finance Act (SFA) funding that increased the statewide base by 3.2%. This included an inflationary increase of 2.2% plus 1%. This funding level reflects the mandate approved with the passage of Amendment 23 to the Colorado Constitution in November of 2000. Amendment 23 guarantees annual funding increases of inflation plus one percent for ten years and subsequent increases equal to inflation. In addition, the Legislature included additional funding to address some increasing costs for school districts. The total per pupil increase is 3.5%. The projected School Finance Act per pupil revenue (PPR) for 2008-09 for the district is \$6,837. Total Program funding, defined by the School Finance Act, is projected to be \$187,040,243. However, the timing of tax collections over two fiscal years will result in almost \$900,000 less revenue in 2008-09 from the state determined per pupil revenues.

As the district is experiencing stable enrollment, its financial flexibility is diminished. Estimates regarding employee salaries and benefits have been made utilizing conservative projection models primarily due to the nature of employee contracts limiting the ability to react to funding fluctuations once the fiscal year has started. This strategy has been utilized to prevent a mid-year hiring freeze and budget reductions to overcome a revenue shortfall as was experienced during the 2001-02 fiscal year. The district's limited financial flexibility resulting from overall stable enrollment, coupled with charter growth, requires careful analysis of historical and current trends to reduce the financial risk to the district.

Enrollment projections for 2008-09 indicate a slight increase of 0.47% across the district. Projected charter school growth of 2.45% is driven by continued growth until contract maximums are reached. Subsequently, non-charter schools are expected to increase by 0.30%, or 76.0 FTE



when compared to the 2007-08 unaudited actual student FTE, continuing the trend of stable enrollment for the past six years.

It should be noted that the Boulder Valley School District continues to attract a significant number of students from outside its boundaries; 6.8% for the 2007-08 year. This enrollment cannot be guaranteed in the future as neighboring districts grow and build new school facilities.

The projected stable enrollment into the near future poses many challenges for the district. The Colorado School Finance Act rewards enrollment growth and softens the blow when districts experience declining enrollment. However, when a district's enrollment remains stable, additional per pupil revenues are generated only through the 'inflation plus 1 percent' formula required by Amendment 23. This funding is often not enough to meet rising costs and state or federal mandated programs. Additionally, as these overall stable student populations shift between grades and programs, a review of resource allocations between programs is necessary to determine the adjustments necessary to address the needs of those shifting student populations without significant additional resources.

### **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, 2008

	PRIMARY GOVERNMENT			COMPONENT UNITS
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	CHARTER SCHOOLS
<b>ASSETS</b>				
Cash and Investments	\$ 77,013,662	\$ -	\$ 77,013,662	\$ 5,665,003
Restricted Cash and Investments	102,552,503	-	102,552,503	2,738,005
Accounts Receivable	1,142,770	-	1,142,770	86,850
Taxes Receivable	5,233,147	-	5,233,147	-
Grants Receivable	3,100,103	184,409	3,284,512	-
Inventories	616,016	219,523	835,539	7,059
Prepaid Expenses	960	-	960	480
Debt Issuance Costs, Net of Accumulated Amortization	739,931	-	739,931	596,290
Capital Assets, Not Being Depreciated	40,658,603	-	40,658,603	1,103,000
Capital Assets, Net of Accumulated Depreciation	174,407,154	356,784	174,763,938	15,859,960
<b>TOTAL ASSETS</b>	<b>405,464,849</b>	<b>760,716</b>	<b>406,225,565</b>	<b>26,056,647</b>
<b>LIABILITIES</b>				
Accounts Payable	22,585,535	313	22,585,848	-
Accrued Liabilities	5,103,793	150,624	5,254,417	91,064
Accrued Summer Salaries	21,963,181	-	21,963,181	720,065
Accrued Salaries and Benefits	1,983,866	101,689	2,085,555	57,811
Accrued Interest Payable	743,352	-	743,352	417,110
Unearned Revenues	519,481	-	519,481	224,055
Noncurrent Liabilities				
Due Within One Year	10,207,962	-	10,207,962	455,796
Due in More Than One Year	229,179,403	-	229,179,403	18,245,587
<b>TOTAL LIABILITIES</b>	<b>292,286,573</b>	<b>252,626</b>	<b>292,539,199</b>	<b>20,211,488</b>
<b>NET ASSETS</b>				
Invested in Capital Assets, Net of Related Debt	65,673,525	356,784	66,030,309	(1,142,133)
Restricted for Debt Service	17,437,110	-	17,437,110	2,483,736
Restricted for Repairs and Replacements	-	-	-	254,269
Restricted for Capital Projects	6,666,387	-	6,666,387	-
Restricted for Multiple Year Obligations	120,000	-	120,000	-
Restricted for Risk Management	53,635	-	53,635	-
Restricted for Colorado Preschool and Kindergarten Program	79,217	-	79,217	-
Restricted for Emergencies	7,178,343	170,927	7,349,270	446,454
Unrestricted	15,970,059	(19,621)	15,950,438	3,802,833
<b>TOTAL NET ASSETS</b>	<b>\$ 113,178,276</b>	<b>\$ 508,090</b>	<b>\$ 113,686,366</b>	<b>\$ 5,845,159</b>

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



**BOULDER VALLEY SCHOOL DISTRICT RE-2**

**STATEMENT OF ACTIVITIES**

**Year Ended June 30, 2008**

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES	
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS
<b>PRIMARY GOVERNMENT</b>			
<b>Governmental Activities</b>			
Instruction	\$ 174,678,565	\$ 805,306	\$ 13,685,667
Supporting Services	94,388,108	10,496,456	6,032,398
Interest Expense	9,817,663	-	-
Total Governmental Activities	278,884,336	11,301,762	19,718,065
<b>Business-Type Activities</b>			
Nutrition Services	5,728,486	3,649,198	2,016,276
Total Business-Type Activities	5,728,486	3,649,198	2,016,276
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 284,612,822</b>	<b>\$ 14,950,960</b>	<b>\$ 21,734,341</b>
<b>COMPONENT UNITS</b>			
Charter Schools	18,335,101	863,114	2,379,939
<b>TOTAL COMPONENT UNITS</b>	<b>\$ 18,335,101</b>	<b>\$ 863,114</b>	<b>\$ 2,379,939</b>
<b>GENERAL REVENUES</b>			
Local Property Taxes			
Specific Ownership Taxes			
State Equalization			
State Capital Construction Funding			
Investment Earnings			
Other			
TOTAL GENERAL REVENUES			
CHANGE IN NET ASSETS			
<b>NET ASSETS, Beginning</b>			
<b>NET ASSETS, Ending</b>			

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
\$ (160,187,592)	\$ -	\$ (160,187,592)	\$ -
(77,859,254)	-	(77,859,254)	-
(9,817,663)	-	(9,817,663)	-
(247,864,509)		(247,864,509)	-
-	(63,012)	(63,012)	-
-	(63,012)	(63,012)	-
(247,864,509)	(63,012)	(247,927,521)	-
			(15,092,048)
			(15,092,048)
174,440,943	-	174,440,943	-
11,258,208	-	11,258,208	-
56,336,553	-	56,336,553	-
-	-	-	202,488
7,152,235	-	7,152,235	194,884
4,834,871	-	4,834,871	17,108,808
254,022,810	-	254,022,810	17,506,180
6,158,301	(63,012)	6,095,289	2,414,132
107,019,975	571,102	107,591,077	3,431,027
\$ 113,178,276	\$ 508,090	\$ 113,686,366	\$ 5,845,159



**BOULDER VALLEY SCHOOL DISTRICT RE-2**

**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**June 30, 2008**

	<b>GENERAL</b>	<b>BOND REDEMPTION</b>	<b>BUILDING</b>	<b>OTHER GOVERNMENTAL FUNDS</b>	<b>TOTAL</b>
<b>ASSETS</b>					
Cash and Investments	\$ 46,147,744	\$ 16,944,397	\$ -	\$ 8,049,325	\$ 71,141,466
Restricted Cash and Investments	755,495	-	101,797,008	-	102,552,503
Accounts Receivable	298,076	19,071	825,623	-	1,142,770
Taxes Receivable	4,597,743	474,142	-	161,262	5,233,147
Grants Receivable	-	-	-	3,100,103	3,100,103
Due from Other Funds	1,643,179	-	-	-	1,643,179
Inventories	616,016	-	-	-	616,016
Prepaid Items	960	-	-	-	960
<b>TOTAL ASSETS</b>	<b>\$ 54,059,213</b>	<b>\$ 17,437,610</b>	<b>\$ 102,622,631</b>	<b>\$ 11,310,690</b>	<b>\$ 185,430,144</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts Payable	\$ 3,418,046	\$ 500	\$ 15,412,205	\$ -	\$ 18,830,751
Accrued Liabilities	5,103,793	-	-	-	5,103,793
Accrued Summer Salaries	20,928,523	-	-	1,034,658	21,963,181
Accrued Salaries and Benefits	1,359,168	-	14,464	610,234	1,983,866
Due to Other Funds	-	-	-	1,643,179	1,643,179
Unearned Revenues	165,980	-	-	353,501	519,481
Deferred Property Tax	1,317,712	154,883	-	-	1,472,595
<b>TOTAL LIABILITIES</b>	<b>32,293,222</b>	<b>155,383</b>	<b>15,426,669</b>	<b>3,641,572</b>	<b>51,516,846</b>
<b>FUND BALANCES</b>					
Reserved for Inventories	616,016	-	-	-	616,016
Reserved for Prepaid Items	960	-	-	-	960
Reserved for Multiple Year Obligation	120,000	-	-	-	120,000
Reserved for Risk Management	53,635	-	-	-	53,635
Reserved for Colorado Preschool and Kindergarten Program	79,217	-	-	-	79,217
Reserved for Emergencies	6,494,534	-	-	683,809	7,178,343
Unreserved, Reported in					-
General Fund	14,401,629	-	-	-	14,401,629
Debt Service Fund	-	17,282,227	-	-	17,282,227
Special Revenue Funds	-	-	-	318,922	318,922
Capital Projects Funds	-	-	87,195,962	6,666,387	93,862,349
<b>TOTAL FUND BALANCES</b>	<b>21,765,991</b>	<b>17,282,227</b>	<b>87,195,962</b>	<b>7,669,118</b>	<b>133,913,298</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 54,059,213</b>	<b>\$ 17,437,610</b>	<b>\$ 102,622,631</b>	<b>\$ 11,310,690</b>	

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.	215,065,757
Other long-term assets are not available to pay for current year expenditures and therefore, are deferred in the funds.	1,472,595
An internal service fund is used by management to charge the costs of employee 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.	2,117,412
Long-term liabilities, including bonds payable (\$230,175,000), bond premium (\$3,912,931), certificates of participation (\$4,785,000), compensated absences (\$2,059,240), debt issuance costs \$739,931, loss on refunding \$1,544,806 and accrued interest payable (\$743,352) are not due and payable in the current year and therefore, are not reported in the funds.	(239,390,786)
<b>Net Assets of Governmental Activities</b>	<b>\$ 113,178,276</b>

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



## BOULDER VALLEY SCHOOL DISTRICT RE-2

**STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2008**

	<b>GENERAL</b>	<b>BOND REDEMPTION</b>	<b>BUILDING</b>	<b>OTHER GOVERNMENTAL FUNDS</b>	<b>TOTAL</b>
<b>REVENUES</b>					
Local Sources	\$ 172,511,375	\$ 19,540,758	\$ 5,751,219	\$ 11,322,912	\$ 209,126,264
State Sources	64,100,942	-	-	39,200	64,140,142
Federal Sources	-	-	-	11,489,046	11,489,046
<b>TOTAL REVENUES</b>	<b>236,612,317</b>	<b>19,540,758</b>	<b>5,751,219</b>	<b>22,851,158</b>	<b>284,755,452</b>
<b>EXPENDITURES</b>					
Current					
Instruction	157,558,258	-	-	8,666,182	166,224,440
Supporting Services	70,595,835	-	-	13,525,083	84,120,918
Capital Outlay	-	-	39,037,658	7,137,725	46,175,383
Debt Service					
Principal	515,000	10,020,000	-	-	10,535,000
Interest and Fiscal Charges	184,507	10,988,134	-	-	11,172,641
Debt Issuance Costs	-	124,702	-	-	124,702
<b>TOTAL EXPENDITURES</b>	<b>228,853,600</b>	<b>21,132,836</b>	<b>39,037,658</b>	<b>29,328,990</b>	<b>318,353,084</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>7,758,717</b>	<b>(1,592,078)</b>	<b>(33,286,439)</b>	<b>(6,477,832)</b>	<b>(33,597,632)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Bonds Issued	-	49,910,000	-	-	49,910,000
Bond Premium	-	2,824,044	-	-	2,824,044
Payment to Escrow Agent	-	(57,164,554)	-	-	(57,164,554)
Transfers In	-	-	-	10,484,082	10,484,082
Transfers Out	(14,584,082)	-	-	-	(14,584,082)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(14,584,082)</b>	<b>(4,430,510)</b>	<b>-</b>	<b>10,484,082</b>	<b>(8,530,510)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(6,825,365)</b>	<b>(6,022,588)</b>	<b>(33,286,439)</b>	<b>4,006,250</b>	<b>(42,128,142)</b>
<b>FUND BALANCES, Beginning</b>	<b>28,591,356</b>	<b>23,304,815</b>	<b>120,482,401</b>	<b>3,662,868</b>	<b>176,041,440</b>
<b>FUND BALANCES, Ending</b>	<b>\$ 21,765,991</b>	<b>\$ 17,282,227</b>	<b>\$ 87,195,962</b>	<b>\$ 7,669,118</b>	<b>\$ 133,913,298</b>

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



BOULDER VALLEY SCHOOL DISTRICT RE-2

**RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES**  
Year Ended June 30, 2008

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

Net Change in Fund Balances	\$ (42,128,142)
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 depreciation expense (\$7,986,904) and loss on disposal (\$467,859) exceeded capital outlay \$38,508,197 in the current year.	30,053,434
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. This amount represents property taxes not available at year end.	287,185
Repayments of debt principal \$10,535,000 and changes in compensated absences \$33,844 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.	10,568,844
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: debt issued (\$49,910,000), bond premium (\$2,824,044), amortization of loss on refunding (\$152,228), debt issuance costs \$124,702, amortization of debt issuance costs (\$66,425), amortization of bond premium \$347,204, payment to escrow agent \$57,164,554 and change in accrued interest payable \$1,284,704.	5,968,467
An internal service fund is used by management to charge the costs of employee dental insurance to individual funds. The net revenue of the internal service fund is included in governmental activities in the statement of activities.	<u>1,408,513</u>
Change in Net Assets of Governmental Activities	<u>\$ 6,158,301</u>

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



## BOULDER VALLEY SCHOOL DISTRICT RE-2

**BALANCE SHEET**  
**PROPRIETARY FUNDS**  
June 30, 2008

	<b>BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND</b>	<b>GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS</b>
<b>ASSETS</b>		
Current Assets		
Cash and Investments	\$ -	\$ 5,872,196
Grants Receivable	184,409	-
Inventories	219,523	-
Total Current Assets	<u>403,932</u>	<u>5,872,196</u>
Noncurrent Assets		
Equipment	1,298,469	-
Accumulated Depreciation	(941,685)	-
Total Noncurrent Assets	<u>356,784</u>	<u>-</u>
TOTAL ASSETS	<u>760,716</u>	<u>5,872,196</u>
<b>LIABILITIES</b>		
Current Liabilities		
Accounts Payable	313	-
Claims Payable	-	3,754,784
Accrued Liabilities	150,624	-
Accrued Salaries and Benefits	101,689	-
TOTAL LIABILITIES	<u>252,626</u>	<u>3,754,784</u>
<b>NET ASSETS</b>		
Invested in Capital Assets	356,784	-
Restricted for Emergencies	170,927	-
Unrestricted	(19,621)	2,117,412
TOTAL NET ASSETS	<u>\$ 508,090</u>	<u>\$ 2,117,412</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, 2008

	<b>BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND</b>	<b>GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS</b>
<b>OPERATING REVENUES</b>		
Regular School Lunch	\$ 1,601,679	\$ -
Sandwich Line	1,786,961	-
Premiums and Services	-	22,229,585
Other	260,558	442,073
<b>TOTAL OPERATING REVENUES</b>	<b>3,649,198</b>	<b>22,671,658</b>
<b>OPERATING EXPENSES</b>		
Salaries	2,211,314	129,674
Benefits	636,935	26,206
Purchased Food	2,120,724	-
USDA Donated Commodities	328,290	-
Nonfood Supplies	170,999	-
Purchased Services	40,446	24,424,901
Depreciation	45,911	-
Indirect Costs	122,755	-
Other	51,112	782,364
<b>TOTAL OPERATING EXPENSES</b>	<b>5,728,486</b>	<b>25,363,145</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(2,079,288)</b>	<b>(2,691,487)</b>
<b>NONOPERATING REVENUES</b>		
USDA Donated Commodities	328,290	-
Federal Reimbursements	1,642,281	-
State Matching Funds	45,705	-
<b>TOTAL NONOPERATING REVENUES</b>	<b>2,016,276</b>	<b>-</b>
<b>TRANSFERS</b>		
Transfers In	-	4,100,000
<b>CHANGE IN NET ASSETS</b>	<b>(63,012)</b>	<b>1,408,513</b>
<b>NET ASSETS, Beginning</b>	<b>571,102</b>	<b>708,899</b>
<b>NET ASSETS, Ending</b>	<b>\$ 508,090</b>	<b>\$ 2,117,412</b>

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**  
**Year Ended June 30, 2008**

	<b>BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND</b>	<b>GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS</b>
<b>Cash Flows From Operating Activities</b>		
Contributions	\$ -	\$ 22,671,658
Cash Received from Operations	3,716,930	-
Other Operating Receipts	260,558	-
Cash Payments for Premiums and Claims	-	(21,817,490)
Cash Paid to Employees	(2,909,101)	-
Cash Paid to Suppliers	(2,800,061)	-
Net Cash Provided (Used) by Operating Activities	(1,731,674)	854,168
<b>Cash Flows From Noncapital Financing Activities</b>		
Cash Received from Federal Reimbursements	1,679,339	-
Cash Received from State Matching Funds	45,705	-
Transfers from Other Funds	-	4,100,000
Net Cash Provided by Noncapital Financing Activities	1,725,044	4,100,000
<b>Cash Flows From Capital and Related Financing Activities</b>		
Purchases of Equipment	(185,168)	-
NET INCREASE (DECREASE) IN CASH	(191,798)	4,954,168
<b>CASH, Beginning</b>	191,798	918,028
<b>CASH, Ending</b>	\$ -	\$ 5,872,196
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Operating Income (Loss)	\$ (2,079,288)	\$ (2,691,487)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities		
Depreciation	45,911	-
Donated Commodities	328,290	-
Changes in Assets and Liabilities Related to Operations		
Inventories	(20,460)	-
Accounts Payable	(2,206)	-
Claims Payable	-	3,545,655
Accrued Liabilities	56,931	-
Accrued Salaries and Benefits	(60,852)	-
Net Cash Provided (Used) by Operating Activities	\$ (1,731,674)	\$ 854,168
<b>NON-CASH TRANSACTIONS</b>		
Commodities Received	\$ 328,290	\$ -

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



BOULDER VALLEY SCHOOL DISTRICT RE-2

STATEMENT OF FIDUCIARY NET ASSETS

June 30, 2008

	PRIVATE PURPOSE TRUST FUNDS	AGENCY FUND
<b>ASSETS</b>		
Cash and Investments	\$ 279,461	\$ 3,444,638
TOTAL ASSETS	279,461	3,444,638
<b>LIABILITIES</b>		
Due to Student and School Groups	-	3,444,638
TOTAL LIABILITIES	-	3,444,638
<b>NET ASSETS</b>		
Restricted for Scholarships	279,461	-
TOTAL NET ASSETS	\$ 279,461	\$ -

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, 2008**

	<b><u>PRIVATE PURPOSE TRUST FUNDS</u></b>
<b>ADDITIONS</b>	
Contributions	\$ 30,454
TOTAL ADDITIONS	<u>30,454</u>
<b>DEDUCTIONS</b>	
Scholarships and Awards	<u>11,470</u>
CHANGE IN NET ASSETS	18,984
<b>NET ASSETS, Beginning</b>	<u>260,477</u>
<b>NET ASSETS, Ending</b>	<u><u>\$ 279,461</u></u>

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



## BOULDER VALLEY SCHOOL DISTRICT RE-2

### NOTES TO FINANCIAL STATEMENTS

June 30, 2008

#### **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



## BOULDER VALLEY SCHOOL DISTRICT RE-2

### NOTES TO FINANCIAL STATEMENTS

June 30, 2008

#### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### **Government-Wide and Fund Financial Statements** (Continued)

program revenues are reported instead as *general revenues*. Internally dedicated resources are reported as general revenues rather than as program revenues.

