



Boulder Valley School District
Excellence and Equity



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDING JUNE 30, 2013

Boulder, Colorado ▪ Boulder ▪ Broomfield ▪ Gilpin Counties



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the fiscal year ending June 30, 2013 ■ Boulder, Colorado

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, 2013

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Business Services Division

December 10, 2013

Members of the Boulder Valley School District Community
Members of the Board of Education
Dr. Bruce K. Messinger, 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, 2013.

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 2013 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, 2013. 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 (“the district”) 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. Board members are term-limited at two terms.

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 2012-13 school year, the district's total enrollment and student funded full time equivalent was 29,718 and 28,538 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 its Early Childhood Education program.

Five charter schools are included as component units of the Boulder Valley School District RE-2 for the 2013 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.

The City of Boulder is home to the University of Colorado, Boulder Campus, which is a significant stabilizing force for the local economy. The City of Boulder is also 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.

Other major employers in the area include Ball Corporation, IBM Corporation, Oracle, Level 3 Communications and numerous other smaller software, research, manufacturing and pharmaceutical firms.

The *2013 Colorado Business Economic Outlook*, published by the University of Colorado Leeds School of Business states that;

"With a talented workforce, high-tech (but diversified) economy, relatively low costs of doing business, global economic access, and superior quality of life, Colorado is poised for long-term economic growth."

“Colorado will place in the top 10 states for employment growth in 2013. High commodity prices and an easing drought will lead to near-record farm income. State and local governments will continue to rebound from budget strife, slowly restoring some of the critical cuts made during the past four years. Home prices will continue to improve in Colorado, as will the foreclosure situation. Colorado will continue to be a popular place to live, with projected population growth of 1.5% and the state’s 23rd-consecutive year of net in-migration. Colorado will sustain an unemployment rate under 8%.”

“The Boulder County economy continues to improve and outperform the state and national economy in many areas. While continued growth is expected in 2013, any significant reduction in federal research funding would have a significant negative impact, affecting federally funded research labs and the university, as well as numerous businesses that depend on federal research contracts, Small Business Innovation Research (SBIR) grants, and other funding programs to develop and refine new technologies.”

“Boulder County’s diverse economy is supported by a high concentration of businesses in a number of emerging industries, visionary entrepreneurs, a well-educated and highly skilled workforce, a world-class research university, and several major federal labs.”

“The area continues to receive national recognition for its business climate and lifestyle. In 2012, Richard Florida named Boulder America’s Most Creative City, USA Today ranked Boulder #9 among Top Cities for Technology Start-Ups, and the city was recognized in several national rankings on health and happiness. In 2011, Louisville was ranked #1 on Money magazine’s Best Places to Live list.”

The entire 2013 Colorado Business Economic Outlook can be found at <http://leeds.colorado.edu/asset/publication/2013beof.pdf>.

The Denver-Boulder-Greeley CPI (Consumer Price Index) is the measure of inflation that is generally used for the state of Colorado. The 2012 rate increase, used as a function of funding increases for the 2013-14 fiscal year, was projected at 1.9 percent in December, just below the U.S. rate of 2.2 percent. In February, the final rate was confirmed to be 1.9 percent. School districts face a significant challenge as an improvement in fiscal resources for K-12 education will typically lag an economic recovery. The national political arena has also impacted K-12 funding as the pressure to cut the national deficit has resulted in the sequestration of federal funding for required programs such as special education and support for low income students.

Long-term Financial Planning

Each year the state budget is crafted by the governor and legislature to determine how much of the total budget will be allocated to K-12 education. 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 (SFA) established by the state legislature. During the Great Recession, state revenue shortfalls forced cuts to K-12 education even though expectations for constitutionally mandated funding increases existed under Amendment 23. After the state sets the total funding for K-12 public education, each local district determines how to fund its specific system and every school within its district.

For the 2013-14 fiscal year, the legislature increased base per pupil funding by 1.9 percent for K-12 public education as well as provided additional dollars for statewide student growth and a minimal reduction to the negative factor. This equates to a \$210.4 million state increase and a

\$6.2 million projected increase to the district from 2012-13 funding levels. The reduction to state-wide total program funding as calculated in the School Finance Act is now \$1.01 billion, or 15.4 percent. For the district, the negative factor is \$34.6 million and is expected to be a permanent revenue reduction for the near future.

The district's projected state per pupil revenue (PPR) for 2013-14 is \$6,546 after accounting for a \$2 per pupil rescission to pay for finance staff at the Colorado Department of Education. Total program funding, defined by the SFA, is projected to be \$189.4 million (this figure does not include the estimated uncollectable property taxes due to the timing of tax collections), an increase of \$7.3 million from the district's 2012-13 Revised Budget.