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

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.

Property taxes, specific ownership taxes, 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.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary (enterprise and internal service) fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The district has elected not to follow subsequent private-sector guidance.

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



## BOULDER VALLEY SCHOOL DISTRICT RE-2

### NOTES TO FINANCIAL STATEMENTS

June 30, 2008

#### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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 *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 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

##### **Assets, Liabilities and Fund Balances/Net Assets**

*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.



## BOULDER VALLEY SCHOOL DISTRICT RE-2

### NOTES TO FINANCIAL STATEMENTS

June 30, 2008

#### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### **Assets, Liabilities and Fund Balances/Net Assets** (Continued)

*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. Any taxes not collected within sixty days after year end are recorded as unearned revenue in the fund financial statements.

*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.

*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 and as an expenditure when consumed.

*Prepaid Expenses* - Payments made to vendors for services that will benefit subsequent years are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of payment, and an expense is reported in the year in which the services are consumed.

*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 more than \$5,000 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



**BOULDER VALLEY SCHOOL DISTRICT RE-2**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2008**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Assets, Liabilities and Fund Balances/Net Assets (Continued)**

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

*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 vacation is paid to those eligible employees upon termination of employment. Payment for unused sick time is made upon an employee's retirement at varying rates based upon longevity and classification. The payment of unused sick leave at the time of retirement is made in a lump sum or over a period of up to five years.

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

In the fund financial statements, governmental funds recognize debt premiums and discounts, as well as issuance costs, during the current year. The face amount of debt issued is reported 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.

*Net Assets/Fund Balances* - In the government-wide financial statements, net assets are restricted when constraints placed on the net assets are externally imposed. In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

**Revenues**

*Property Taxes* - Under State statutes, all property taxes become due and payable on January 1 in the year following that in which they are levied. Payments are due in full on April 30, or in two installments on February 28 and June 15. When taxes become delinquent, the property is sold on the tax sale date of November 1.



**BOULDER VALLEY SCHOOL DISTRICT RE-2**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2008**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Revenues (Continued)**

*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.

**NOTE 2: CASH AND INVESTMENTS**

At June 30, 2008, the district had the following cash and investments:

Cash on Hand	\$ 54,984
Deposits	1,776,350
Investments	<u>183,197,673</u>
Total	<u><u>\$ 185,029,007</u></u>

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

Primary Government Cash and Investments	\$ 77,013,662
Primary Government Restricted Cash and Investments	102,552,503
Fiduciary Funds Cash and Investments	3,724,099
Charter School Cash Held by District	<u>1,738,743</u>
Total	<u><u>\$ 185,029,007</u></u>

**Deposits**

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. At June 30, 2008, the state regulatory commissioners had indicated that all financial institutions holding deposits for the district are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. 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 the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At June 30, 2008, the district had bank deposits of \$4,910,905 collateralized with the securities held by the financial institutions' agents but not in the district's name.



## BOULDER VALLEY SCHOOL DISTRICT RE-2

### NOTES TO FINANCIAL STATEMENTS

June 30, 2008

#### NOTE 2: CASH AND INVESTMENTS (Continued)

##### **Investments**

The district is required to comply with state statutes and district policy which specify investment instruments meeting defined rating, maturity, custodial and concentration risk criteria in which local governments may invest, which include:

- 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

The district had the following investments at June 30, 2008:

Investment Type	S&P Rating	Investment Maturities (in Years)			Fair Value
		Less Than 1	1 - 5	6 - 10	
U.S. Agency Securities	AAA	\$ 80,632,545	\$ -	\$ 703,312	\$ 81,335,857
Wells Fargo Money Market Funds	AAAm	16,980,947	-	-	16,980,947
Local Government Investment Pool	AAA	84,880,869	-	-	84,880,869
Total		<u>\$ 182,494,361</u>	<u>\$ -</u>	<u>\$ 703,312</u>	<u>\$ 183,197,673</u>

*Interest Rate Risk* - State statutes limit investments in U.S. Agency securities to an original maturity of five years unless the governing board authorizes the investment for a period in excess of five years.

*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 do not limit the amount the district may invest in one issuer of U.S. Agency securities. At June 30, 2008, the district's investments in the Federal National Mortgage Association, Federal Home Loan Bank and the Federal Home Loan Mortgage Corporation, represented 17%, 14% and 11%, respectively, of the district's total investments.



**BOULDER VALLEY SCHOOL DISTRICT RE-2**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2008**

**NOTE 2: CASH AND INVESTMENTS (Continued)**

**Investments (Continued)**

*Local Government Investment Pool* - At June 30, 2008, the district had \$84,880,870 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. Colotrust operates similarly to a money market fund with each share equal in value to \$1.00. 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.

**Restricted Cash and Investments**

Cash and investments of \$710,707 and \$44,788, representing required reserves for the Certificates of Participation and employee flexible spending benefits, respectively, have been restricted in the General Fund. In addition, \$101,797,008, 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	<u>\$ 1,643,179</u>

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

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Balance</u>
Capital Reserve Fund	General Fund	\$ 7,338,242
Transportation Fund	General Fund	3,145,840
Health Insurance Fund	General Fund	<u>4,100,000</u>
Total		<u>\$ 14,584,082</u>

The General Fund is required by state statute to allocate 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 Health Insurance Fund to establish the fund.



# BOULDER VALLEY SCHOOL DISTRICT RE-2

## NOTES TO FINANCIAL STATEMENTS

June 30, 2008

### NOTE 4: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2008, is summarized below.

	Balances 6/30/07	Additions	Deletions	Balances 6/30/08
<b>Governmental Activities</b>				
Capital Assets, Not Being Depreciated				
Land	\$ 2,802,833	\$ -	\$ -	\$ 2,802,833
Construction in Progress	1,686,819	36,168,951	-	37,855,770
Total Capital Assets, Not Being Depreciated	4,489,652	36,168,951	-	40,658,603
Capital Assets, Being Depreciated				
Land Improvements	6,456,271	-	-	6,456,271
Buildings	262,941,893	572,289	(1,330,701)	262,183,481
Equipment	3,336,643	253,469	(731,637)	2,858,475
Vehicles	16,205,457	1,513,488	(306,321)	17,412,624
Total Capital Assets, Being Depreciated	288,940,264	2,339,246	(2,368,659)	288,910,851
Less Accumulated Depreciation For				
Land Improvements	1,132,078	258,512	-	1,390,590
Buildings	93,358,164	6,392,892	(900,402)	98,850,654
Equipment	2,541,744	318,650	(730,977)	2,129,417
Vehicles	11,385,607	1,016,850	(269,421)	12,133,036
Total Accumulated Depreciation	108,417,593	7,986,904	(1,900,800)	114,503,697
Total Capital Assets, Being Depreciated, Net	180,522,671	(5,647,658)	(467,859)	174,407,154
Governmental Activities Capital Assets, Net	<u>\$ 185,012,323</u>	<u>\$ 30,521,293</u>	<u>\$ (467,859)</u>	<u>\$ 215,065,757</u>
<b>Business-Type Activities</b>				
Capital Assets, Being Depreciated				
Equipment	\$ 1,113,301	\$ 185,168	\$ -	\$ 1,298,469
Less Accumulated Depreciation For				
Equipment	895,774	45,911	-	941,685
Business-Type Activities Capital Assets, Net	<u>\$ 217,527</u>	<u>\$ 139,257</u>	<u>\$ -</u>	<u>\$ 356,784</u>
<b>Charter Schools</b>				
Capital Assets, Not Being Depreciated				
Land	\$ 1,103,000	\$ -	\$ -	\$ 1,103,000
Capital Assets, Being Depreciated				
Land Improvements	745,712	-	-	745,712
Buildings	14,748,152	3,563,433	-	18,311,585
Equipment	24,761	-	-	24,761
Total Capital Assets, Being Depreciated	15,518,625	3,563,433	-	19,082,058
Less Accumulated Depreciation For				
Land Improvements	372,856	74,571	-	447,427
Buildings	2,202,950	546,960	-	2,749,910
Equipment	19,808	4,953	-	24,761
Total Accumulated Depreciation	2,595,614	626,484	-	3,222,098
Total Capital Assets, Being Depreciated, Net	12,923,011	2,936,949	-	15,859,960
Charter School Capital Assets, Net	<u>\$ 14,026,011</u>	<u>\$ 2,936,949</u>	<u>\$ -</u>	<u>\$ 16,962,960</u>



**BOULDER VALLEY SCHOOL DISTRICT RE-2**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2008**

**NOTE 4: CAPITAL ASSETS (Continued)**

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

Governmental Activities	
Instruction	\$ 6,216,814
Supporting Services	<u>1,770,090</u>
Total	<u><b>\$ 7,986,904</b></u>
Business-Type Activities	
Nutrition Services	<u><b>\$ 45,911</b></u>

**NOTE 5: ACCRUED SALARIES AND BENEFITS**

Salaries and benefits of certain contractually employed personnel are paid over a twelve month period from September to August, but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, at June 30, 2008, were \$21,963,181 and \$720,065 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, 2008, the district borrowed \$56,285,764 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, 2008, from property taxes received primarily from February through June.

**NOTE 7: LONG-TERM DEBT**

Following is a summary of long-term debt transactions of the district for the year ended June 30, 2008.

	Balances 6/30/07	Additions	Payments	Balances 6/30/08	Due Within One Year
<b>Governmental Activities</b>					
General Obligation Bonds	\$ 245,875,000	\$ 49,910,000	\$ 65,610,000	\$ 230,175,000	\$ 9,575,000
Bond Premium	1,436,091	2,824,044	347,204	3,912,931	-
Certificates of Participation	5,300,000	-	515,000	4,785,000	530,000
Loss on Refunding	(122,481)	(1,574,553)	(152,228)	(1,544,806)	-
Compensated Absences	<u>2,093,084</u>	<u>3,751,301</u>	<u>3,785,145</u>	<u>2,059,240</u>	<u>102,962</u>
Total	<u><b>\$ 254,581,694</b></u>	<u><b>\$ 54,910,792</b></u>	<u><b>\$ 70,105,121</b></u>	<u><b>\$ 239,387,365</b></u>	<u><b>\$ 10,207,962</b></u>

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, 2008**

**NOTE 7: LONG-TERM DEBT (Continued)**

**General Obligation Bonds**

General obligation bonds payable at June 30, 2008, are comprised of the following issues:

\$49,910,000 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 %.

\$ 49,910,000

\$120,000,000 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 3.5% to 4.5 %.

\$ 116,965,000

\$24,230,000 General Obligation Bonds, Series 2001.

Issued to refund certain general obligation bonds. Principal payments due on December 1 and interest payments due on December 1 and June 1, through 2008. Interest accrues at rates ranging from 3% to 3.75%.

3,955,000

\$63,655,000 General Obligation Bonds, Series 1999.

program. Principal payments due on December 1 and interest payments due on December 1 and June 1, through 2018. Interest accrues at rates ranging from 4% to 5.125%.

57,245,000

\$68,810,000 General Obligation Bonds, Series 1997.

Issued to refund certain general obligation bonds. Principal payments due on December 1 and interest payments due on December 1 and June 1, through 2008. Interest accrues at rates ranging from 3.75% to 5.00%.

2,100,000

Total

**\$ 230,175,000**



## BOULDER VALLEY SCHOOL DISTRICT RE-2

### NOTES TO FINANCIAL STATEMENTS

June 30, 2008

#### **NOTE 7: LONG-TERM DEBT (Continued)**

##### **General Obligation Bonds (Continued)**

Bond payments, to maturity, are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 9,575,000	\$ 10,343,459	\$ 19,918,459
2010	10,185,000	9,908,566	20,093,566
2011	10,675,000	9,413,514	20,088,514
2012	11,185,000	8,893,179	20,078,179
2013	11,725,000	8,346,246	20,071,246
2014 - 2018	66,705,000	32,760,193	99,465,193
2019 - 2023	37,615,000	18,958,869	56,573,869
2024 - 2028	32,470,000	12,288,375	44,758,375
2029 - 2033	40,040,000	4,429,600	44,469,600
Total	<u><u>\$ 230,175,000</u></u>	<u><u>\$ 115,342,001</u></u>	<u><u>\$ 345,517,001</u></u>

##### **General Long-term Debt Refunding**

On September 21, 2007, the district issued \$49.91 million in General Obligation Refunding Bonds with an average interest rate of 4.995 percent. These funds will be used to currently refund \$55.59 million of the district's General Obligation Refunding Bonds, Series 1997 with an average interest rate of 5.04 percent. The net proceeds of 49.8 million (after payment of \$130 thousand in underwriting and other issuance costs) plus other available moneys were deposited with the Escrow Bank and used to purchase federal securities maturing at such times and in such amounts as required to provide funds sufficient to pay interest and principal as it becomes due upon maturity.

The current refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$1.57 million. This difference, reported in the accompanying financial statements as a deduction from bonds payable, is being charged to operations through the year 2014 using the straight line method. The district completed the current refunding to reduce its total debt service payments over the next 7 years by \$2.6 million and provided an economic gain (the difference between the presentvalue of the old and new debt service payments) of \$2.2 million.

##### **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.



# BOULDER VALLEY SCHOOL DISTRICT RE-2

## NOTES TO FINANCIAL STATEMENTS June 30, 2008

### NOTE 7: LONG-TERM DEBT (Continued)

#### **Certificates of Participation** (Continued)

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	530,000	168,133	698,133
2010	545,000	153,557	698,557
2011	565,000	137,207	702,207
2012	580,000	118,563	698,563
2013 - 2017	2,565,000	254,375	2,819,375
Total	<u>\$ 4,785,000</u>	<u>\$ 831,835</u>	<u>\$ 5,616,835</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.

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.

Changes in long-term debt of the Charter Schools for the year ended June 30, 2008, were as follows:

	<u>Balances 6/30/07</u>	<u>Additions</u>	<u>Payments</u>	<u>Balances 6/30/08</u>	<u>Due Within One Year</u>
<b>Peak to Peak</b>					
2004 Capital Lease	\$ 22,510,000	\$ -	\$ 415,000	\$ 22,095,000	\$ 425,000
Premium	476,031	-	17,739	458,292	-
Loss on Refunding	(4,940,874)	-	(184,133)	(4,756,741)	-
<b>Justice High</b>					
Loan Payable	682,861	-	24,948	657,913	26,619
<b>Boulder Prep</b>					
Loan Payable	-	250,000	3,081	246,919	4,177
Total	<u>\$ 18,728,018</u>	<u>\$ 250,000</u>	<u>\$ 276,635</u>	<u>\$ 18,701,383</u>	<u>\$ 455,796</u>



## BOULDER VALLEY SCHOOL DISTRICT RE-2

### NOTES TO FINANCIAL STATEMENTS

June 30, 2008

#### **NOTE 7: LONG-TERM DEBT (Continued)**

Debt payments to maturity are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 455,796	\$ 1,164,757	\$ 1,620,553
2010	472,886	1,149,691	1,622,577
2011	490,118	1,131,532	1,621,650
2012	1,047,756	1,080,608	2,128,364
2013	495,549	1,054,460	1,550,009
2014 - 2018	2,824,507	4,910,493	7,735,000
2019 - 2023	3,627,847	4,077,038	7,704,885
2024 - 2028	4,692,953	2,983,307	7,676,260
2029 - 2033	6,042,420	1,573,419	7,615,839
2034 - 2035	2,850,000	151,463	3,001,463
Total	<u>\$ 22,999,832</u>	<u>\$ 19,276,768</u>	<u>\$ 42,276,600</u>

#### **NOTE 8: 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 \$300,000 are pooled between the member districts, and losses in excess of \$300,000 are reinsured for up to \$5,000,000 per occurrence.

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.



## BOULDER VALLEY SCHOOL DISTRICT RE-2

### NOTES TO FINANCIAL STATEMENTS

June 30, 2008

#### NOTE 8: RISK MANAGEMENT (Continued)

##### **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.

##### **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, 2006	\$ -	\$ 234,681
Claims Incurred and Adjustments	-	1,664,310
Payments	-	(1,689,862)
Claims Payable, June 30, 2007	-	209,129
Claims Incurred and Adjustments	15,186,598	1,858,207
Payments	(11,733,663)	(1,765,487)
Claims Payable, June 30, 2008	<u>\$ 3,452,935</u>	<u>\$ 301,849</u>

#### NOTE 9: 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.



## BOULDER VALLEY SCHOOL DISTRICT RE-2

### **NOTES TO FINANCIAL STATEMENTS**

June 30, 2008

#### **NOTE 9: DEFINED BENEFIT PENSION PLAN** (Continued)

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, 1300 Logan Street, Denver, Colorado 80203 or by calling PERA at 303-832-9550 or 1-800-759-PERA (7372).

*Funding Policy* - Plan members and the district are required to contribute at a rate set by statute. 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% of covered salaries; for the district it was 11.15% from July 1, 2007, to December 31, 2007, and 12.05% thereafter. A portion of the district's contribution (1.02% of covered salary) is allocated to the Health Care Trust Fund (See Note 10). The district's contributions to the SDTF for the years ended June 30, 2008, 2007, and 2006 were \$19,961,504, \$17,533,142, and \$16,222,359, respectively, equal to the required contributions for each year.

#### **NOTE 10: POSTEMPLOYMENT HEALTHCARE BENEFITS**

*Plan Description* - The district contributes to the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer postemployment 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, 1300 Logan 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' contributions to the HCTF for the years ended June 30, 2008, 2007, and 2006 were \$1,694,815, \$1,588,595, and \$1,537,198, respectively, equal to the required contributions

#### **NOTE 11: 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



## **BOULDER VALLEY SCHOOL DISTRICT RE-2**

### **NOTES TO FINANCIAL STATEMENTS**

**June 30, 2008**

#### **NOTE 11: COMMITMENTS AND CONTINGENCIES (Continued)**

##### **Claims and Judgments (Continued)**

reimburse the grantor government. At June 30, 2008, 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, 2008, the district had construction commitments totaling \$87,594,155, primarily for building renovations to be funded with bond proceeds.

##### **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, 2008, net assets of \$7,349,270 and \$446,454 for the district and the charter schools, respectively, were restricted to satisfy the reserve requirement.

#### **NOTE 12: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

##### **Accountability**

At June 30, 2008, the Justice High School had a negative fund balance of \$16,632. The negative balance is expected to be eliminated with future revenues.