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

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

Fund Balance Requirements

In order to meet the challenges of school funding in Colorado, the board of education adopted Policy DB in spring 2005, which dictated a minimum level of year-end fund balance in order to ensure the district's ongoing financial health. To further bolster the district's financial position and address the current economic challenges, the board of education updated this policy in January 2009, strengthening the requirements of the policy. The policy restricts the district from using one-time money for ongoing expenditures. This ensures programs are sustained with ongoing revenue. In addition, current policy specifies the amount to be held as a contingency reserve.

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

The original policy was recommended by the district's external auditors and commended by the Colorado Department of Education's Accreditation Consultant. An update to the policy was crafted by the district's audit committee with input from the district's external financial advisors.

The two key elements of the policy are spending limitations and reserve requirements as follows:

Spending Limitations:

- The General Operating Fund budget will be developed so that the total of annual ongoing expenditures and transfers does not exceed annual revenues.
- If the General Operating Fund ends any fiscal year with an ending balance beyond required reserves, this amount can only be used for one-time uses in subsequent years.
- One-time uses are defined as expenditures, transfers and/or reserves committed by the district for a finite period of time, on a non-recurring basis.

Reserve Requirements:

- In addition, the General Operating Fund budget will be developed containing an ending fund balance equal to required reserves including the TABOR reserve plus a minimum of a three percent contingency reserve. The need for additional reserves shall be reviewed annually.
- Funds in the contingency reserve shall not be spent without board approval. The request for approval must include a plan for ensuring that the expenditure will not exceed the fixed dollar amount approved by the board, and must also include a plan for replenishing the reserve within two years from first dispersal.
- 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, 2013, the district is in compliance with these fund balance requirements.

Major Initiatives

At its June 25, 2013 meeting, the Boulder Valley School District's Board of Education approved updates to its Mission Statement, Vision Statement, and Goals for 2013-18.

Mission

The mission of the Boulder Valley School District is to create challenging, meaningful and engaging learning opportunities so that all children thrive and are prepared for successful, civically engaged lives.

Vision of the Boulder Valley School District

We develop our children's greatest abilities and make possible the discovery and pursuit of their dreams, which when fulfilled will benefit us all. We provide a comprehensive and innovative approach to education and graduate successful, curious lifelong learners who confidently confront the great challenges of their time.

Value Statements

1. We respect the inherent value of each student and incorporate the strengths and diversity of students, families, staff and communities.
2. Societal inequities and unique learning needs will not be barriers to student success.
3. We address the intellectual growth, health and physical development, and social emotional well-being of students.
4. We value accountability and transparency at all levels.

Goals for 2013-18

GOAL #1 – Boulder Valley School District will partner with students, families, staff, and community members to address the unique learning needs of each student and to create meaningful and engaging opportunities for each child.

GOAL #2 – Boulder Valley School District will ensure that each student meets or exceeds appropriate expectations relative to intellectual growth, physical development and social emotional well-being.

GOAL #3 – Boulder Valley School District will ensure that students, families, staff, and community members experience a safe, healthy and inclusive environment.

The following strategies will be used to attain these goals:

- a. Boulder Valley School District will assess the success of each child as well as the overall effectiveness of the school system using multiple measures.
- b. Boulder Valley School District will partner with parents and the larger community to help all students enter school ready to learn and continue to learn throughout their educational experience.
- c. Boulder Valley School District will attract, hire and retain outstanding professionals at all levels of the organization.
- d. Boulder Valley School District will provide high quality professional development.
- e. Boulder Valley School District will increase community involvement, corporate partnerships, volunteer involvement, and legislative advocacy.

Background on the district's 2012-13 community consensus process for developing the new vision, mission and goals for the district may be found on the district's website.

Other Information

Awards

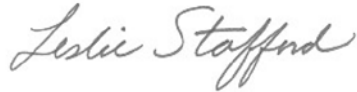
The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting and the Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the district for its comprehensive annual financial report for the fiscal year ended June 30, 2012. In order to be awarded a Certificate of Achievement and the Certificate of Excellence, the district must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report satisfied both generally accepted accounting principles and applicable legal requirements. The Certificate of Achievement and the Certificate of Excellence are valid for a period of one year. We believe that our current Comprehensive Annual Financial Report continues to meet the program requirements for both Certificate of Achievement and Certificate of Excellence programs. This document will be submitted to GFOA and ASBO respectively to determine eligibility for another certificate.

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 to 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. Bruce K. Messinger, 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,

A handwritten signature in cursive script that reads "Leslie Stafford".

Leslie A. Stafford, CPA
Chief Financial Officer

A handwritten signature in cursive script that reads "Charles R. McElwain".