## **REQUIRED SUPPLEMENTARY INFORMATION**





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**BOULDER VALLEY SCHOOL DISTRICT RE-2**

**BUDGETARY COMPARISON SCHEDULE**

**GENERAL FUND**

**Year Ended June 30, 2008**

	<b>ORIGINAL BUDGET</b>	<b>FINAL BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE Positive (Negative)</b>
<b>REVENUES</b>				
Taxes	\$ 151,450,051	\$ 154,910,772	\$ 159,820,769	\$ 4,909,997
Tuition	813,658	798,301	805,306	7,005
Investment Earnings	1,000,000	1,000,000	991,945	(8,055)
Other Local Revenue	10,054,372	10,663,857	10,893,355	229,498
State Equalization	62,678,663	60,603,552	56,336,553	(4,266,999)
State Reimbursement Programs	3,137,428	2,968,257	2,882,517	(85,740)
Special Education	4,500,000	4,577,778	4,698,936	121,158
English Language Proficiency Act	85,000	168,556	182,936	14,380
<b>TOTAL REVENUES</b>	<b>233,719,172</b>	<b>235,691,073</b>	<b>236,612,317</b>	<b>921,244</b>
<b>EXPENDITURES</b>				
Current				
Instruction - Regular Programs	119,084,610	121,505,400	116,085,815	5,419,585
Instruction - Special Programs	42,028,878	42,318,865	41,472,443	846,422
Student Support Services	5,576,539	5,847,172	6,449,176	(602,004)
Instructional Staff Services	8,134,360	8,720,096	9,412,434	(692,338)
General Administration	3,000,066	3,425,385	3,248,028	177,357
School Administration	15,723,013	15,613,824	16,014,783	(400,959)
Business Services	2,371,180	2,395,068	2,211,860	183,208
Operations and Maintenance	17,343,475	17,524,635	17,765,849	(241,214)
Central Support Services	10,585,129	11,080,584	10,854,710	225,874
Community Services	4,742,729	4,749,156	4,638,995	110,161
Emergency Reserves	6,389,239	6,526,596	-	6,526,596
Reserves	12,020,229	8,751,897	-	8,751,897
Debt Service				
Principal	946,915	946,915	515,000	431,915
Interest	-	-	184,507	(184,507)
<b>TOTAL EXPENDITURES</b>	<b>247,946,362</b>	<b>249,405,593</b>	<b>228,853,600</b>	<b>20,551,993</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(14,227,190)</b>	<b>(13,714,520)</b>	<b>7,758,717</b>	<b>21,473,237</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(10,900,415)	(14,876,836)	(14,584,082)	292,754
<b>NET CHANGE IN FUND BALANCE</b>	<b>(25,127,605)</b>	<b>(28,591,356)</b>	<b>(6,825,365)</b>	<b>21,765,991</b>
<b>FUND BALANCE, Beginning</b>	<b>25,127,605</b>	<b>28,591,356</b>	<b>28,591,356</b>	<b>-</b>
<b>FUND BALANCE, Ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 21,765,991</b>	<b>\$ 21,765,991</b>

See the accompanying Independent Auditors' Report.



**BOULDER VALLEY SCHOOL DISTRICT RE-2**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**June 30, 2008**

**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.

**Legal Compliance**

For the year ended June 30, 2008, Bond Redemption Fund expenditures exceed the amount budgeted by \$109,201. This may be a violation of state statutes.



## **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, 2008

	<b>GENERAL</b>	<b>RISK MANAGEMENT</b>	<b>TECHNOLOGY</b>
<b>ASSETS</b>			
Cash and Investments	\$ 43,749,880	\$ 191,904	\$ 798,597
Restricted Cash and Investments	755,495	-	-
Accounts Receivable	298,076	-	-
Taxes Receivable	4,597,743	-	-
Due from Other Funds	1,643,179	-	-
Inventories	616,016	-	-
Prepaid Items	960	-	-
<b>TOTAL ASSETS</b>	<b>\$ 51,661,349</b>	<b>\$ 191,904</b>	<b>\$ 798,597</b>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>LIABILITIES</b>			
Accounts Payable	\$ 3,418,046	\$ -	\$ -
Accrued Liabilities	5,103,793	-	-
Accrued Summer Salaries	20,928,523	-	-
Accrued Salaries and Benefits	1,305,257	23,905	4,427
Unearned Revenues	-	-	-
Deferred Property Taxes	1,317,712	-	-
<b>TOTAL LIABILITIES</b>	<b>32,073,331</b>	<b>23,905</b>	<b>4,427</b>
<b>FUND BALANCES</b>			
Reserved for Inventories	616,016	-	-
Reserved for Prepaid Items	960	-	-
Reserved for Multiple Year Obligations	120,000	-	-
Reserved for Risk Management	-	53,635	-
Reserved for Colorado Preschool and Kindergarten Program	-	-	-
Reserved for Emergencies	6,054,041	114,364	95,364
Unreserved	12,797,001	-	698,806
<b>TOTAL FUND BALANCES</b>	<b>19,588,018</b>	<b>167,999</b>	<b>794,170</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 51,661,349</b>	<b>\$ 191,904</b>	<b>\$ 798,597</b>

See the accompanying Independent Auditors' Report.



<b>ATHLETICS</b>	<b>COMMUNITY SCHOOLS</b>	<b>TUITION PRESCHOOL</b>	<b>COLORADO PRESCHOOL AND KINDERGARTEN</b>	<b>TOTAL GENERAL FUND</b>
\$ 275,035	\$ 926,119	\$ 118,347	\$ 87,862	\$ 46,147,744
-	-	-	-	755,495
-	-	-	-	298,076
-	-	-	-	4,597,743
-	-	-	-	1,643,179
-	-	-	-	616,016
-	-	-	-	960
<u>\$ 275,035</u>	<u>\$ 926,119</u>	<u>\$ 118,347</u>	<u>\$ 87,862</u>	<u>\$ 54,059,213</u>
\$ -	\$ -	\$ -	\$ -	\$ 3,418,046
-	-	-	-	5,103,793
-	-	-	-	20,928,523
1,529	12,410	5,595	6,045	1,359,168
-	103,838	59,542	2,600	165,980
-	-	-	-	1,317,712
<u>1,529</u>	<u>116,248</u>	<u>65,137</u>	<u>8,645</u>	<u>32,293,222</u>
-	-	-	-	616,016
-	-	-	-	960
-	-	-	-	120,000
-	-	-	-	53,635
-	-	-	79,217	79,217
87,466	125,024	18,275	-	6,494,534
<u>186,040</u>	<u>684,847</u>	<u>34,935</u>	<u>-</u>	<u>14,401,629</u>
<u>273,506</u>	<u>809,871</u>	<u>53,210</u>	<u>79,217</u>	<u>21,765,991</u>
<u>\$ 275,035</u>	<u>\$ 926,119</u>	<u>\$ 118,347</u>	<u>\$ 87,862</u>	<u>\$ 54,059,213</u>



## BOULDER VALLEY SCHOOL DISTRICT RE-2

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**GENERAL FUND**  
Year Ended June 30, 2008

	<u>GENERAL</u>	<u>RISK MANAGEMENT</u>	<u>TECHNOLOGY</u>
<b>REVENUES</b>			
Local Sources	\$ 165,834,295	\$ 222,780	\$ -
State Sources	64,100,942	-	-
<b>TOTAL REVENUES</b>	<u>229,935,237</u>	<u>222,780</u>	<u>-</u>
<b>EXPENDITURES</b>			
Current			
Instruction - Regular Programs	114,565,748	-	1,520,067
Instruction - Special Programs	37,908,404	-	-
Student Support Services	6,449,176	-	-
Instructional Staff Services	8,308,165	-	701,413
General Administration	3,189,816	-	-
School Administration	16,014,783	-	-
Business Services	2,211,860	-	-
Operations and Maintenance	17,765,849	-	-
Central Support Services	6,630,944	3,765,248	458,518
Community Services	124,808	-	-
Debt Service			
Principal	515,000	-	-
Interest and Fiscal Charges	184,507	-	-
<b>TOTAL EXPENDITURES</b>	<u>213,869,060</u>	<u>3,765,248</u>	<u>2,679,998</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>16,066,177</u>	<u>(3,542,468)</u>	<u>(2,679,998)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	666,905	3,452,387	2,777,500
Transfers Out	(23,737,591)	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(23,070,686)</u>	<u>3,452,387</u>	<u>2,777,500</u>
<b>NET CHANGE IN FUND BALANCE</b>	(7,004,509)	(90,081)	97,502
<b>FUND BALANCE, Beginning</b>	<u>26,592,527</u>	<u>258,080</u>	<u>696,668</u>
<b>FUND BALANCE, Ending</b>	<u>\$ 19,588,018</u>	<u>\$ 167,999</u>	<u>\$ 794,170</u>

See the accompanying Independent Auditors' Report.



<u>ATHLETICS</u>	<u>COMMUNITY SCHOOLS</u>	<u>TUITION PRESCHOOL</u>	<u>COLORADO PRESCHOOL AND KINDERGARTEN</u>	<u>TOTAL GENERAL FUND</u>
\$ 979,229	\$ 4,957,332	\$ 517,739	\$ -	\$ 172,511,375
-	-	-	-	64,100,942
<u>979,229</u>	<u>4,957,332</u>	<u>517,739</u>	<u>-</u>	<u>236,612,317</u>
-	-	-	-	116,085,815
2,848,226	-	97,079	618,734	41,472,443
-	-	-	-	6,449,176
-	-	-	402,856	9,412,434
58,212	-	-	-	3,248,028
-	-	-	-	16,014,783
-	-	-	-	2,211,860
-	-	-	-	17,765,849
-	-	-	-	10,854,710
-	4,102,584	411,603	-	4,638,995
-	-	-	-	515,000
-	-	-	-	184,507
<u>2,906,438</u>	<u>4,102,584</u>	<u>508,682</u>	<u>1,021,590</u>	<u>228,853,600</u>
<u>(1,927,209)</u>	<u>854,748</u>	<u>9,057</u>	<u>(1,021,590)</u>	<u>7,758,717</u>
1,903,911	-	-	1,019,711	9,820,414
-	(666,905)	-	-	(24,404,496)
<u>1,903,911</u>	<u>(666,905)</u>	<u>-</u>	<u>1,019,711</u>	<u>(14,584,082)</u>
(23,298)	187,843	9,057	(1,879)	(6,825,365)
<u>296,804</u>	<u>622,028</u>	<u>44,153</u>	<u>81,096</u>	<u>28,591,356</u>
<u>\$ 273,506</u>	<u>\$ 809,871</u>	<u>\$ 53,210</u>	<u>\$ 79,217</u>	<u>\$ 21,765,991</u>





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## **NONMAJOR GOVERNMENTAL FUNDS**

### **Special Revenue Funds**

*Governmental Designated-Purpose Grants Fund* - This fund is provided to account for monies received from various federal, state and local grant programs.

*Transportation Fund* - This fund accounts for a mill levy dedicated by election to the districts' 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, 2008

	<b>SPECIAL REVENUE</b>		<b>CAPITAL PROJECTS CAPITAL RESERVE</b>	
	<b>GRANTS</b>	<b>TRANSPORTATION</b>		<b>TOTAL</b>
<b>ASSETS</b>				
Cash and Investments	\$ -	\$ 1,006,747	\$ 7,042,578	\$ 8,049,325
Taxes Receivable	-	161,262	-	161,262
Grants Receivable	3,100,103	-	-	3,100,103
<b>TOTAL ASSETS</b>	<b>\$ 3,100,103</b>	<b>\$ 1,168,009</b>	<b>\$ 7,042,578</b>	<b>\$ 11,310,690</b>
<b>LIABILITIES AND FUND BALANCE</b>				
<b>LIABILITIES</b>				
Accrued Summer Salaries	\$ 1,034,658	\$ -	\$ -	\$ 1,034,658
Accrued Salaries and Benefits	121,105	488,429	700	610,234
Due to Other Funds	1,643,179	-	-	1,643,179
Unearned Revenues	301,161	52,340	-	353,501
<b>TOTAL LIABILITIES</b>	<b>3,100,103</b>	<b>540,769</b>	<b>700</b>	<b>3,641,572</b>
<b>FUND BALANCES</b>				
Reserved for Emergencies	-	308,318	375,491	683,809
Unreserved, Reported in				
Special Revenue Fund	-	318,922	-	318,922
Capital Projects Fund	-	-	6,666,387	6,666,387
<b>TOTAL FUND BALANCES</b>	<b>-</b>	<b>627,240</b>	<b>7,041,878</b>	<b>7,669,118</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 3,100,103</b>	<b>\$ 1,168,009</b>	<b>\$ 7,042,578</b>	<b>\$ 11,310,690</b>

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, 2008

	<b>SPECIAL REVENUE</b>		<b>CAPITAL PROJECTS CAPITAL RESERVE</b>	<b>TOTAL</b>
	<b>GRANTS</b>	<b>TRANSPORTATION</b>		
<b>REVENUES</b>				
Local Sources	\$ 425,429	\$ 6,766,792	\$ 4,130,691	\$ 11,322,912
State Sources	39,200	-	-	39,200
Federal Sources	11,489,046	-	-	11,489,046
<b>TOTAL REVENUES</b>	<b>11,953,675</b>	<b>6,766,792</b>	<b>4,130,691</b>	<b>22,851,158</b>
<b>EXPENDITURES</b>				
Current				
Instruction - Regular Programs	2,051,330	-	-	2,051,330
Instruction - Special Programs	5,499,564	1,115,288	-	6,614,852
Student Support Services	753,474	-	-	753,474
Instructional Staff Services	2,563,629	-	-	2,563,629
General Administration	5,762	-	-	5,762
School Administration	458,402	-	-	458,402
Operations and Maintenance	7,558	232,303	-	239,861
Student Transportation	62,363	8,889,999	-	8,952,362
Central Support Services	32,504	-	-	32,504
Community Services	371,140	-	-	371,140
Adult Education	147,949	-	-	147,949
Capital Outlay	-	-	7,137,725	7,137,725
<b>TOTAL EXPENDITURES</b>	<b>11,953,675</b>	<b>10,237,590</b>	<b>7,137,725</b>	<b>29,328,990</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>-</b>	<b>(3,470,798)</b>	<b>(3,007,034)</b>	<b>(6,477,832)</b>
<b>OTHER FINANCING SOURCES</b>				
Transfers In	-	3,145,840	7,338,242	10,484,082
<b>NET CHANGE IN FUND BALANCE</b>	<b>-</b>	<b>(324,958)</b>	<b>4,331,208</b>	<b>4,006,250</b>
<b>FUND BALANCE, Beginning</b>	<b>-</b>	<b>952,198</b>	<b>2,710,670</b>	<b>3,662,868</b>
<b>FUND BALANCE, Ending</b>	<b>\$ -</b>	<b>\$ 627,240</b>	<b>\$ 7,041,878</b>	<b>\$ 7,669,118</b>

See the accompanying Independent Auditors' Report.



## BOULDER VALLEY SCHOOL DISTRICT RE-2

**BUDGETARY COMPARISON SCHEDULE****GRANTS FUND**

Year Ended June 30, 2008

	<b>ORIGINAL BUDGET</b>	<b>FINAL BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE Positive (Negative)</b>
<b>REVENUES</b>				
Local Sources	\$ -	\$ -	\$ 425,429	\$ 425,429
State Sources	-	79,290	39,200	(40,090)
Federal Sources	19,500,000	19,420,710	11,489,046	(7,931,664)
<b>TOTAL REVENUES</b>	<b>19,500,000</b>	<b>19,500,000</b>	<b>11,953,675</b>	<b>(7,546,325)</b>
<b>EXPENDITURES</b>				
Current				
Instruction - Regular Programs	19,500,000	19,500,000	2,051,330	17,448,670
Instruction - Special Programs	-	-	5,499,564	(5,499,564)
Student Support Services	-	-	753,474	(753,474)
Instructional Staff Services	-	-	2,563,629	(2,563,629)
General Administration	-	-	5,762	(5,762)
School Administration	-	-	458,402	(458,402)
Operations and Maintenance	-	-	7,558	(7,558)
Student Transportation	-	-	62,363	(62,363)
Central Support Services	-	-	32,504	(32,504)
Community Services	-	-	371,140	(371,140)
Adult Education	-	-	147,949	(147,949)
<b>TOTAL EXPENDITURES</b>	<b>19,500,000</b>	<b>19,500,000</b>	<b>11,953,675</b>	<b>7,546,325</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE, Beginning</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE, Ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

See the accompanying Independent Auditors' Report.



## BOULDER VALLEY SCHOOL DISTRICT RE-2

**BUDGETARY COMPARISON SCHEDULE****TRANSPORTATION FUND**

Year Ended June 30, 2008

	<b>ORIGINAL BUDGET</b>	<b>FINAL BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE Positive (Negative)</b>
<b>REVENUES</b>				
Property Taxes	\$ 6,557,979	\$ 6,492,127	\$ 6,507,500	\$ 15,373
Other Local Revenue	240,025	303,745	259,292	(44,453)
<b>TOTAL REVENUES</b>	<b>6,798,004</b>	<b>6,795,872</b>	<b>6,766,792</b>	<b>(29,080)</b>
<b>EXPENDITURES</b>				
Current				
Instruction - Special Programs	591,461	1,099,974	1,115,288	(15,314)
Operations and Maintenance	185,094	265,452	232,303	33,149
Student Transportation	7,912,551	8,911,848	8,889,999	21,849
Emergency Reserves	260,673	308,318	-	308,318
Reserves	260,673	308,318	-	308,318
<b>TOTAL EXPENDITURES</b>	<b>9,210,452</b>	<b>10,893,910</b>	<b>10,237,590</b>	<b>656,320</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(2,412,448)</b>	<b>(4,098,038)</b>	<b>(3,470,798)</b>	<b>627,240</b>
<b>OTHER FINANCING SOURCES</b>				
Transfers In	2,645,840	3,145,840	3,145,840	-
<b>NET CHANGE IN FUND BALANCE</b>	<b>233,392</b>	<b>(952,198)</b>	<b>(324,958)</b>	<b>627,240</b>
<b>FUND BALANCE, Beginning</b>	<b>1,081,854</b>	<b>952,198</b>	<b>952,198</b>	<b>-</b>
<b>FUND BALANCE, Ending</b>	<b>\$ 1,315,246</b>	<b>\$ -</b>	<b>\$ 627,240</b>	<b>\$ 627,240</b>

See the accompanying Independent Auditors' Report.



## BOULDER VALLEY SCHOOL DISTRICT RE-2

**BUDGETARY COMPARISON SCHEDULE****BOND REDEMPTION FUND**

Year Ended June 30, 2008

	<b>ORIGINAL BUDGET</b>	<b>FINAL BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE Positive (Negative)</b>
<b>REVENUES</b>				
Property Taxes	\$ 22,254,615	\$ 18,907,180	\$ 19,083,698	\$ 176,518
Investment Earnings	650,000	750,000	457,060	(292,940)
<b>TOTAL REVENUES</b>	<b>22,904,615</b>	<b>19,657,180</b>	<b>19,540,758</b>	<b>(116,422)</b>
<b>EXPENDITURES</b>				
Debt Service				
Principal	9,420,000	10,020,000	10,020,000	-
Interest and Fiscal Charges	15,912,305	10,878,933	10,988,134	(109,201)
Debt Issuance Costs	-	124,702	124,702	-
<b>TOTAL EXPENDITURES</b>	<b>25,332,305</b>	<b>21,023,635</b>	<b>21,132,836</b>	<b>(109,201)</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(2,427,690)</b>	<b>(1,366,455)</b>	<b>(1,592,078)</b>	<b>(225,623)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Bond Issued	-	49,910,000	49,910,000	-
Bond Premium	-	2,824,044	2,824,044	-
Payment to Escrow Agent	-	(57,164,554)	(57,164,554)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>(4,430,510)</b>	<b>(4,430,510)</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(2,427,690)</b>	<b>(5,796,965)</b>	<b>(6,022,588)</b>	<b>(225,623)</b>
<b>FUND BALANCE, Beginning</b>	<b>22,984,770</b>	<b>23,304,815</b>	<b>23,304,815</b>	<b>-</b>
<b>FUND BALANCE, Ending</b>	<b>\$ 20,557,080</b>	<b>\$ 17,507,850</b>	<b>\$ 17,282,227</b>	<b>\$ (225,623)</b>

See the accompanying Independent Auditors' Report.



## BOULDER VALLEY SCHOOL DISTRICT RE-2

**BUDGETARY COMPARISON SCHEDULE****BUILDING FUND**

Year Ended June 30, 2008

	<b>ORIGINAL BUDGET</b>	<b>FINAL BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE Positive (Negative)</b>
<b>REVENUES</b>				
Local Sources				
Investment Earnings	\$ 3,000,000	\$ 3,000,000	\$ 5,703,231	\$ 2,703,231
Other Local Revenue	-	-	47,988	47,988
<b>TOTAL REVENUES</b>	<u>3,000,000</u>	<u>3,000,000</u>	<u>5,751,219</u>	<u>2,751,219</u>
<b>EXPENDITURES</b>				
Capital Outlay	<u>72,000,000</u>	<u>72,000,000</u>	<u>39,037,658</u>	<u>32,962,342</u>
<b>TOTAL EXPENDITURES</b>	<u>72,000,000</u>	<u>72,000,000</u>	<u>39,037,658</u>	<u>32,962,342</u>
<b>NET CHANGE IN FUND BALANCE</b>	(69,000,000)	(69,000,000)	(33,286,439)	35,713,561
<b>FUND BALANCE, Beginning</b>	<u>118,820,000</u>	<u>120,090,186</u>	<u>120,482,401</u>	<u>392,215</u>
<b>FUND BALANCE, Ending</b>	<u><u>\$ 49,820,000</u></u>	<u><u>\$ 51,090,186</u></u>	<u><u>\$ 87,195,962</u></u>	<u><u>\$ 36,105,776</u></u>

See the accompanying Independent Auditors' Report.



## BOULDER VALLEY SCHOOL DISTRICT RE-2

**BUDGETARY COMPARISON SCHEDULE****CAPITAL RESERVE FUND**

Year Ended June 30, 2008

	<b>ORIGINAL BUDGET</b>	<b>FINAL BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE Positive (Negative)</b>
<b>REVENUES</b>				
Local Sources	\$ 4,831,710	\$ 4,842,960	\$ 4,130,691	\$ (712,269)
<b>TOTAL REVENUES</b>	<u>4,831,710</u>	<u>4,842,960</u>	<u>4,130,691</u>	<u>(712,269)</u>
<b>EXPENDITURES</b>				
Capital Outlay				
Salaries and Benefits	552,990	602,990	472,226	130,764
Building Improvements	1,080,000	1,315,000	1,134,936	180,064
Instructional Technology	3,500,000	4,515,700	25,409	4,490,291
Operating Departments	1,777,075	2,710,321	2,577,158	133,163
School Projects	3,006,604	3,372,370	2,927,996	444,374
Reserves	297,500	375,491	-	375,491
<b>TOTAL EXPENDITURES</b>	<u>10,214,169</u>	<u>12,891,872</u>	<u>7,137,725</u>	<u>5,754,147</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(5,382,459)	(8,048,912)	(3,007,034)	5,041,878
<b>OTHER FINANCING SOURCES</b>				
Transfers In	3,882,893	7,338,242	7,338,242	-
<b>NET CHANGE IN FUND BALANCE</b>	(1,499,566)	(710,670)	4,331,208	5,041,878
<b>FUND BALANCE, Beginning</b>	<u>1,994,566</u>	<u>2,710,670</u>	<u>2,710,670</u>	<u>-</u>
<b>FUND BALANCE, Ending</b>	<u>\$ 495,000</u>	<u>\$ 2,000,000</u>	<u>\$ 7,041,878</u>	<u>\$ 5,041,878</u>

See the accompanying Independent Auditors' Report.



## BOULDER VALLEY SCHOOL DISTRICT RE-2

**BUDGETARY COMPARISON SCHEDULE****NUTRITION SERVICES FUND**

Year Ended June 30, 2008

	<b>ORIGINAL BUDGET</b>	<b>FINAL BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE Positive (Negative)</b>
<b>OPERATING REVENUES</b>				
Regular School Lunch	\$ 1,379,468	\$ 1,461,369	\$ 1,601,679	\$ 140,310
A La Carte	2,432,413	2,193,012	1,786,961	(406,051)
Other	105,000	119,782	260,558	140,776
<b>TOTAL OPERATING REVENUES</b>	<b>3,916,881</b>	<b>3,774,163</b>	<b>3,649,198</b>	<b>(124,965)</b>
<b>OPERATING EXPENSES</b>				
Salaries	2,107,987	2,103,535	2,211,314	(107,779)
Benefits	631,139	632,792	636,935	(4,143)
Purchased Food	2,041,491	2,266,491	2,120,724	145,767
USDA Donated Commodities	217,980	217,980	328,290	(110,310)
Nonfood Supplies	304,000	238,000	170,999	67,001
Purchased Services	35,000	45,000	40,446	4,554
Depreciation	50,000	38,000	45,911	(7,911)
Indirect Costs	150,455	122,755	122,755	-
Other	28,000	33,000	51,112	(18,112)
Reserves	410,622	269,703	-	269,703
Emergency Reserves	166,982	170,927	-	170,927
<b>TOTAL OPERATING EXPENSES</b>	<b>6,143,656</b>	<b>6,138,183</b>	<b>5,728,486</b>	<b>409,697</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(2,226,775)</b>	<b>(2,364,020)</b>	<b>(2,079,288)</b>	<b>284,732</b>
<b>NONOPERATING REVENUES</b>				
USDA Donated Commodities	257,140	257,140	328,290	71,150
Federal Reimbursements	1,328,278	1,485,778	1,642,281	156,503
State Matching Funds	50,000	50,000	45,705	(4,295)
<b>TOTAL NONOPERATING REVENUES</b>	<b>1,635,418</b>	<b>1,792,918</b>	<b>2,016,276</b>	<b>223,358</b>
<b>CHANGE IN NET ASSETS</b>	<b>(591,357)</b>	<b>(571,102)</b>	<b>(63,012)</b>	<b>508,090</b>
<b>NET ASSETS, Beginning</b>	<b>591,357</b>	<b>571,102</b>	<b>571,102</b>	<b>-</b>
<b>NET ASSETS, Ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 508,090</b>	<b>\$ 508,090</b>

See the accompanying Independent Auditors' Report.



## **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.



BOULDER VALLEY SCHOOL DISTRICT RE-2

**COMBINING STATEMENT OF NET ASSETS**  
**INTERNAL SERVICE FUNDS**  
**June 30, 2008**

	HEALTH INSURANCE FUND	DENTAL INSURANCE FUND	TOTAL
<b>ASSETS</b>			
Cash and Investments	\$ 4,753,018	\$ 1,119,178	\$ 5,872,196
TOTAL ASSETS	4,753,018	1,119,178	5,872,196
<b>LIABILITIES</b>			
Claims Payable	3,452,935	301,849	3,754,784
TOTAL LIABILITIES	3,452,935	301,849	3,754,784
<b>NET ASSETS</b>			
Unrestricted	1,300,083	817,329	2,117,412
TOTAL NET ASSETS	\$ 1,300,083	\$ 817,329	\$ 2,117,412

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, 2008**

	<b>HEALTH INSURANCE FUND</b>	<b>DENTAL INSURANCE FUND</b>	<b>TOTAL</b>
<b>OPERATING REVENUES</b>			
Contributions	\$ 20,121,228	\$ 2,108,357	\$ 22,229,585
Other	407,709	34,364	442,073
	<hr/>	<hr/>	<hr/>
TOTAL OPERATING REVENUES	20,528,937	2,142,721	22,671,658
	<hr/>	<hr/>	<hr/>
<b>OPERATING EXPENSES</b>			
Salaries	106,227	23,447	129,674
Benefits	21,435	4,771	26,206
Insurance Premiums and Claims	21,636,356	1,858,207	23,494,563
Administrative Fees	788,798	141,540	930,338
Other	776,038	6,326	782,364
	<hr/>	<hr/>	<hr/>
TOTAL OPERATING EXPENSES	23,328,854	2,034,291	25,363,145
	<hr/>	<hr/>	<hr/>
OPERATING INCOME (LOSS)	(2,799,917)	108,430	(2,691,487)
	<hr/>	<hr/>	<hr/>
<b>TRANSFERS</b>			
Transfers In	4,100,000	-	4,100,000
	<hr/>	<hr/>	<hr/>
CHANGE IN NET ASSETS	1,300,083	108,430	1,408,513
	<hr/>	<hr/>	<hr/>
<b>NET ASSETS, Beginning</b>	-	708,899	708,899
	<hr/>	<hr/>	<hr/>
<b>NET ASSETS, Ending</b>	\$ 1,300,083	\$ 817,329	\$ 2,117,412
	<hr/>	<hr/>	<hr/>

See the accompanying Independent Auditors' Report.



**BOULDER VALLEY SCHOOL DISTRICT RE-2**

**COMBINING STATEMENT OF CASH FLOWS**

**INTERNAL SERVICE FUNDS**

**Increase (Decrease) in Cash  
Year Ended June 30, 2008**

	<b>HEALTH INSURANCE FUND</b>	<b>DENTAL INSURANCE FUND</b>	<b>TOTAL</b>
<b>Cash Flows From Operating Activities</b>			
Contributions	\$ 20,528,937	\$ 2,142,721	\$ 22,671,658
Cash Payments for Premiums and Claims	(19,875,919)	(1,941,571)	(21,817,490)
Net Cash Provided by Operating Activities	<u>653,018</u>	<u>201,150</u>	<u>854,168</u>
<b>Cash Flows From Noncapital Financing Activities</b>			
Transfers from Other Funds	<u>4,100,000</u>	<u>-</u>	<u>4,100,000</u>
Net Cash Provided by Noncapital Financing Activities	<u>4,100,000</u>	<u>-</u>	<u>4,100,000</u>
Net Increase in Cash	4,753,018	201,150	4,954,168
<b>CASH, Beginning</b>	<u>-</u>	<u>918,028</u>	<u>918,028</u>
<b>CASH, Ending</b>	<u><u>\$ 4,753,018</u></u>	<u><u>\$ 1,119,178</u></u>	<u><u>\$ 5,872,196</u></u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>			
Operating Income (Loss)	\$ (2,799,917)	\$ 108,430	\$ (2,691,487)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities			
Changes in Assets and Liabilities Related to Operations			
Claims Payable	<u>3,452,935</u>	<u>92,720</u>	<u>3,545,655</u>
Net Cash Provided by Operating Activities	<u><u>\$ 653,018</u></u>	<u><u>\$ 201,150</u></u>	<u><u>\$ 854,168</u></u>

See the accompanying Independent Auditors' Report.



## BOULDER VALLEY SCHOOL DISTRICT RE-2

**BUDGETARY COMPARISON SCHEDULE****HEALTH INSURANCE FUND**

Year Ended June 30, 2008

	<b>ORIGINAL BUDGET</b>	<b>FINAL BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE Positive (Negative)</b>
<b>OPERATING REVENUES</b>				
Contributions	\$ 20,291,296	\$ 20,292,604	\$ 20,121,228	\$ (171,376)
Other	-	302,000	407,709	105,709
<b>TOTAL OPERATING REVENUES</b>	<b>20,291,296</b>	<b>20,594,604</b>	<b>20,528,937</b>	<b>(65,667)</b>
<b>OPERATING EXPENSES</b>				
Salaries	102,086	103,368	106,227	(2,859)
Benefits	21,461	21,487	21,435	52
Insurance Premiums and Claims	19,152,599	19,421,982	21,636,356	(2,214,374)
Administrative Fees	816,480	816,480	788,798	27,682
Other	801,560	903,560	776,038	127,522
Reserves	3,497,110	3,427,727	-	3,427,727
<b>TOTAL OPERATING EXPENSES</b>	<b>24,391,296</b>	<b>24,694,604</b>	<b>23,328,854</b>	<b>1,365,750</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(4,100,000)</b>	<b>(4,100,000)</b>	<b>(2,799,917)</b>	<b>1,300,083</b>
<b>TRANSFERS</b>				
Transfers In	4,100,000	4,100,000	4,100,000	-
<b>CHANGE IN NET ASSETS</b>	<b>-</b>	<b>-</b>	<b>1,300,083</b>	<b>1,300,083</b>
<b>NET ASSETS, Beginning</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET ASSETS, Ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,300,083</b>	<b>\$ 1,300,083</b>

See the accompanying Independent Auditors' Report.



## BOULDER VALLEY SCHOOL DISTRICT RE-2

**BUDGETARY COMPARISON SCHEDULE****DENTAL INSURANCE FUND**

Year Ended June 30, 2008

	<b>ORIGINAL BUDGET</b>	<b>FINAL BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE Positive (Negative)</b>
<b>OPERATING REVENUES</b>				
Contributions	\$ 2,116,975	\$ 2,116,975	\$ 2,108,357	\$ (8,618)
Other	-	50,000	34,364	(15,636)
<b>TOTAL OPERATING REVENUES</b>	<b>2,116,975</b>	<b>2,166,975</b>	<b>2,142,721</b>	<b>(24,254)</b>
<b>OPERATING EXPENSES</b>				
Salaries	16,515	23,249	23,447	(198)
Benefits	3,470	4,844	4,771	73
Insurance Premiums and Claims	1,965,743	1,965,743	1,858,207	107,536
Administrative Fees	170,232	170,232	141,540	28,692
Other	11,000	11,000	6,326	4,674
Reserves	-	700,806	-	700,806
<b>TOTAL OPERATING EXPENSES</b>	<b>2,166,960</b>	<b>2,875,874</b>	<b>2,034,291</b>	<b>841,583</b>
<b>CHANGE IN NET ASSETS</b>	<b>(49,985)</b>	<b>(708,899)</b>	<b>108,430</b>	<b>817,329</b>
<b>NET ASSETS, Beginning</b>	<b>281,891</b>	<b>708,899</b>	<b>708,899</b>	<b>-</b>
<b>NET ASSETS, Ending</b>	<b>\$ 231,906</b>	<b>\$ -</b>	<b>\$ 817,329</b>	<b>\$ 817,329</b>

See the accompanying Independent Auditors' Report.



## **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.



**BOULDER VALLEY SCHOOL DISTRICT RE-2**

**COMBINING STATEMENT OF FIDUCIARY NET ASSETS**  
**PRIVATE PURPOSE TRUST FUNDS**

June 30, 2008

	<u>SCHOLARSHIP</u>	<u>TRUST</u>	<u>TOTAL</u>
<b>ASSETS</b>			
Cash and Investments	<u>\$ 79,996</u>	<u>\$ 199,465</u>	<u>\$ 279,461</u>
 TOTAL ASSETS	 <u>79,996</u>	 <u>199,465</u>	 <u>279,461</u>
 <b>NET ASSETS</b>			
Restricted for Scholarships	<u><u>\$ 79,996</u></u>	<u><u>\$ 199,465</u></u>	<u><u>\$ 279,461</u></u>

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, 2008**

	<u>SCHOLARSHIP</u>	<u>TRUST</u>	<u>TOTAL</u>
<b>ADDITIONS</b>			
Contributions	<u>\$ 5,789</u>	<u>\$ 24,665</u>	<u>\$ 30,454</u>
TOTAL ADDITIONS	<u>5,789</u>	<u>24,665</u>	<u>30,454</u>
<b>DEDUCTIONS</b>			
Scholarships and Awards	<u>6,650</u>	<u>4,820</u>	<u>11,470</u>
CHANGE IN NET ASSETS	<u>(861)</u>	<u>19,845</u>	<u>18,984</u>
<b>NET ASSETS, Beginning</b>	<u>80,857</u>	<u>179,620</u>	<u>260,477</u>
<b>NET ASSETS, Ending</b>	<u><u>\$ 79,996</u></u>	<u><u>\$ 199,465</u></u>	<u><u>\$ 279,461</u></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, 2008**

	<b>Balances 6/30/07</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balances 6/30/08</b>
<b>ASSETS</b>				
Cash and Investments - Student Groups	\$ 2,197,285	\$ 8,114,988	\$ 7,990,296	\$ 2,321,977
Cash and Investments - School Groups	1,270,101	2,278,507	2,425,947	1,122,661
 TOTAL ASSETS	 <u>\$ 3,467,386</u>	 <u>\$ 10,393,495</u>	 <u>\$ 10,416,243</u>	 <u>\$ 3,444,638</u>
 <b>LIABILITIES</b>				
Due to Student Groups	\$ 2,197,285	\$ 8,114,988	\$ 7,990,296	\$ 2,321,977
Due to School Groups	1,270,101	2,278,507	2,425,947	1,122,661
 TOTAL LIABILITIES	 <u>\$ 3,467,386</u>	 <u>\$ 10,393,495</u>	 <u>\$ 10,416,243</u>	 <u>\$ 3,444,638</u>

See the accompanying Independent Auditors' Report.



### **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, 2008

	<b>BOULDER PREP</b>	<b>HORIZONS</b>	<b>PEAK TO PEAK</b>
<b>ASSETS</b>			
Cash and Investments	\$ 202,216	\$ 604,022	\$ 4,081,279
Restricted Cash and Investments	-	-	2,738,005
Accounts Receivable	-	-	12,418
Inventories	-	-	7,059
Prepaid Items	-	-	-
Debt Issuance Costs, Net of Accumulated Amortization	-	-	596,290
Capital Assets, Not Being Depreciated	-	-	1,103,000
Capital Assets, Net of Accumulated Depreciation	838,853	22,907	14,300,425
<b>TOTAL ASSETS</b>	<b>1,041,069</b>	<b>626,929</b>	<b>22,838,476</b>
<b>LIABILITIES</b>			
Accrued Liabilities	-	-	-
Accrued Summer Salaries	-	250,152	351,474
Accrued Salaries and Benefits	-	1,947	42,774
Accrued Interest Payable	-	-	417,110
Unearned Revenues	-	-	44,513
Noncurrent Liabilities			
Due Within One Year	4,177	-	425,000
Due in More Than One Year	242,742	-	17,371,551
<b>TOTAL LIABILITIES</b>	<b>246,919</b>	<b>252,099</b>	<b>18,652,422</b>
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	591,934	22,907	(1,796,836)
Restricted for Repairs and Replacements	-	-	254,269
Restricted for Debt Service	-	-	2,483,736
Restricted for Emergencies	24,217	59,068	293,917
Unrestricted	177,999	292,855	2,950,968
<b>TOTAL NET ASSETS</b>	<b>\$ 794,150</b>	<b>\$ 374,830</b>	<b>\$ 4,186,054</b>

See the accompanying Independent Auditors' Report.



SUMMIT	JUSTICE HIGH	TOTAL
\$ 777,486	\$ -	\$ 5,665,003
-	-	2,738,005
-	74,432	86,850
-	-	7,059
480	-	480
-	-	596,290
-	-	1,103,000
31,164	666,611	15,859,960
809,130	741,043	26,056,647
-	91,064	91,064
118,439	-	720,065
13,090	-	57,811
-	-	417,110
179,542	-	224,055
-	26,619	455,796
-	631,294	18,245,587
311,071	748,977	20,211,488
31,164	8,698	(1,142,133)
-	-	254,269
-	-	2,483,736
60,303	8,949	446,454
406,592	(25,581)	3,802,833
\$ 498,059	\$ (7,934)	\$ 5,845,159



**BOULDER VALLEY SCHOOL DISTRICT RE-2**

**COMBINING STATEMENT OF ACTIVITIES**

**COMPONENT UNITS**

**Year Ended June 30, 2008**

	<b>BOULDER PREP</b>	<b>HORIZONS</b>	<b>PEAK TO PEAK</b>
<b>EXPENSES</b>			
Instruction - Regular Programs	\$ 631,481	\$ 1,374,331	\$ 4,596,305
Instruction - Special Programs	192,776	449,063	1,888,213
Student Support Services	153,025	476,284	23,379
Instructional Staff Services	46,856	9,827	48,625
General Administration	22,796	44,436	351,597
School Administration	46,388	221,740	944,805
Business Services	55,018	22,032	67,813
Operations and Maintenance	22,334	281,453	1,222,826
Central Support Services	41,369	-	240,264
Other Support Services	-	-	65,797
Community Services	-	85,682	-
Interest and Fiscal Charges	14,948	-	1,275,744
<b>TOTAL EXPENSES</b>	<b>1,226,991</b>	<b>2,964,848</b>	<b>10,725,368</b>
<b>PROGRAM REVENUES</b>			
Charges for Services	-	-	861,995
Operating Grants and Contributions	717,383	493,859	741,684
<b>TOTAL PROGRAM REVENUES</b>	<b>717,383</b>	<b>493,859</b>	<b>1,603,679</b>
<b>NET EXPENSE (REVENUE)</b>	<b>(509,608)</b>	<b>(2,470,989)</b>	<b>(9,121,689)</b>
<b>GENERAL REVENUES</b>			
Per Pupil Revenues	1,176,785	2,341,200	10,464,246
Capital Construction Funding	17,134	22,435	150,908
Investment Earnings	-	-	194,884
Other	-	-	145,586
<b>TOTAL GENERAL REVENUES</b>	<b>1,193,919</b>	<b>2,363,635</b>	<b>10,955,624</b>
<b>CHANGE IN NET ASSETS</b>	<b>684,311</b>	<b>(107,354)</b>	<b>1,833,935</b>
<b>NET ASSETS, Beginning</b>	<b>109,839</b>	<b>482,184</b>	<b>2,352,119</b>
<b>NET ASSETS, Ending</b>	<b>\$ 794,150</b>	<b>\$ 374,830</b>	<b>\$ 4,186,054</b>

See the accompanying Independent Auditors' Report.