Charles R. McElwain, CPA
Accounting Services Director



Government Finance Officers Association

**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, 2012

Executive Director/CEO

Association of School Business Officials International



*The Certificate of Excellence in Financial Reporting Award
is presented to*

Boulder Valley School District RE-2, Colorado

*For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2012*

The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards



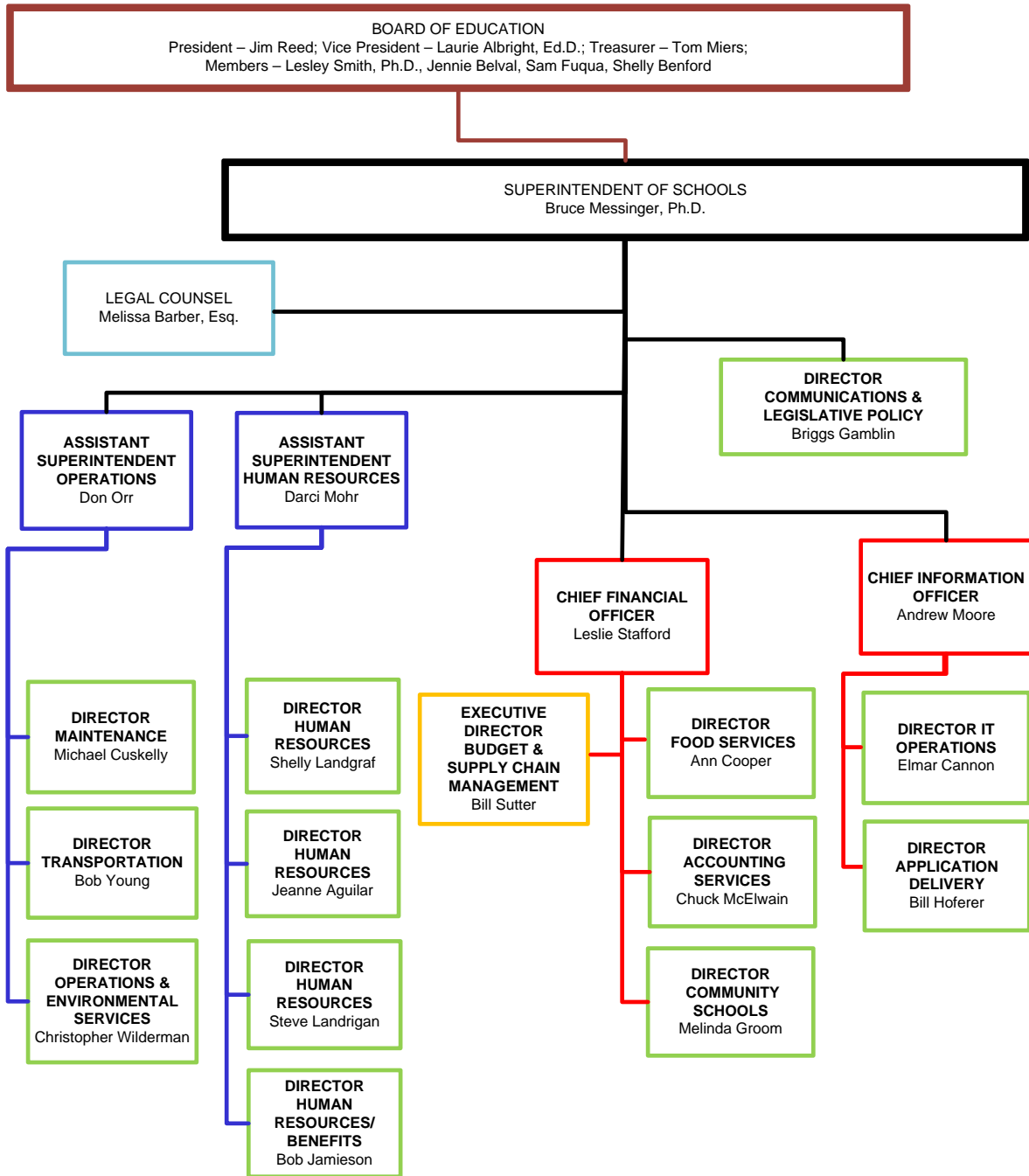
A handwritten signature in black ink, reading 'Ron McCulley'.