SUMMIT	JUSTICE HIGH	TOTAL
\$ 1,213,760	\$ 370,064	\$ 8,185,941
485,151	77,785	3,092,988
57,910	7,567	718,165
64,254	-	169,562
50,384	45,673	514,886
401,354	136,526	1,750,813
23,789	5,537	174,189
281,925	23,667	1,832,205
93,715	20,392	395,740
4,731	-	70,528
5,325	1,239	92,246
-	47,146	1,337,838
2,682,298	735,596	18,335,101
-	1,119	863,114
209,802	217,211	2,379,939
209,802	218,330	3,243,053
(2,472,496)	(517,266)	(15,092,048)
2,487,256	493,735	16,963,222
3,618	8,393	202,488
-	-	194,884
-	-	145,586
2,490,874	502,128	17,506,180
18,378	(15,138)	2,414,132
479,681	7,204	3,431,027
\$ 498,059	\$ (7,934)	\$ 5,845,159



**BOULDER VALLEY SCHOOL DISTRICT RE-2**

**COMBINING BALANCE SHEET**

**COMPONENT UNITS**

June 30, 2008

	<b>BOULDER PREP</b>	<b>HORIZONS</b>	<b>PEAK TO PEAK</b>
<b>ASSETS</b>			
Cash and Investments	\$ 202,216	\$ 604,022	\$ 4,081,279
Restricted Cash and Investments	-	-	2,738,005
Accounts Receivable	-	-	12,418
Inventories	-	-	7,059
Prepaid Items	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 202,216</b>	<b>\$ 604,022</b>	<b>\$ 6,838,761</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accrued Liabilities	\$ -	\$ -	\$ -
Accrued Summer Salaries	-	250,152	351,474
Accrued Salaries and Benefits	-	1,947	42,774
Unearned Revenues	-	-	44,513
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>252,099</b>	<b>438,761</b>
<b>FUND BALANCES</b>			
Reserved for Inventories	-	-	7,059
Reserved for Prepaid Items	-	-	-
Reserved for Repairs and Replacements.	-	-	254,269
Reserved for Debt Service	-	-	2,483,736
Reserved for Emergencies	24,217	59,068	293,917
Unreserved	177,999	292,855	3,361,019
<b>TOTAL FUND BALANCES</b>	<b>202,216</b>	<b>351,923</b>	<b>6,400,000</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 202,216</b>	<b>\$ 604,022</b>	<b>\$ 6,838,761</b>
Amounts reported in the statement of net assets are different because:			
Fund Balances	\$ 202,216	\$ 351,923	\$ 6,400,000
Capital Assets	838,853	22,907	15,403,425
Debt Issuance Costs	-	-	596,290
Accrued Interest Payable	-	-	(417,110)
Long-Term Debt	(246,919)	-	(22,095,000)
Debt Premium	-	-	(458,292)
Loss on Refunding	-	-	4,756,741
<b>Net Assets</b>	<b>\$ 794,150</b>	<b>\$ 374,830</b>	<b>\$ 4,186,054</b>

See the accompanying Independent Auditors' Report.



SUMMIT	JUSTICE HIGH	TOTAL
\$ 777,486	\$ -	\$ 5,665,003
-	-	2,738,005
-	74,432	86,850
-	-	7,059
480	-	480
<u>\$ 777,966</u>	<u>\$ 74,432</u>	<u>\$ 8,497,397</u>

\$ -	\$ 91,064	\$ 91,064
118,439	-	720,065
13,090	-	57,811
179,542	-	224,055
<u>311,071</u>	<u>91,064</u>	<u>1,092,995</u>

-	-	7,059
480	-	480
-	-	254,269
-	-	2,483,736
60,303	8,949	446,454
406,112	(25,581)	4,212,404
<u>466,895</u>	<u>(16,632)</u>	<u>7,404,402</u>
<u>\$ 777,966</u>	<u>\$ 74,432</u>	<u>\$ 8,497,397</u>

\$ 466,895	\$ (16,632)	\$ 7,404,402
31,164	666,611	16,962,960
-	-	596,290
-	-	(417,110)
-	(657,913)	(22,999,832)
-	-	(458,292)
-	-	4,756,741
<u>\$ 498,059</u>	<u>\$ (7,934)</u>	<u>\$ 5,845,159</u>



**BOULDER VALLEY SCHOOL DISTRICT RE-2**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**COMPONENT UNITS**

**Year Ended June 30, 2008**

	<b>BOULDER PREP</b>	<b>HORIZONS</b>	<b>PEAK TO PEAK</b>
<b>REVENUES</b>			
Local Sources	\$ 1,891,814	\$ 2,835,059	\$ 12,399,779
State Sources	17,134	22,435	150,908
Federal Sources	2,354	-	8,616
<b>TOTAL REVENUES</b>	<b>1,911,302</b>	<b>2,857,494</b>	<b>12,559,303</b>
<b>EXPENDITURES</b>			
Current			
Instruction - Regular Programs	631,481	1,374,331	4,596,305
Instruction - Special Programs	192,776	449,063	1,888,213
Student Support Services	153,025	476,284	38,825
Instructional Staff Services	46,856	9,827	80,752
General Administration	22,796	44,436	583,901
School Administration	46,388	221,740	1,569,046
Business Services	55,018	22,032	112,617
Operations and Maintenance	856,234	275,726	2,030,759
Central Support Services	41,369	-	399,009
Other Support Services	-	-	109,270
Community Services	-	85,682	-
Capital Outlay	-	-	156,519
Debt Service			
Principal	3,081	-	415,000
Interest and Fiscal Charges	14,948	-	1,118,518
<b>TOTAL EXPENDITURES</b>	<b>2,063,972</b>	<b>2,959,121</b>	<b>13,098,734</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(152,670)</b>	<b>(101,627)</b>	<b>(539,431)</b>
<b>OTHER FINANCING SOURCES</b>			
Debt Issued	250,000	-	-
<b>NET CHANGE IN FUND BALANCES</b>	<b>97,330</b>	<b>(101,627)</b>	<b>(539,431)</b>
<b>FUND BALANCES, Beginning</b>	<b>104,886</b>	<b>453,550</b>	<b>6,939,431</b>
<b>FUND BALANCES, Ending</b>	<b>\$ 202,216</b>	<b>\$ 351,923</b>	<b>\$ 6,400,000</b>
Amounts reported in the statement of activities are different because:			
Net Change in Fund Balances	\$ 97,330	\$ (101,627)	\$ (539,431)
Capital Outlay	859,479	-	2,703,954
Depreciation Expense	(25,579)	(5,727)	(565,279)
Note Proceeds	(250,000)	-	-
Accrued Interest Payable	-	-	9,168
Repayment of Debt Principal	3,081	-	415,000
Amortization of Debt Premium	-	-	17,739
Amortization of Loss on Refunding	-	-	(184,133)
Amortization of Debt Issuance Costs	-	-	(23,083)
<b>Change in Net Assets</b>	<b>\$ 684,311</b>	<b>\$ (107,354)</b>	<b>\$ 1,833,935</b>

See the accompanying Independent Auditors' Report.



SUMMIT	JUSTICE HIGH	TOTAL
\$ 2,697,058	\$ 553,004	\$ 20,376,714
3,618	9,893	203,988
-	157,561	168,531
2,700,676	720,458	20,749,233

1,213,760	370,064	8,185,941
485,151	77,785	3,092,988
57,910	7,567	733,611
64,254	-	201,689
50,384	45,673	747,190
401,354	136,526	2,375,054
23,789	5,537	218,993
275,693	-	3,438,412
93,715	20,392	554,485
4,731	-	114,001
5,325	1,239	92,246
-	-	156,519
-	24,948	443,029
-	47,146	1,180,612
2,676,066	736,877	21,534,770

24,610	(16,419)	(785,537)
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-	-	250,000
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24,610	(16,419)	(535,537)
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442,285	(213)	7,939,939
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\$ 466,895	\$ (16,632)	\$ 7,404,402
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\$ 24,610	\$ (16,419)	\$ (535,537)
-	-	3,563,433
(6,232)	(23,667)	(626,484)
-	-	(250,000)
-	-	9,168
-	24,948	443,029
-	-	17,739
-	-	(184,133)
-	-	(23,083)

\$ 18,378	\$ (15,138)	\$ 2,414,132
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## **STATISTICAL SECTION**





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# Statistical Section

This section of the Boulder Valley School District RE-2's Comprehensive Annual Financial Report presents detailed data as a context for understanding the information in the financial statements, note disclosures, and required supplementary information.

Contents	Tables	Pages
<b><u>Financial Trends</u></b>		
These tables contain trend information to help the reader understand how the district's financial condition has changed over time.	1- 4	53 - 56
<b><u>Revenue Capacity</u></b>	5 - 7	57 - 59
These tables contain information to help the reader assess the district's largest revenue source: property taxes.		
<b><u>Debt Capacity</u></b>		
These tables present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	6 - 9	60 - 61
<b><u>Demographic and Economic Information</u></b>		
These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	10 -14	62 - 66
<b><u>Operating Information</u></b>		
These tables contain service data to help the reader understand how the information in the financial report relates to the services the district provides and the activities it performs.	15-17	67 - 74



**BOULDER VALLEY SCHOOL DISTRICT RE-2**  
**Net Assets by Component**  
**Last 7 Fiscal Years (1)**

	<u>June 30, 2002</u>	<u>June 30, 2003</u>	<u>June 30, 2004</u>	<u>June 30, 2005</u>
Governmental Activities				
Invested in capital assets net of related debt	\$ 44,667,102	\$ 46,192,989	\$ 47,637,046	\$ 49,692,959
Restricted	19,165,987	24,918,797	25,332,313	23,690,482
Unrestricted	<u>255,061</u>	<u>66,032</u>	<u>8,886,135</u>	<u>14,408,303</u>
Total Governmental Activities	64,088,150	71,177,818	81,855,494	87,791,744
Business-type Activities				
Invested in capital assets net of related debt	491,286	335,512	295,298	249,763
Restricted	151,437	155,041	154,940	160,179
Unrestricted	<u>442,559</u>	<u>440,902</u>	<u>667,738</u>	<u>643,460</u>
Total Business-type Activities	1,085,282	931,455	1,117,976	1,053,402
Primary Government				
Invested in capital assets net of related debt	45,158,388	46,528,501	47,932,344	49,942,722
Restricted	19,317,424	25,073,838	25,487,253	23,850,661
Unrestricted	<u>697,620</u>	<u>506,934</u>	<u>9,553,873</u>	<u>15,051,763</u>
Total Primary Government	<u>\$ 65,173,432</u>	<u>\$ 72,109,273</u>	<u>\$ 82,973,470</u>	<u>\$ 88,845,146</u>

Note: (1) Years after the implementation of GASB 34



**Table 1**

<u>June 30, 2006</u>	<u>June 30, 2007</u>	<u>June 30, 2008</u>
\$ 51,647,224	\$ 53,686,966	\$ 65,773,525
24,912,968	32,797,516	31,414,692
<u>18,100,286</u>	<u>20,535,493</u>	<u>16,090,059</u>
94,660,478	107,019,975	113,278,276
241,459	217,527	356,784
156,368	163,236	170,927
<u>483,950</u>	<u>190,339</u>	<u>(19,621)</u>
881,777	571,102	508,090
51,888,683	53,904,493	66,130,309
25,069,336	32,960,752	31,585,619
<u>18,584,236</u>	<u>20,725,832</u>	<u>16,070,438</u>
\$ <u><u>95,542,255</u></u>	\$ <u><u>107,591,077</u></u>	\$ <u><u>113,786,366</u></u>



**BOULDER VALLEY SCHOOL DISTRICT RE-2**  
**Changes in Net Assets**  
**Last 8 Fiscal Years (1)**

(Unaudited)

	<u>June 30, 2002</u>	<u>June 30, 2003</u>	<u>June 30, 2004</u>
Primary Government Expenses			
Governmental Activities			
Instruction	\$ 128,103,261	\$ 138,634,470	\$ 152,350,470
Supporting Services	64,674,994	64,857,565	67,708,814
Unallocated Depreciation	7,571,955	7,350,240	-
Interest Expense	8,551,499	7,717,201	7,251,857
Total Governmental Activities	<u>208,901,709</u>	<u>218,559,476</u>	<u>227,311,141</u>
Business-type Activities			
Food Services	<u>5,123,170</u>	<u>5,052,501</u>	<u>4,951,365</u>
Total Business-type Activities	<u>5,123,170</u>	<u>5,052,501</u>	<u>4,951,365</u>
Total Primary Government Expenses	214,024,879	223,611,977	232,262,506
Program Revenues			
Governmental Activities			
Charges for Services			
Instruction	3,524,697	3,800,291	3,845,513
Supporting Services	991,271	1,004,044	787,690
Operating Grants and Contributions	<u>17,238,877</u>	<u>16,163,107</u>	<u>17,157,713</u>
Total Governmental Activities	<u>21,754,845</u>	<u>20,967,442</u>	<u>21,790,916</u>
Business-type Activities			
Charges for Services			
Nutrition Services	3,666,920	3,473,272	3,592,297
Operating Grants and Contributions	<u>1,380,737</u>	<u>1,425,402</u>	<u>1,545,589</u>
Total Business-type Activities	<u>5,047,657</u>	<u>4,898,674</u>	<u>5,137,886</u>
Total Primary Government Program Revenues	26,802,502	25,866,116	26,928,802
Net (Expense) Revenue			
Governmental Activities	(187,146,864)	(197,592,034)	(205,520,225)
Business-type Activities	<u>(75,513)</u>	<u>(153,827)</u>	<u>186,521</u>
Total Primary Government Net (Expense)	(187,222,377)	(197,745,861)	(205,333,704)
General Revenues			
Governmental Activities			
Property Taxes	132,987,761	146,454,502	152,701,086
Specific Ownership Taxes	12,221,725	11,605,270	11,551,266
State Equalization	35,352,777	42,286,795	45,499,801
Unrestricted Grant Revenue	-	1,635,693	-
Investment Earnings	1,012,088	487,225	230,215
Other Revenues	<u>2,148,195</u>	<u>2,212,217</u>	<u>6,215,533</u>
Total General Revenues	<u>183,722,546</u>	<u>204,681,702</u>	<u>216,197,901</u>
Change in Net Assets	(3,499,831)	6,935,841	10,864,197
Net Assets, July 1	<u>68,673,263</u>	<u>65,173,432</u>	<u>72,109,273</u>
Net Assets, June 30	<u>\$ 65,173,432</u>	<u>\$ 72,109,273</u>	<u>\$ 82,973,470</u>

Note: (1) Years after the implementation of GASB 34



Table 2

<u>June 30, 2005</u>	<u>June 30, 2006</u>	<u>June 30, 2007</u>	<u>June 30, 2008</u>
\$ 156,019,891	\$ 159,937,412	\$ 162,839,335	\$ 174,678,565
70,880,775	76,041,071	85,954,536	94,288,108
-	-	-	-
7,041,788	6,732,020	8,429,419	9,817,663
<u>233,942,454</u>	<u>242,710,503</u>	<u>257,223,290</u>	<u>278,784,336</u>
4,968,538	5,211,811	5,625,673	5,728,486
<u>4,968,538</u>	<u>5,211,811</u>	<u>5,625,673</u>	<u>5,728,486</u>
238,910,992	247,922,314	262,848,963	284,512,822
3,938,124	1,071,875	729,238	805,306
1,110,965	8,154,329	9,737,651	10,496,456
19,381,843	19,442,789	20,948,003	19,718,065
<u>24,430,932</u>	<u>28,668,993</u>	<u>31,414,892</u>	<u>31,019,827</u>
3,370,264	3,371,042	3,486,250	3,649,198
<u>1,533,700</u>	<u>1,669,144</u>	<u>1,828,748</u>	<u>2,016,276</u>
4,903,964	5,040,186	5,314,998	5,665,474
29,334,896	33,709,179	36,729,890	36,685,301
(209,511,522)	(214,041,510)	(225,808,398)	(247,764,509)
<u>(64,574)</u>	<u>(171,625)</u>	<u>(310,675)</u>	<u>(63,012)</u>
(209,576,096)	(214,213,135)	(226,119,073)	(247,827,521)
148,506,345	154,646,048	164,129,499	174,440,943
11,254,363	10,887,850	11,108,990	11,258,208
49,628,580	51,919,871	58,089,462	56,336,553
-	-	-	-
555,174	1,192,940	3,629,865	7,152,235
5,503,310	2,263,535	1,210,079	4,834,871
<u>215,447,772</u>	<u>220,910,244</u>	<u>238,167,895</u>	<u>254,022,810</u>
5,871,676	6,697,109	12,048,822	6,195,289
<u>82,973,470</u>	<u>88,845,146</u>	<u>95,542,255</u>	<u>107,591,077</u>
<u>\$ 88,845,146</u>	<u>\$ 95,542,255</u>	<u>\$ 107,591,077</u>	<u>\$ 113,786,366</u>



**BOULDER VALLEY SCHOOL DISTRICT RE-2**  
**Fund Balances, Governmental Funds**  
**Last 10 Fiscal Years**

(Unaudited)

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
General Fund					
Reserved	\$ 4,935,923	\$ 5,322,111	\$ 704,703	\$ 482,630	\$ 5,836,698
Unreserved	<u>2,704,146</u>	<u>524,622</u>	<u>3,980,357</u>	<u>(586,897)</u>	<u>273,456</u>
Sub total	7,640,069	5,846,733	4,685,060	(104,267)	6,110,154
Other Governmental Funds					
Reserved	68,097,352	29,421,887	5,380,672	191,684	170,609
Unreserved, reported in					
Debt Service Fund	14,467,115	14,172,985	14,952,229	14,973,430	15,131,986
Capital Projects Fund	2,635,732	2,360,889	2,990,232	4,000,873	4,001,547
Special Revenue Fund	<u>57,322</u>	<u>5,285</u>	<u>52,367</u>	<u>-</u>	<u>-</u>
Sub total	85,257,521	45,961,046	23,375,500	19,165,987	19,304,142
Total Governmental Funds	<u>\$ 92,897,590</u>	<u>\$ 51,807,779</u>	<u>\$ 28,060,560</u>	<u>\$ 19,061,720</u>	<u>\$ 25,414,296</u>



**Table 3**

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
\$ 6,088,567	\$ 6,452,971	\$ 6,416,452	\$ 7,039,417	\$ 7,244,362
<u>8,310,252</u>	<u>12,555,719</u>	<u>17,132,787</u>	<u>21,551,939</u>	<u>14,521,629</u>
14,398,819	19,008,690	23,549,239	28,591,356	21,765,991
286,639	209,028	501,254	521,385	683,809
17,075,783	15,577,400	15,912,470	23,304,815	17,282,227
2,141,390	1,575,024	2,310,761	122,941,492	93,862,349
-	-	143,238	682,392	318,922
<u>19,503,812</u>	<u>17,361,452</u>	<u>18,867,723</u>	<u>147,450,084</u>	<u>112,147,307</u>
\$ <u><u>33,902,631</u></u>	\$ <u><u>36,370,142</u></u>	\$ <u><u>42,416,962</u></u>	\$ <u><u>176,041,440</u></u>	\$ <u><u>133,913,298</u></u>



**BOULDER VALLEY SCHOOL DISTRICT RE-2**  
**Changes in Fund Balances-Governmental Funds**  
**Last 10 Fiscal Years**

(Unaudited)

	1999	2000	2001	2002
Primary Government				
Revenues				
Local sources				
Current Property taxes	\$ 119,431,628	\$ 122,447,267.00	\$ 125,932,588.00	\$ 131,277,327.00
Specific ownership taxes	9,961,118	11,324,836	11,936,063	12,221,725
Delinquent property taxes	102,255	296,456	847,037	940,528
Grants	210,153	293,698	193,593	637,603
Tuition	3,582,710	3,352,704	3,275,045	4,893,573
Interest	2,675,461	3,897,555	2,462,192	1,000,511
Miscellaneous	3,834,003	2,903,105	2,296,818	1,770,591
Sub total local sources	139,797,328	144,515,621	146,943,336	152,741,858
State sources				
Equalization	27,821,878	29,110,241	31,174,893	35,352,777
Special education	2,956,640	3,005,528	3,076,734	3,253,442
Transportation	1,353,305	1,534,018	1,605,018	1,641,720
Vocational education	697,546	729,487	997,821	1,093,446
Grants	132,833	186,802	356,145	1,905,909
Medicaid	-	-	-	-
Miscellaneous	340,482	149,359	127,057	861,089
Sub total state sources	33,302,684	34,715,435	37,337,668	44,108,383
Federal Sources				
Grants	4,300,278	5,540,810	6,210,931	7,845,668
Miscellaneous	17,086	-	-	-
Sub total federal sources	4,317,364	5,540,810	6,210,931	7,845,668
Total revenues	177,417,376	184,771,866	190,491,935	204,695,909
Expenses				
Governmental Activities				
Regular Instruction	72,059,525	78,960,052	80,856,556	91,734,901
Special Instruction	26,111,880	28,343,878	30,563,735	36,374,276
Instructional Support				
Student Services	3,930,627	4,643,640	5,031,435	4,701,396
Instructional Staff Support	5,197,693	7,311,116	7,528,597	7,616,595
School Administration and Operations				
School Administration	11,449,223	13,312,533	13,505,416	12,909,374
Operations and Maintenance	11,474,154	12,633,683	14,358,773	13,788,472
Student Transportation	4,619,472	5,394,059	5,531,612	6,050,831
District Wide/Community Services				
General Administration	1,939,755	1,814,839	2,445,908	2,701,597
Business Services	1,476,452	1,613,363	1,856,336	1,764,119
Central Services	5,497,590	5,802,153	5,684,059	7,479,615
Enterprise Operations	58,564	31,897	34,677	-
Community Services	2,456,675	2,337,352	2,485,765	3,509,275
Adult Basic Education	35,267	49,644	32,242	38,758
Debt Service				
Principal	7,130,000	6,635,000	6,145,000	6,485,000
Interest & Fiscal Charges	7,593,403	9,381,637	9,045,567	8,742,481
Debt Issuance Costs	-	-	-	-
Capital outlay	14,301,645	48,199,794	29,448,348	9,786,473
Total Expenitures	175,331,925	226,464,640	214,554,026	213,683,163
Other financing sources (uses)	64,040,039	602,963	87,428	215,858
Net change in fund balances	66,125,490	(41,089,811)	(23,974,663)	(8,771,396)
Fund Balance, Beginning	26,772,100	92,897,590	51,807,779	27,833,116
Fund Balance, Ending	\$ 92,897,590	\$ 51,807,779	\$ 27,833,116	\$ 19,061,720
Debt Service as a percentage of noncapital expenditures	10.20%	9.97%	9.03%	7.32%



Table 4

2003	2004	2005	2006	2007	2008
\$ 145,992,818.00	\$ 151,789,396.00	\$ 146,875,553	\$ 155,286,194	\$ 165,456,960	\$ 174,006,259
11,605,270	11,588,140	11,254,363	10,887,850	11,108,990	11,258,208
420,203	336,249	154,876	197,766	988,215	147,499
609,678	891,361	625,824	379,077	415,434	425,429
5,310,851	5,416,755	4,178,361	5,856,936	4,978,744	5,026,167
444,693	826,866	314,937	1,192,940	3,629,864	7,152,235
1,519,558	4,639,448	6,369,584	5,632,801	5,185,099	11,110,467
165,903,071	175,488,215	169,773,498	179,433,564	191,763,306	209,126,264
42,286,795	45,510,703	49,628,580	51,919,871	58,089,462	56,336,553
3,458,753	3,562,820	3,580,231	4,382,998	4,325,948	4,450,546
1,740,381	1,666,126	1,817,823	1,812,163	1,953,274	1,629,616
836,724	740,919	863,334	745,959	1,382,780	945,566
1,911,065	1,283,960	1,708,940	699,254	1,431,036	39,200
211,016	195,883	181,471	205,233	1,512	306,245
322,123	298,318	299,121	342,855	594,242	432,416
50,766,857	53,258,729	58,079,500	60,108,333	67,778,254	64,140,142
8,920,076	8,703,306	10,486,570	10,875,250	10,843,777	11,489,046
-	-	-	-	-	-
8,920,076	8,703,306	10,486,570	10,875,250	10,843,777	11,489,046
225,590,004	237,450,250	238,339,568	250,417,147	270,385,337	284,755,452
99,197,958	101,172,110	103,615,622	106,537,319	111,167,575	118,137,145
39,416,453	41,407,709	43,141,666	42,475,585	44,666,239	48,087,295
5,170,891	5,332,767	5,332,346	5,737,529	6,127,364	7,202,651
7,910,443	7,340,550	7,943,077	9,200,010	11,265,749	11,976,063
11,116,837	14,119,765	14,292,469	14,968,318	15,818,323	16,473,185
14,307,963	15,338,688	15,759,700	16,890,272	16,915,946	18,005,709
6,262,799	6,611,788	6,887,504	7,439,219	7,727,513	8,952,362
2,756,668	2,607,570	2,715,598	2,832,062	3,132,739	3,253,790
1,923,562	1,934,280	2,694,665	2,016,893	2,121,958	2,211,860
7,851,084	8,495,520	9,338,785	10,813,212	11,302,707	10,887,214
-	-	107,008	-	-	-
3,688,237	4,061,211	4,042,492	4,373,239	4,815,749	5,010,135
40,793	41,195	179,308	92,263	117,797	147,949
6,890,000	6,935,000	7,245,000	7,555,000	7,880,000	10,535,000
7,741,948	7,606,483	7,051,265	6,741,497	6,427,353	11,172,641
-	-	-	-	687,174	124,702
4,961,792	7,713,867	5,525,552	7,171,042	8,002,276	46,175,383
219,237,428	230,718,503	235,872,057	244,843,460	258,176,462	318,353,084
-	1,756,588	-	473,133	121,415,603	(8,530,510)
6,352,576	8,488,335	2,467,511	6,046,820	133,624,478	(42,128,142)
19,061,720	25,414,296	33,902,631	36,370,142	42,416,962	176,041,440
\$ 25,414,296	\$ 33,902,631	\$ 36,370,142	\$ 42,416,962	\$ 176,041,440	\$ 133,913,298
6.73%	6.42%	6.13%	5.90%	5.87%	7.80%



**BOULDER VALLEY SCHOOL DISTRICT RE-2**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last 10 Fiscal Years**

(Unaudited)

Collection Year	Taxable Assessed Value				Total Direct Tax Rate*
	Residential Property	Commercial Property	All Other	Total	
1999	1,263,315,530	1,003,816,211	176,126,430	2,443,258,171	45.344
2000	1,437,867,352	1,180,454,562	245,450,462	2,863,772,376	50.356
2001	1,483,630,811	1,291,614,707	262,615,286	3,037,860,804	44.000
2002	1,864,943,092	1,550,515,234	357,373,542	3,772,831,868	42.890
2003	1,894,344,086	1,594,437,769	355,916,948	3,844,698,803	34.807
2004	1,952,680,540	1,667,504,239	352,499,975	3,972,684,754	38.524
2005	1,974,598,660	1,681,144,196	319,779,595	3,975,522,451	38.255
2006	2,064,990,490	1,766,828,760	322,566,613	4,154,385,863	37.423
2007	2,096,273,840	1,764,603,370	304,095,073	4,164,972,283	39.564
2008	2,334,001,690	1,956,154,040	337,926,058	4,628,081,788	37.865

\* Tax rates are per \$1,000 of assessed value

Source: Boulder County, Broomfield County, and Gilpin County Assessor's Office



**Table 5**

<b>Estimated Actual Value</b>	<b>Ratio of Estimated Actual Value to Assessed Value</b>	<b>Assessment Rate</b>	
		<b>Residential</b>	<b>All Other</b>
16,807,482,051	6.8791	9.74%	29.00%
19,668,035,517	6.8679	9.74%	29.00%
20,601,038,329	6.7814	9.15%	29.00%
27,110,806,850	7.1858	9.15%	29.00%
27,573,225,209	7.1718	9.15%	29.00%
31,624,551,624	7.9605	7.96%	29.00%
31,834,021,863	8.0075	7.96%	29.00%
33,273,880,826	8.0093	7.96%	29.00%
33,586,945,608	8.0641	7.96%	29.00%
36,648,062,817	7.9186	7.96%	29.00%



**BOULDER VALLEY SCHOOL DISTRICT RE-2**  
**Property Tax Levies and Collections**  
**Last 10 Fiscal Years**

(Unaudited)

<b>Levy Year</b>	<b>Collection Year</b>	<b>Total Tax Levy</b>	<b>Current Tax Collections</b>	<b>Percent of Current Tax Collected</b>	<b>Delinquent Tax Collections</b>
1997	1998	104,343,774	103,476,460	99.17%	194,817
1998	1999	120,618,953	119,967,464	99.46%	93,653
1999	2000	123,278,175	123,084,709	99.84%	142,920
2000	2001	127,106,029	126,382,188	99.43%	356,068
2001	2002	131,684,926	130,756,272	99.29%	71,953
2002	2003	148,091,114	147,139,163	99.36%	387,790
2003	2004	152,358,541	151,722,942	99.58%	336,249
2004	2005	149,047,366	147,225,944	98.78%	139,537
2005	2006	156,558,031	155,286,194	99.19%	197,766
2006	2007	164,782,963	161,992,586	98.31%	96,132
2007	2008*	175,242,316	172,742,380	98.57%	47,942

\* Collections through July 31, 2008

Source: Boulder County, Broomfield County, and Gilpin County Assessor's Office



**Table 6**

<b>Total Collections</b>	
<b>Amount</b>	<b>Percent of Levy</b>
103,671,277	99.36%
120,061,117	99.54%
123,227,629	99.96%
126,738,256	99.71%
130,828,225	99.35%
147,526,953	99.62%
152,059,191	99.80%
147,365,481	98.87%
155,483,960	99.31%
162,088,718	98.36%
172,790,322	98.60%



**BOULDER VALLEY SCHOOL DISTRICT RE-2**  
**Property Tax Rates - Direct and Overlapping Governments**  
**Last 10 Fiscal Years**

(Unaudited)

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Boulder Valley School District RE-2				
General Fund				
School Finance Act	36.750	32.424	31.972	26.412
Budget Election	7.374	6.304	5.960	4.669
Abatements and Refunds	0.232	0.250	0.259	0.193
Subtotal General Fund	44.356	38.978	38.191	31.274
Transportation Fund	-	-	-	-
Bond Redemption Fund	6.000	5.022	4.699	3.533
Total Boulder Valley School District RE-2	50.356	44.000	42.890	34.807
Boulder County	21.762	19.682	19.835	17.621
Cities and Towns				
Boulder	11.438	10.502	10.908	9.301
Broomfield	13.894	13.894	13.894	28.986
Lafayette	13.034	11.352	11.860	11.130
Louisville	5.184	4.643	4.767	5.292
Jamestown	12.320	13.289	13.289	12.343
Nederland	16.210	14.982	15.546	15.408
Superior	2.727	2.279	2.144	1.836
Ward	5.481	4.232	4.230	3.662
	80.288	75.173	76.638	87.958
Special Districts (Ranges)	.676 to 30.000	.583 to 41.000	.594 to 41.000	.521 to 43.000
Fire Districts (Ranges)	1.776 to 13.431	1.776 to 12.147	1.776 to 12.432	1.090 to 11.023
Water/Sanitation Districts (Ranges)	.357 to 18.350	.328 to 18.050	.303 to 19.364	.258 to 16.462

Note: Overlapping rates are those of governments that apply to property owners within the Boulder Valley School District RE-2 boundaries. Not all overlapping rates apply to all district property owners (e. g. the rates for Special Districts apply only to the district's property owners whose property is located within the geographic boundaries of the Special District.)

Source: Boulder County, Broomfield County and Gilpin County Assessor's Office



Table 7

Assessment Year					
<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
26.412	26.049	26.049	25.023	25.023	25.023
8.469	8.201	8.193	7.862	7.842	7.057
0.125	0.128	0.176	0.461	0.288	0.229
35.006	34.378	34.418	33.346	33.153	32.309
-	-	-	1.065	1.509	1.414
3.518	3.877	3.005	3.274	4.902	4.142
38.524	38.255	37.423	37.685	39.564	37.865
20.087	20.088	21.267	21.867	22.467	22.467
9.640	9.860	10.005	9.643	9.889	9.201
28.986	28.986	28.986	28.968	28.968	
10.994	10.832	10.710	11.848	11.779	10.641
5.184	6.710	6.710	6.710	6.710	6.710
14.843	14.680	21.400	21.400	21.400	21.400
15.455	14.462	14.765	14.572	14.572	14.070
1.906	8.805	8.805	8.805	8.805	8.050
3.474	2.616	2.709	2.300	2.730	2.699
90.482	96.951	104.090	104.246	104.853	72.771
.531 to 98.746	.533 to 84.319	.538 to 89.500	.538 to 99.000	.542 to 49.500	.507 to 49.500
2.500 to 11.715	2.500 to 11.434	2.500 to 11.433	2.500 to 11.325	2.500 to 11.747	2.500 to 11.747
.245 to 16.795	.243 to 17.365	.230 to 17.957	.222 to 18.141	.214 to 18.482	.197 to 21.825



**BOULDER VALLEY SCHOOL DISTRICT RE-2**  
**Ratios of Outstanding Debt By Type**  
**Last 10 Fiscal Years**

(Unaudited)

Fiscal Year	General Obligation Bonds	Percentage of Actual Taxable Value of Property	Per Capita*	Other Governmental Activities Debt		
				Certificates of Participation	Capital Leases	Total Primary Government
1999	176,270,000	1.048759115	665	8,695,000	531,919	185,496,919
2000	170,405,000	0.866405798	627	7,925,000	404,185	178,734,185
2001	165,070,000	0.801270292	597	7,115,000	271,922	172,456,922
2002	159,500,000	0.588326275	574	6,255,000	139,784	165,894,784
2003	153,515,000	0.556753876	553	5,350,000	-	158,865,000
2004	147,065,000	0.465034261	527	6,790,000	-	153,855,000
2005	140,310,000	0.440754865	499	6,300,000	-	146,610,000
2006	133,250,000	0.400464258	470	5,805,000	-	139,055,000
2007	245,875,000	0.732055254	834	5,300,000	-	251,175,000
2008	230,175,000	0.628068668	785	4,785,000	-	234,960,000

\* The Estimated Actual Value of Property data may be found on Table 5

\*\* Personal Income and Population data may be found on Table 10

Source: Boulder Valley School District RE-2



**Table 8**

<b>Percentage of Personal Income**</b>	<b>Per Capita**</b>
1.93%	700
1.62%	658
1.52%	623
1.48%	597
1.39%	572
1.28%	551
1.15%	521
1.03%	490
1.75%	852
1.54%	801



**BOULDER VALLEY SCHOOL DISTRICT RE-2**  
**Legal Debt Margin Information**  
**Last 10 Fiscal Years**

(Unaudited)

Assessed Valuation

Debt Limit Percentage

Legal Debt Limit

Debt Outstanding

Legal Debt Margin

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Debt Limit	\$ 479,064,870	\$ 560,776,710	\$ 592,707,062	\$ 756,657,718	\$ 771,327,974
Debt Applicable To Limit	<u>176,270,000</u>	<u>170,405,000</u>	<u>165,070,000</u>	<u>159,500,000</u>	<u>153,515,000</u>
Legal Debt Margin	\$ <u><u>302,794,870</u></u>	\$ <u><u>390,371,710</u></u>	\$ <u><u>427,637,062</u></u>	\$ <u><u>597,157,718</u></u>	\$ <u><u>617,812,974</u></u>
Total Debt Applicable As A Percentage Of Debt Limit	36.79%	30.39%	27.85%	21.08%	19.90%



**Table 9**

\$ 4,628,081,788

20.00%

925,616,358

230,175,000

\$ 695,441,358

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
\$ 796,541,845	\$ 796,554,878	\$ 830,877,173	\$ 832,994,457	925,616,358
<u>147,065,000</u>	<u>140,310,000</u>	<u>133,250,000</u>	<u>245,875,000</u>	<u>230,175,000</u>
\$ <u><u>649,476,845</u></u>	\$ <u><u>656,244,878</u></u>	\$ <u><u>697,627,173</u></u>	\$ <u><u>587,119,457</u></u>	<u><u>695,441,358</u></u>
18.46%	17.61%	16.04%	29.52%	24.87%



**BOULDER VALLEY SCHOOL DISTRICT RE-2**  
**Demographic and Economic Statistics**  
**Last 10 Fiscal Years**

**Table 10**

(Unaudited)

<u>Fiscal Year</u>	<u>***Estimated Population(1)</u>	<u>*Personal Income(1) (millions)</u>	<u>*Per Capita Personal Income(1)</u>	<u>**Enrollment (Student FTE)</u>	<u>****Unemployment Rate(1)</u>
1999	264,927	9,610	36,269	25,732.5	2.812%
2000	271,815	11,062	40,695	25,942.5	2.345%
2001	276,711	11,312	40,883	26,311.5	3.495%
2002	278,048	11,230	40,390	26,703.0	5.885%
2003	277,813	11,399	41,034	26,629.5	5.809%
2004	279,227	11,994	42,955	26,643.5	4.924%
2005	281,195	12,765	45,394	26,789.5	4.402%
2006	283,644	13,550	47,770	26,739.5	4.009%
2007	290,580	14,385	50,141	26,914.0	3.896%
2008	293,232	15,267	52,601	27,229.0	4.900%

Source: \* Global Insight Inc.  
 \*\* Boulder Valley School District RE-2  
 \*\*\* Colorado State Demography Office  
 \*\*\*\* Colorado Department of Labor

Note: (1) Amounts are for the Boulder, CO Metropolitan Statistical Area



Table 11

**BOULDER VALLEY SCHOOL DISTRICT RE-2**  
**Computation of Direct and Overlapping General Obligation Debt**  
**June 30, 2008**

(Unaudited)

	Outstanding General Obligation Debt	Percentage Applicable to the District (3)	Amount of Outstanding Debt Applicable to the District
<b>Overlapping Debt (1)</b>			
City of Boulder	68,225,000	100.00%	68,225,000
City of Louisville	7,475,120	100.00%	7,475,120
City of Lafayette	11,285,000	100.00%	11,285,000
City and County of Broomfield	1,871,394	55.00%	1,029,267
Boulder Central Area General Improvement District	20,310,000	100.00%	20,310,000
Colorado Tech Center Metropolitan District	14,260,000	100.00%	14,260,000
East Boulder County Water District	1,670,000	100.00%	1,670,000
Interlocken Consolidated Metropolitan District	94,051,537	7.00%	6,583,608
Lafayette City Center Improvement District	675,000	100.00%	675,000
Lafayette Corporate Campus	2,625,000	100.00%	2,625,000
Lafayette Tech Center Improvement District	2,040,000	100.00%	2,040,000
Mountain View Fire Protection District	105,000	10.00%	10,500
Nederland Fire Protection District	1,235,000	100.00%	1,235,000
Northern Colorado Water Conservancy District	4,064,830	36.00%	1,463,339
Pine Brook Water District	4,975,000	100.00%	4,975,000
Superior/McCaslin Interchange District	4,910,000	100.00%	4,910,000
Superior Metropolitan District #2	5,935,000	100.00%	5,935,000
Superior Metropolitan District #3	2,830,000	100.00%	2,830,000
Town of Erie	19,871,095	1.00%	198,711
Town of Nederland	1,320,000	100.00%	1,320,000
Town of Superior	6,470,000	100.00%	6,470,000
<b>Sub total Overlapping Debt</b>			159,055,544
<b>School District Direct Debt (2)</b>			230,175,000
<b>Total Direct and Overlapping Debt</b>			<u>\$ 389,230,544</u>

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the district. This schedule estimates the portion of outstanding debt of the overlapping governments that is borne by the taxpayers of the district. This process recognizes that, when considering the district's ability to issue and repay long-term debt, the entire debt burden borne by the taxpayers should be taken into account.

Notes:

- (1) Balances as of December 31, 2007
- (2) Balance as of June 30, 2008
- (3) The Percentage Applicable to the district is calculated by taking the percentage of the government's assessed value which is located within the boundaries of the district.

**Source:** Boulder Valley School District RE-2 and individual entities and the Boulder County, Broomfield County Assessor's Office.





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**BOULDER VALLEY SCHOOL DISTRICT RE-2  
Principal Property Taxpayers  
January 1, 2008 and 9 Years Ago**

**Table 12**

(Unaudited)

Taxpayer	2008			1999		
	Rank	Assessed Valuation	Percentage of Total Assessed Valuation	Rank	Assessed Valuation	Percentage of Total Assessed Valuation
Exel Energy	1	58,814,640	1.27%	1	44,576,760	1.86%
Flatiron Holding LLC	2	49,158,590	1.06%			0.00%
Qwest Corporation	3	35,043,000	0.76%			0.00%
Level 3 Communications	4	33,654,431	0.73%			0.00%
Sun Microsystems Inc	5	27,390,450	0.59%			0.00%
Roche Colorado Corporation	6	24,711,190	0.53%	6	15,877,420	0.66%
Macerich Twenty Ninth Street LLC	7	23,387,710	0.51%			0.00%
IBM Corporation	8	23,141,460	0.50%	4	\$ 40,950,670	1.71%
Sun Microsystems	9	17,545,000	0.38%			0.00%
DDR Flatirons LLC	10	15,328,520	0.33%			0.00%
U. S. West Communications				2	43,991,910	1.84%
Storage Technology Corporation				3	43,822,300	1.83%
Macerich Partnership				5	16,192,760	0.68%
Geneva Pharmaceuticals				7	13,986,070	0.58%
Ball Corporation				8	12,642,680	0.53%
Valleylab Inc.				9	10,323,210	0.43%
Amgen Boulder Inc.				10	10,156,630	0.42%
						0.00%
Sub-total		308,174,991	6.66%		252,520,410	10.54%
Remaining Assessed Valuation		4,319,906,797	93.34%		2,142,803,940	89.46%
Total Assessed Valuation		<u>\$ 4,628,081,788</u>	<u>100.00%</u>		<u>\$ 2,395,324,350</u>	<u>100.00%</u>

Note: Qwest Communications purchased U.S. West Communications in June 2000.

Xcel Energy was formed from the merger of Northern States Power (Minnesota), Northern States Power (Wisconsin) and New Century Energies, which was the result of a prior merger between Public Service Company of Colorado (Denver, CO) and Southwestern Public Service (Amarillo, TX).

Source: Boulder County and Broomfield County Assessors Office



**BOULDER VALLEY SCHOOL DISTRICT RE-2**  
**District Employees-Full Time Equivalents**  
**Last 8 Fiscal Years\***

(Unaudited)

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Administrators					
Superintendent	1.00	1.00	1.00	1.00	1.00
Assistant Superintendent	6.00	8.00	7.00	7.70	6.80
Non-Instructional Director	16.70	18.30	17.60	18.70	18.20
Instructional Director	11.30	11.00	11.40	10.00	9.00
Principal	46.40	51.80	55.20	49.40	49.60
Assistant Principal	32.40	33.70	35.60	35.90	37.60
Instructional Program Coord.	-	-	-	6.80	1.00
Sub-total	<u>113.80</u>	<u>123.80</u>	<u>127.80</u>	<u>129.50</u>	<u>123.20</u>
Professional-Instructional					
Teacher, Regular	1,367.50	1,472.20	1,482.10	1,420.50	1,465.40
Teacher, Special Education	201.10	211.10	204.40	189.40	199.40
Teacher, Title I	20.90	22.10	25.70	19.50	11.80
Counselor	49.60	46.10	54.20	54.80	55.40
Curriculum Specialist Consultant	6.40	8.60	7.80	8.00	6.50
Dean	1.00	-	1.30	2.10	1.60
Education Diagnostician	-	-	-	-	-
Instructional Program Consultant	-	-	-	8.70	1.00
Librarian/Media Consultant	38.60	36.00	38.10	39.30	40.10
Teacher Mentor	41.10	32.20	30.70	36.40	40.60
Audiologist	2.00	2.00	2.60	2.00	2.00
Licenses Practical Nurse	-	-	-	-	-
Registered Nurse	10.20	9.40	11.00	10.90	13.50
Occupational Therapist	12.40	12.10	13.50	14.90	14.60
Physical Therapist	1.40	1.80	1.80	1.80	1.80
Psychologist	18.80	17.90	20.60	20.70	21.10
Social Worker	18.70	17.70	20.30	20.60	22.00
Speech-Language Pathologist	28.60	31.50	32.70	31.70	34.00
Sub-total	<u>1,818.30</u>	<u>1,920.70</u>	<u>1,946.80</u>	<u>1,881.30</u>	<u>1,930.80</u>
Professional-Other	66.80	94.20	85.30	97.80	87.60
Paraprofessionals	533.70	522.50	542.80	666.90	666.40
Office/Administrative Support	274.20	289.20	297.90	261.30	261.80
Crafts, Trades, and Services					
Bus Driver	128.80	123.00	128.50	133.50	163.20
Food Service Worker	63.80	79.90	72.00	48.60	55.70
Custodian	147.90	159.20	165.60	152.70	152.60
Maintenance Workers	128.00	107.80	109.40	136.20	131.30
Sub-total	<u>468.50</u>	<u>469.90</u>	<u>475.50</u>	<u>471.00</u>	<u>502.80</u>
Total	<u>3,275.30</u>	<u>3,420.30</u>	<u>3,476.10</u>	<u>3,507.80</u>	<u>3,572.60</u>

\* Amounts prior to 2001 are not available

SOURCE: Boulder Valley School District RE-2



**Table 13**

<b>2006</b>	<b>2007</b>	<b>2008</b>
1.00	1.00	1.00
5.00	6.40	9.50
21.40	21.50	22.70
13.90	11.00	7.70
53.60	51.90	54.10
35.60	32.90	37.00
2.40	2.00	2.50
132.90	126.70	134.50
1,460.20	1,504.60	1,538.20
199.00	191.90	190.47
15.40	13.50	16.10
56.40	57.70	65.70
7.80	13.50	10.97
3.40	4.00	3.20
-	2.60	4.33
0.80	2.60	8.79
41.70	44.10	43.50
45.70	58.40	54.90
2.00	2.00	1.52
-	1.10	2.10
13.40	11.30	15.74
14.10	14.50	14.12
1.90	2.00	2.16
23.30	19.70	22.10
22.30	20.00	26.40
34.90	32.40	28.72
1,942.30	1,995.90	2,049.02
107.10	96.90	112.40
674.60	672.30	675.52
265.10	266.60	269.00
152.10	164.20	165.80
44.60	55.70	78.30
155.70	154.90	153.50
125.60	119.00	101.40
478.00	493.80	499.00
3,600.00	3,652.20	3,739.44





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Table 14

**BOULDER VALLEY SCHOOL DISTRICT RE-2**  
**Principal Employers**  
**January 1, 2008 and 9 Years Ago**

(Unaudited)

<u>Employer</u>	<u>2008</u>			<u>1999</u>		
	<u>Rank</u>	<u>Number of Employees</u>	<u>Percentage of Total County Employment</u>	<u>Rank</u>	<u>Number of Employees</u>	<u>Percentage of Total County Employment</u>
University of Colorado	1	7,050	4.14%	1	7,977	4.63%
Boulder Valley School District	2	4,144	2.44%	3	3,582	2.08%
IBM Corporation	3	4,000	2.35%	8	1,598	0.93%
St Vrain Valley School District	4	3,392	1.99%	5	2,206	1.28%
Sun Microsystems, Inc.	5	3,387	1.99%	6	1,800	1.04%
State of Colorado	6	3,048	1.79%			
City of Boulder	7	1,238	0.73%	7	1,659	0.96%
Boulder Community Hospital	8	2,380	1.40%	9	1,424	0.83%
Level 3 Communications	9	2,000	1.18%			
Boulder County	10	1,684	0.99%	10	1,388	0.81%
Storage Technology Corporation				2	3,764	2.18%
Centrobe				4	2,700	1.57%
Sub Total		25,273	19.00%		28,098	12.56%
Other Employers		144,888	81.00%		144,176	87.44%
Total		<u>170,161</u>	<u>100.00%</u>		<u>172,274</u>	<u>100.00%</u>

Source: Boulder County Business Report Book of Lists 03/16/2007 and Colorado Department of Labor



**BOULDER VALLEY SCHOOL DISTRICT RE-2**  
**School Building Information**  
**Last 10 Fiscal Years**

(Unaudited)

School	1999	2000	2001	2002	2003	2004
<b><u>Elementary Schools</u></b>						
Aurora 7						
Square Feet	50,435	50,435	0	0	0	0
Capacity	na	448	0	0	0	0
Enrollment	270	347	0	0	0	0
Bear Creek						
Square Feet	39,549	39,549	39,549	39,549	39,549	39,549
Capacity	na	403	405	376	379	310
Enrollment	347	341	362	341	336	343
Birch						
Square Feet	42,694	42,694	44,714	44,714	44,714	44,714
Capacity	na	531	531	531	502	440
Enrollment	452	450	431	378	391	400
BCSIS						
Square Feet	4,791	5,816	25,922	25,922	25,922	25,922
Capacity	na	133	190	221	211	210
Enrollment	112	128	160	200	217	229
Coal Creek						
Square Feet	53,916	53,916	53,916	53,916	53,916	53,916
Capacity	na	586	559	557	555	473
Enrollment	541	561	553	539	524	537
Columbine						
Square Feet	48,078	48,078	48,078	48,078	48,078	48,078
Capacity	na	397	395	499	499	341
Enrollment	374	348	351	335	305	312
Community Montessori						
Square Feet	42,583	42,583	42,583	42,583	42,583	42,583
Capacity	na	112	104	144	144	126
Enrollment	126	136	149	154	153	148
Creekside						
Square Feet	0	0	46,976	46,976	46,976	46,976
Capacity	0	0	402	450	416	308
Enrollment	0	0	327	352	309	293
Crest View						
Square Feet	53,831	53,831	55,007	55,007	55,007	55,007
Capacity	na	667	614	493	493	385
Enrollment	550	538	517	501	473	492
Douglass						
Square Feet	49,438	49,438	54,772	54,772	54,772	54,772
Capacity	na	475	475	451	451	410
Enrollment	451	443	453	447	469	476
Eisenhower						
Square Feet	52,526	52,526	53,601	53,601	53,601	53,601
Capacity	na	611	611	611	611	548
Enrollment	491	447	452	426	422	420



**Table 15**

<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
0	0	0	0
0	0	0	0
0	0	0	0
39,549	39,549	39,549	39,549
350	370	350	350
337	348	343	343
44,714	44,714	44,714	44,714
438	463	463	463
403	409	415	415
25,922	25,922	25,922	25,922
230	230	230	230
259	285	287	287
53,916	53,916	53,916	53,916
460	460	465	465
511	491	478	478
48,078	48,078	48,078	48,078
352	413	431	431
346	384	402	402
42,583	42,583	42,583	42,583
140	180	200	200
148	193	215	215
46,976	46,976	46,976	46,976
289	316	316	316
285	269	329	329
55,007	55,007	55,007	55,007
485	510	530	530
494	501	510	510
54,772	54,772	54,772	54,772
435	435	435	435
482	469	455	455
53,601	53,601	53,601	53,601
548	500	525	525
436	449	440	440



**BOULDER VALLEY SCHOOL DISTRICT RE-2**  
**School Building Information**  
**Last 10 Fiscal Years**

(Unaudited)

<b>School</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
Emerald						
Square Feet	56,300	56,300	56,300	56,300	56,300	56,300
Capacity	na	615	557	557	585	420
Enrollment	607	562	464	451	411	382
Fireside						
Square Feet	60,307	60,307	60,307	60,307	60,307	60,307
Capacity	na	555	557	555	504	440
Enrollment	526	492	531	492	443	416
Flatirons						
Square Feet	33,469	33,469	33,469	33,469	33,469	33,469
Capacity	na	322	264	234	237	300
Enrollment	255	265	260	257	241	307
Foothill						
Square Feet	57,819	57,819	57,819	57,819	57,819	57,819
Capacity	na	514	485	504	504	435
Enrollment	499	465	432	416	419	430
Gold Hill						
Square Feet	3,316	3,316	3,316	3,316	3,316	3,316
Capacity	na	51	51	51	51	41
Enrollment	30	34	30	34	33	37
Heatherwood						
Square Feet	51,092	51,092	52,016	52,016	52,016	52,016
Capacity	na	525	469	424	421	316
Enrollment	436	417	387	363	332	350
High Peaks						
Square Feet	11,497	11,497	24,521	24,521	24,521	24,521
Capacity	na	264	326	307	248	240
Enrollment	236	259	281	277	278	279
Jamestown						
Square Feet	5,030	5,030	5,030	5,030	5,030	5,030
Capacity	na	37	27	27	27	18
Enrollment	22	35	17	17	18	22
Kohl						
Square Feet	52,745	52,745	54,113	54,113	54,113	54,113
Capacity	na	664	504	509	509	480
Enrollment	696	676	470	467	445	437
Lafayette						
Square Feet	51,109	51,109	56,764	56,764	56,764	56,764
Capacity	na	579	408	408	381	296
Enrollment	490	481	421	394	387	331
Louisville						
Square Feet	46,575	46,575	57,018	57,018	57,018	57,018
Capacity	na	562	562	560	504	460
Enrollment	600	570	487	458	430	440



**Table 15**  
**(continued)**

<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
56,300	56,300	56,300	56,300
384	377	377	377
384	376	390	390
60,307	60,307	60,307	60,307
465	460	440	440
454	449	433	433
33,469	33,469	33,469	33,469
295	315	320	320
297	298	307	307
57,819	57,819	57,819	57,819
440	485	510	510
463	486	504	504
3,316	3,316	3,316	3,316
41	41	41	41
34	26	26	26
52,016	52,016	52,016	52,016
312	319	321	321
332	323	340	340
24,521	24,521	24,521	24,521
240	287	240	240
296	299	293	293
5,030	5,030	5,030	5,030
18	18	18	18
12	15	16	16
54,113	54,113	54,113	54,113
480	460	480	480
442	467	453	453
56,764	56,764	56,764	60,673
298	298	350	350
333	353	396	396
57,018	57,018	57,018	57,018
460	460	460	460
432	404	409	409



**BOULDER VALLEY SCHOOL DISTRICT RE-2**  
**School Building Information**  
**Last 10 Fiscal Years**

(Unaudited)

(Unaudited)

School	1999	2000	2001	2002	2003	2004
Majestic Heights						
Square Feet	29,894	29,894	0	0	0	0
Capacity	na	160	0	0	0	0
Enrollment	157	113	0	0	0	0
Mapleton						
Square Feet	21,387	21,387	21,387	21,387	21,387	0
Capacity	na	189	184	184	184	0
Enrollment	154	158	154	144	128	0
Martin Park						
Square Feet	45,665	45,665	0	0	0	0
Capacity	na	225	0	0	0	0
Enrollment	180	137	0	0	0	0
Mesa						
Square Feet	45,670	45,670	45,670	45,670	45,670	45,670
Capacity	na	403	349	349	349	310
Enrollment	317	349	357	357	347	348
Nederland						
Square Feet	61,470	61,470	61,470	61,470	61,470	61,470
Capacity	na	468	444	418	390	345
Enrollment	353	363	289	310	312	302
Pioneer						
Square Feet	72,398	72,398	72,398	72,398	72,398	72,398
Capacity	na	421	374	443	443	355
Enrollment	287	314	290	322	339	356
Ryan						
Square Feet	49,176	49,176	49,176	49,176	49,176	49,176
Capacity	na	584	504	506	479	369
Enrollment	532	503	478	421	411	390
Sanchez						
Square Feet	49,887	49,887	49,887	49,887	49,887	49,887
Capacity	na	399	403	371	422	301
Enrollment	309	320	355	346	296	288
Superior						
Square Feet	69,765	69,765	69,765	69,765	69,765	69,765
Capacity	na	577	553	495	524	480
Enrollment	683	666	603	577	570	589
University Hill						
Square Feet	64,993	64,993	68,696	68,696	68,696	68,696
Capacity	na	416	462	467	467	510
Enrollment	396	384	397	346	336	503
Washington						
Square Feet	29,959	29,959	29,959	29,959	29,959	0
Capacity	na	344	344	344	344	0
Enrollment	283	291	299	291	285	0



**Table 15**  
**(continued)**

<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
45,670	45,670	45,670	45,670
330	315	315	315
346	319	357	357
61,470	61,470	61,470	61,470
332	345	355	355
331	317	319	319
72,398	72,398	72,398	72,398
329	341	348	348
396	404	427	427
49,176	49,176	49,176	49,176
363	350	357	357
383	390	398	398
49,887	49,887	49,887	49,887
278	316	334	334
262	280	286	286
69,765	69,765	69,765	69,765
500	500	500	500
600	629	650	650
68,696	68,696	68,696	68,696
492	314	375	375
391	307	322	322
0	0	0	0
0	0	0	0
0	0	0	0



**BOULDER VALLEY SCHOOL DISTRICT RE-2**  
**School Building Information**  
**Last 10 Fiscal Years**

(Unaudited)

(Unaudited)

School	1999	2000	2001	2002	2003	2004
Whittier						
Square Feet	35,122	35,122	35,122	35,122	35,122	35,122
Capacity	na	320	264	291	291	300
Enrollment	260	236	232	247	239	303
<b><u>Middle Schools</u></b>						
Angevine						
Square Feet	121,676	121,676	121,676	121,676	121,676	121,676
Capacity	na	902	926	971	971	862
Enrollment	722	755	732	709	650	668
Baseline						
Square Feet	75,041	75,041	76,668	76,668	76,668	0
Capacity	na	488	527	535	553	0
Enrollment	444	474	484	455	416	0
Broomfield Heights						
Square Feet	107,385	107,385	107,385	107,385	107,385	107,385
Capacity	na	891	891	935	935	935
Enrollment	960	966	629	571	572	551
Burbank						
Square Feet	83,572	83,572	83,572	83,572	83,572	0
Capacity	na	494	494	503	503	0
Enrollment	349	349	304	312	258	0
Casey						
Square Feet	84,007	84,007	84,007	84,007	84,007	84,007
Capacity	na	563	563	636	582	582
Enrollment	378	337	334	357	317	341
Centennial						
Square Feet	99,556	99,556	99,556	99,556	99,556	99,556
Capacity	na	752	708	750	750	750
Enrollment	648	675	688	677	648	641
Halcyon						
Square Feet	8,736	8,736	8,736	8,736	8,736	8,736
Capacity	na	na	na	na	na	na
Enrollment	13	15	15	16	13	15
Louisville						
Square Feet	84,913	84,913	88,887	88,887	88,887	88,887
Capacity	na	563	641	677	695	673
Enrollment	693	677	656	601	575	547
Manhattan*						
Square Feet	0	0	0	0	0	83,572
Capacity	0	0	0	0	0	590
Enrollment	0	0	0	0	0	587
Platt						
Square Feet	117,573	117,573	117,573	117,573	117,573	117,573
Capacity	na	769	813	812	790	729
Enrollment	640	625	623	566	530	529



**Table 15**  
**(continued)**

<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
35,122	35,122	35,122	35,122
320	300	325	325
328	319	323	323
121,676	121,676	121,676	121,676
902	863	906	906
616	587	536	536
0	0	0	0
0	0	0	0
0	0	0	0
107,385	107,385	107,385	107,385
914	914	914	914
562	555	565	565
0	0	0	0
0	0	0	0
0	0	0	0
84,007	84,007	84,007	84,007
612	612	535	535
361	366	313	313
99,556	99,556	99,556	99,556
750	750	772	772
596	588	559	559
8,736	8,736	8,736	8,736
na	na	na	na
12	14	11	11
88,887	88,887	88,887	74,206
651	651	651	651
541	546	560	560
83,572	83,572	83,572	83,572
579	605	618	618
449	443	422	422
117,573	117,573	117,573	117,573
729	707	707	707
524	531	549	549



**BOULDER VALLEY SCHOOL DISTRICT RE-2**  
**School Building Information**  
**Last 10 Fiscal Years**

(Unaudited)

<b>School</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
Southern Hills						
Square Feet	72,260	72,260	72,260	72,260	72,260	72,260
Capacity	na	405	545	539	539	503
Enrollment	403	420	465	476	480	523
<b><u>High Schools</u></b>						
Boulder						
Square Feet	223,615	223,615	229,281	229,281	229,281	229,281
Capacity	na	2008	2012	2015	2015	2015
Enrollment	1837	1789	1806	1876	1919	1929
Broomfield						
Square Feet	203,580	203,580	218,163	218,163	218,163	218,163
Capacity	na	1573	1583	1565	1565	1593
Enrollment	1331	1320	1345	1323	1337	1321
Centaurus						
Square Feet	187,466	187,466	190,610	190,610	190,610	190,610
Capacity	na	1616	1723	1652	1638	1616
Enrollment	1437	1283	1112	1108	1060	1003
Fairview						
Square Feet	256,392	256,392	256,392	256,392	256,392	256,392
Capacity	na	1974	1942	1889	1889	1861
Enrollment	1953	1903	1934	1937	1916	1880
Monarch						
Square Feet	228,827	228,827	228,827	228,827	228,827	228,827
Capacity	na	1716	1759	1728	1728	1728
Enrollment	622	1045	1427	1563	1576	1626
New Vista						
Square Feet	42,583	42,583	42,583	42,583	42,583	76,668
Capacity	na	342	342	342	342	345
Enrollment	337	341	341	335	344	332
<b><u>Combination Schools</u></b>						
Aspen Creek K-8						
Square Feet	0	0	114,478	114,478	114,478	114,478
Capacity	0	0	1199	978	995	948
Enrollment	0	0	712	791	787	817
Eldorado K-8						
Square Feet	0	0	117,336	117,336	117,336	117,336
Capacity	0	0	1161	946	966	899
Enrollment	0	0	522	796	869	956
Monarch K-8						
Square Feet	108,802	108,802	108,802	108,802	108,802	108,802
Capacity	829	829	853	808	782	746
Enrollment	803	893	752	677	671	719



**Table 15**  
**(continued)**

<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
72,260	72,260	72,260	70,194
503	503	503	503
537	503	478	478
229,281	229,281	229,281	218,717
2015	1994	1900	1900
1970	1932	1093	1093
218,163	218,163	218,163	218,163
1599	1599	1606	1606
1375	1413	1407	1407
190,610	190,610	190,610	196,089
1530	1607	1581	1581
990	996	1051	1051
256,392	256,392	256,392	256,392
1861	1861	1840	1840
1891	1871	1903	1903
228,827	228,827	228,827	228,827
1728	1728	1728	1728
1679	1633	1562	1562
76,668	76,668	76,668	76,668
637	659	659	659
341	339	337	337
114,478	114,478	114,478	115,918
969	969	969	969
870	875	869	869
117,336	117,336	117,336	117,336
942	876	876	876
938	935	994	994
108,802	108,802	108,802	108,802
753	753	766	766
709	696	741	741



**BOULDER VALLEY SCHOOL DISTRICT RE-2**  
**School Building Information**  
**Last 10 Fiscal Years**

(Unaudited)

<b>School</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
Nederland Middle/Senior						
Square Feet	97,080	97,080	97,080	97,080	97,080	97,080
Capacity	na	663	557	650	650	650
Enrollment	380	357	398	407	422	387
<b><u>Vocational/Technical Schools</u></b>						
Arapahoe Ridge and Technical Education Center						
Square Feet	129,579	129,579	129,579	129,579	129,579	129,579
Capacity	na	981	904	904	904	882
Enrollment	181	170	139	138	138	308
<b><u>Charter Schools</u></b>						
Boulder Preparatory High School						
Square Feet	3,500	3,500	3,500	6,000	6,000	6,000
Capacity	na	na	na	na	na	na
Enrollment	32	41	44	67	78	84
Horizons K-8 School						
Square Feet	30,814	30,814	30,814	30,814	30,814	30,814
Capacity	na	313	313	403	403	330
Enrollment	307	297	306	313	320	309
Peak To Peak K-12 School						
Square Feet	0	0	9,000	31,000	104,365	104,365
Capacity	0	0	na	na	na	na
Enrollment	0	0	195	606	1027	1107
Summit Middle School						
Square Feet	7,165	7,165	29,894	29,894	29,894	29,894
Capacity	na	217	271	320	320	278
Enrollment	254	253	258	304	303	308
Sojourner K-8 School						
Square Feet	0	na	na	na	na	0
Capacity	0	na	na	na	na	0
Enrollment	0	35	60	53	34	0
Justice High 6-12 School						
Square Feet	0	0	0	0	0	0
Capacity	0	0	0	0	0	0
Enrollment	0	0	0	0	0	0

Source: Boulder Valley School District RE-2



**Table 15**  
**(continued)**

<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
97,080	97,080	97,080	97,080
650	650	650	650
387	391	385	385
129,579	129,579	129,579	129,579
876	820	925	925
281	279	223	223
6,000	6,000	6,000	11,938
na	na	na	na
88	103	125	125
30,814	30814	30,814	30,814
351	315	342	342
309	321	320	320
116,679	116,679	116,679	116,679
na	na	na	na
1175	1236	1292	1292
29,894	29,894	29,894	41,161
337	337	337	337
309	307	312	312
0	0	0	0
0	0	0	0
0	0	0	0
na	na	na	2,409
na	na	na	na
0	0	79	79





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**BOULDER VALLEY SCHOOL DISTRICT RE-2**  
**Teacher Statistics**  
**Last 2 School Years\***

**Table 16**

**(Unaudited)**

	<u><b>2007</b></u>	<u><b>2008</b></u>
Number of Teachers by Education Level*		
Bachelor's Degree	143	141
Bachelor's Degree + 12 Hours	68	79
Bachelor's Degree + 24 Hours	68	73
Bachelor's Degree + 36 Hours	71	67
Bachelor's Degree + 48 Hours	267	250
Master's Degree	435	451
Master's Degree + 12 Hours	176	183
Master's Degree + 24 Hours	165	171
Master's Degree + 36 Hours	118	128
Master's Degree + 48 Hours	375	381
Doctorate	46	49
Other	4	4
Total	<u>1,936</u>	<u>1,977</u>
Average Teacher Pay by Education Level*		
Bachelor's Degree	35,194	39,517
Bachelor's Degree + 12 Hours	37,886	42,872
Bachelor's Degree + 24 Hours	44,155	46,876
Bachelor's Degree + 36 Hours	45,156	49,058
Bachelor's Degree + 48 Hours	49,480	55,005
Master's Degree	45,738	51,828
Master's Degree + 12 Hours	51,169	58,454
Master's Degree + 24 Hours	56,258	61,068
Master's Degree + 36 Hours	57,464	65,306
Master's Degree + 48 Hours	61,999	68,787
Doctorate	61,776	68,954
Other	59,936	60,975

\*Amounts Prior to 2007 are not available

SOURCE: Boulder Valley School District RE-2



**BOULDER VALLEY SCHOOL DISTRICT RE-2**  
**Miscellaneous Statistical Data**  
**Last 10 School Years**

(Unaudited)

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
<b>Student Teacher Ratio</b>				
Elementary	23.51	23.08	24.10	23.28
Middle	22.50	20.79	20.87	20.45
Senior	24.11	22.55	22.18	22.14
<b>Governmental Activities Expenses</b>	N/A	N/A	N/A	\$ 208,901,709
<b>Cost Per Student</b>	N/A	N/A	N/A	\$ 7,481
<b>Enrollment Data</b>				
<b>Student Full Time Equivalent</b>				
Elementary	11,362.5	11,196.5	11,211.5	11,218.0
Middle	6,404.0	6,529.0	6,647.5	6,800.0
Senior	7,764.0	8,002.5	8,256.5	8,451.0
Other	202.0	214.5	196.0	234.0
Total	<u>25,732.5</u>	<u>25,942.5</u>	<u>26,311.5</u>	<u>26,703.0</u>
<b>Total Enrollment</b>				
K-12 Enrollment	26,618.0	26,729.0	27,204.0	27,609.0
Pre-K Enrollment	300.0	311.0	296.0	315.0
Total	<u>26,918.0</u>	<u>27,040.0</u>	<u>27,500.0</u>	<u>27,924.0</u>
<b>Number of Students Eligible to Receive School Lunches Free Or At Reduced Cost</b>				
Elementary	1,975	1,880	1,995	2,087
Combination	180	171	181	190
Middle	718	684	725	759
Senior	718	683	726	758
Total	<u>3,591</u>	<u>3,418</u>	<u>3,627</u>	<u>3,794</u>
<b>Percent of Students Receiving Free or Reduced Cost Meals</b>				
	13.34%	12.64%	13.19%	13.59%

SOURCE: Boulder Valley School District RE-2



Table 17

2003	2004	2005	2006	2007	2008
22.94	22.60	22.27	22.19	22.29	22.32
20.57	20.33	20.54	20.52	20.66	20.64
22.49	22.83	23.21	23.31	22.91	22.57
\$ 218,559,476	\$ 227,311,141	\$ 233,942,454	\$ 242,710,503	\$ 257,223,290	\$ 278,784,336
\$ 7,860	\$ 8,159	\$ 8,378	\$ 8,692	\$ 9,123	\$ 9,785
11,019.5	10,888.5	10,950.0	10,921.5	11,163.5	11,347.0
6,733.5	6,731.0	6,528.5	6,420.5	6,325.5	6,392.0
8,643.0	8,811.0	9,102.5	9,146.0	9,155.5	9,211.0
233.5	213.0	208.5	251.5	270.0	279.0
26,629.5	26,643.5	26,789.5	26,739.5	26,914.5	27,229.0
27,493.0	27,604.0	27,651.0	27,593.0	27,798.0	28,091.0
314.0	256.0	271.0	329.0	398.0	399.0
27,807.0	27,860.0	27,922.0	27,922.0	28,196.0	28,490.0
2,141	2,213	2,249	2,460	2,498	2,544
195	201	204	224	221	191
779	805	818	895	877	900
778	804	818	895	777	963
3,893	4,023	4,089	4,474	4,373	4,598
14.00%	14.44%	14.64%	16.02%	15.51%	16.14%





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## **COMPLIANCE SECTION**





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## **SINGLE AUDIT**





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

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

We have audited the 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, 2008, which collectively comprise the basic financial statements of the Boulder Valley School District RE-2, and have issued our report thereon dated November 5, 2008. 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.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Boulder Valley School District RE-2's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Boulder Valley School District RE-2's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Boulder Valley School District RE-2's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Boulder Valley School District RE-2's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Boulder Valley School District RE-2's financial statements that is more than inconsequential will not be prevented or detected by the Boulder Valley School District RE-2's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Boulder Valley School District RE-2's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.



### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Boulder Valley School District RE-2's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Education, management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Swanlund & Company LLC*

November 5, 2008





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

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

**Compliance**

We have audited the compliance of the Boulder Valley School District RE-2 with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. The Boulder Valley School District RE-2's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Boulder Valley School District RE-2's management. Our responsibility is to express an opinion on the Boulder Valley School District RE-2's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Boulder Valley School District RE-2's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Boulder Valley School District RE-2's compliance with those requirements.

In our opinion, the Boulder Valley School District RE-2 complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

**Internal Control Over Compliance**

The management of the Boulder Valley School District RE-2 is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Boulder Valley School District RE-2's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Boulder Valley School District RE-2's internal control over compliance.



A control deficiency in the Boulder Valley School District RE-2's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Boulder Valley School District RE-2's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the Boulder Valley School District RE-2's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the Boulder Valley School District RE-2's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Education, management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Swanlund & Company LLC*

November 5, 2008



BOULDER VALLEY SCHOOL DISTRICT RE-2

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended June 30, 2008**

**Summary of Auditors' Results**

*Financial Statements*

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

- Material weaknesses identified? ☐ yes ☒ no
- Significant deficiencies identified that are not considered to be material weaknesses? ☐ yes ☒ none reported

Noncompliance material to financial statements noted?

☐ yes ☒ no

*Federal Awards*

Internal control over major programs:

- Material weaknesses identified? ☐ yes ☒ no
- Significant deficiencies identified that are not considered to be material weaknesses? ☐ yes ☒ none reported

Type of auditors' report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?

☐ yes ☒ no

Identification of major programs:

84.027 Special Education  
84.173 Special Education-Preschool  
84.215 Fund for the Improvement of Education

Dollar threshold used to distinguish between type A and type B programs: \$399,797

Auditee qualified as low-risk auditee? ☒ yes ☐ no

**Financial Statement Findings**

The audit of the financial statements did not disclose significant deficiencies in internal control that would be considered material weaknesses, and did not disclose fraud, illegal acts, violations of provisions of contracts and grant agreements, or abuse that were material to those financial statements.

**Federal Awards Findings and Questioned Costs**

The audit of federal awards did not disclose significant deficiencies in internal control that would be considered material weaknesses, and did not disclose instances of noncompliance or abuse that were material to those federal awards.





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

**INDEPENDENT AUDITORS' REPORT ON SCHEDULE OF  
EXPENDITURES OF FEDERAL AWARDS**

We have audited the 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, 2008, which collectively comprise the basic financial statements of the Boulder Valley School District RE-2, and have issued our report thereon dated November 5, 2008. 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, *Government Auditing Standards*, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 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.

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 accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. The information in this schedule 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.

*Swanhorst & Company LLC*

November 5, 2008





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**BOULDER VALLEY SCHOOL DISTRICT RE-2**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**Year Ended June 30, 2008**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Accrued (Deferred) Revenue 6/30/2007</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Accrued (Deferred) Revenue 6/30/2008</u>
<b>U.S. Department of Education</b>					
Direct Programs					
Indian Education	84.060	\$ 4,522	\$ 28,271	\$ 26,293	\$ 2,544
Safe and Drug Free Schools and Communities	84.184	114,374	532,696	551,459	133,137
Fund for the Improvement of Education	84.215	1,173	288,680	343,966	56,459
Passed Through State Department of Education					
Adult Education	84.002	39,245	132,799	136,502	42,948
Title I	84.010	842,702	2,738,885	2,421,016	524,833
Special Education	84.027	709,614	4,173,522	4,922,132	1,458,224
Special Education Preschool	84.173	(5,937)	106,421	136,784	24,426
Safe and Drug Free Schools and Communities	84.186	11,898	76,698	74,955	10,155
Education of Homeless Children and Youth	84.196	-	18,340	29,938	11,598
Even Start	84.213	27,398	182,302	220,236	65,332
Charter Schools	84.282	37,431	120,560	157,561	74,432
21st Century Community Learning Centers	84.287	31,140	136,783	168,723	63,080
Innovative Programs	84.298	5,356	48,927	46,086	2,515
Education Technology	84.318	33,302	57,554	32,384	8,132
Advanced Placement Program	84.330	(1,435)	-	1,435	-
Comprehensive School Reform Demonstration	84.332	37,371	49,553	12,182	-
English Language Acquisition	84.365	77,462	307,635	321,328	91,155
Mathematics and Science Partnerships	84.366	61,058	236,740	271,038	95,356
Improving Teacher Quality	84.367	117,735	922,985	1,016,998	211,748
Hurricane Education Recovery	84.938	1	1	-	-
Passed Through State Department of Human Services					
Vocational Rehabilitation	84.126	32,294	177,707	205,955	60,542
Passed Through State Community College System					
Vocational Education	84.048	33,427	142,682	168,856	59,601
<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>		<u>2,210,131</u>	<u>10,479,741</u>	<u>11,265,827</u>	<u>2,996,217</u>
<b>U.S. Department of Agriculture</b>					
Passed Through State Department of Human Services					
Food Donation	10.550	-	328,290	328,290	-
Passed Through State Department of Education					
National School Lunch Program	10.555	195,862	1,465,397	1,427,746	158,211
School Breakfast Program	10.553	25,605	213,942	214,535	26,198
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>		<u>221,467</u>	<u>2,007,629</u>	<u>1,970,571</u>	<u>184,409</u>
<b>U.S. Department of Transportation</b>					
Passed Through State Department of Transportation					
Highway Planning and Construction	20.205	30,105	40,476	63,700	53,329
<b>Corporation for National and Community Service</b>					
Passed Through State Department of Education					
Learn and Serve America	94.004	-	26,000	26,000	-
<b>National Endowment for the Humanities</b>					
Passed Through State Department of Education					
IMLS Grants to States	45.310	(456)	-	456	-
<b>TOTAL FEDERAL FINANCIAL ASSISTANCE</b>		<u>\$ 2,461,247</u>	<u>\$ 12,553,846</u>	<u>\$ 13,326,554</u>	<u>\$ 3,233,955</u>

See the accompanying Independent Auditors' Report.



**BOULDER VALLEY SCHOOL DISTRICT RE-2**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended June 30, 2008**

**NOTE 1:      BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in the financial statements.



## **STATE COMPLIANCE**





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

**INDEPENDENT AUDITORS' REPORT ON  
AUDITOR'S INTEGRITY REPORT**

We have audited the 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, 2008, which collectively comprise the basic financial statements of the Boulder Valley School District RE-2, and have issued our report thereon dated November 5, 2008. 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 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.

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 accompanying auditor's integrity report is presented for purposes of additional analysis as required by State of Colorado statutes and is not a required part of the basic financial statements. The information in this schedule 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.

*Swanhorst & Company LLC*

November 5, 2008





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11/12/2008  
09:08 AM

Colorado Department of Education  
Fiscal Year 2007-2008  
Colorado School District/ROCES  
Auditor's Integrity Report

BOULDER BOULDER VALLEY RE 2  
District Code: 0480

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*) +	1000 - 5999 Total Revenues & Other Sources -	0001 - 0999 Total Expenditures & Other Uses -	6700 - 6799 & Prior Per Adj (6880*) Ending Fund Balance
<b>Governmental</b>				
10 General Fund	28,252,181	200,370,134	207,103,540	21,518,774
18 Risk Mgmt Sub-Fund of General Fund	258,080	3,765,167	3,765,248	167,999
19 Colorado Preschool Program Fund	81,096	1,019,711	1,021,590	79,217
Subtotal	28,591,357	205,065,012	211,890,378	21,765,991
11 Charter School Fund	7,939,939	20,999,233	21,534,770	7,404,402
20,26-29 Special Revenue Fund	0	0	0	0
21 Capital Reserve Spec Revenue Fund	0	0	0	0
22 Govt Designated-Purpose Grants Fund	0	11,953,675	11,953,675	0
23 Pupil Activity Special Revenue Fund	0	0	0	0
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	952,198	9,912,632	10,237,590	627,240
30 Debt Service Fund	0	0	0	0
31 Bond Redemption Fund	23,304,815	72,274,802	78,297,390	17,282,227
41 Building Fund	120,482,401	5,751,219	39,037,658	87,195,962
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	2,710,670	11,468,933	7,137,725	7,041,878
TOTALS	183,981,380	337,425,506	380,089,187	141,317,700
<b>Proprietary</b>				
51 Food Service Fund	571,102	5,665,474	5,728,486	508,090
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	708,899	4,542,072	3,133,559	2,117,412
TOTALS	1,280,001	10,207,546	8,862,046	2,625,502
<b>Fiduciary</b>				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	260,477	30,454	11,470	279,461
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	3,467,386	10,393,495	10,416,243	3,444,638
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
TOTALS	3,727,863	10,423,949	10,427,713	3,724,099

\*If you have a prior period adjustment in any fund (Balance Sheet 6880), the amount of your prior period adjustment is added into both your ending and beginning fund balances on this report.

From submitted data file: fd0480.08a

Program: fdrdh.sqr

File: fd0480.dba

FINAL





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