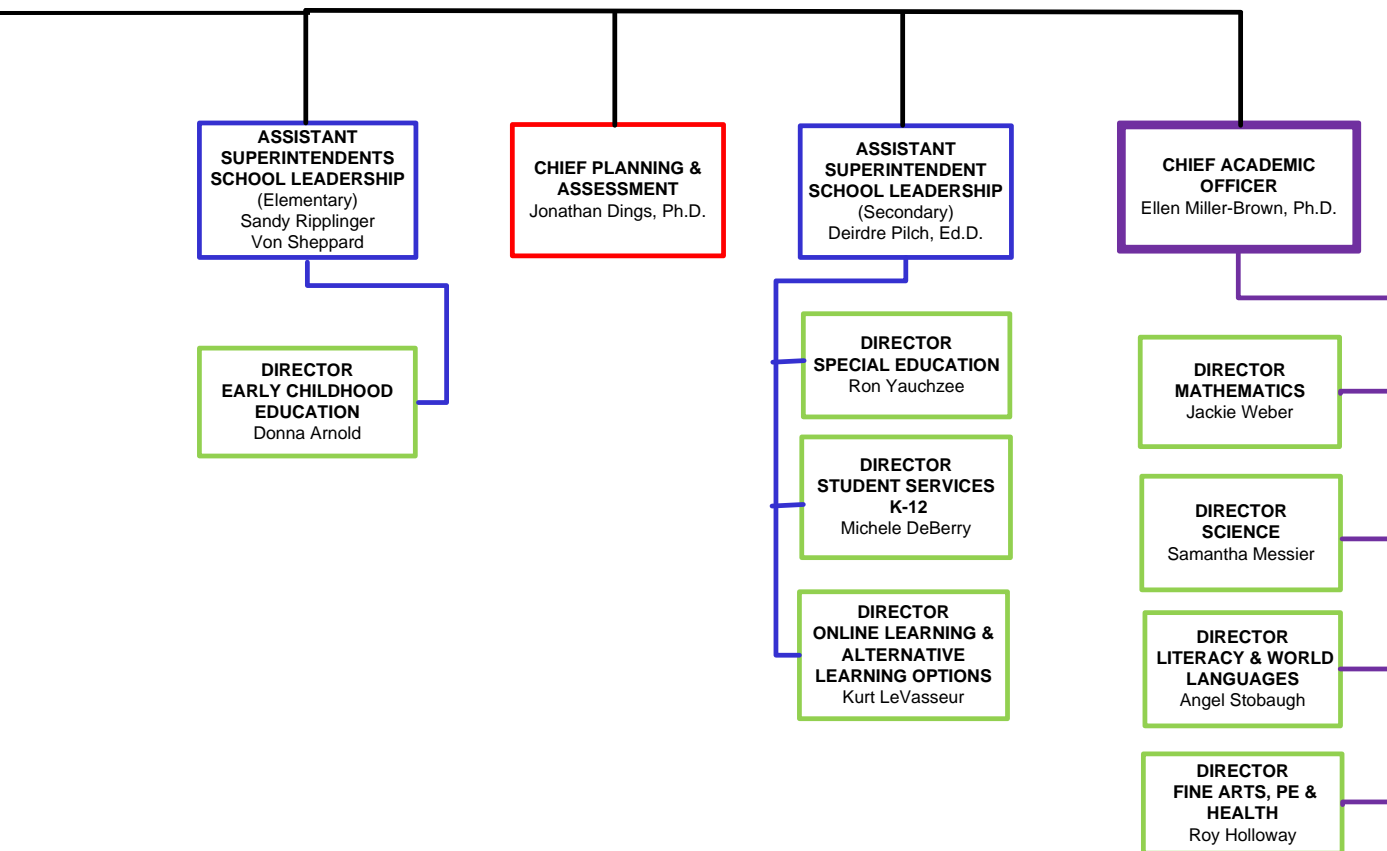
Ron McCulley, CPPB, RSBO
President

A handwritten signature in black ink, reading 'John D. Musso'.

John D. Musso, CAE, RSBA
Executive Director

BOULDER VALLEY SCHOOL DISTRICT RE-2 ORGANIZATION CHART





BOULDER VALLEY SCHOOL DISTRICT RE-2

List of Elected and Appointed Officials

July 1, 2013

Board of Education

Top Row (left to right):
District D
Sam Fuqua

District C
**Laurie Albright, Ed.D.,
Vice-President**

District F
Jennie Belval

District E
Tom Miers, Treasurer

Bottom Row (left to right):

District B
Lesley Smith, Ph.D.

District G
Jim Reed, President

District A
Shelly Benford



Superintendent's Cabinet



**Bruce Messinger Ph. D
Superintendent**

Deirdre Pilch, Ed. D.	Deputy Superintendent/School Leadership
Darci Mohr.....	Asst. Superintendent of Human Resources
Ronald Cabrera.....	Asst. Superintendent for School Leadership
Sandy Ripplinger,	Asst. Superintendent for School Leadership
Von Sheppard, Elem.	Asst. Superintendent for School Leadership
Don Orr	Asst. Superintendent of Operations
Jonathan Dings, Ph.D.	Chief of Planning and Assessment
Andrew Moore.....	Chief Information Officer
Leslie Stafford	Chief Financial Officer
Melissa Barber, Esq.	Legal Counsel
Briggs Gamblin	Director of Communications & Legislative Policy



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

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

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, 2013, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Boulder Valley School District RE-2, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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, 2013, and the respective changes in financial position and cash flows, where applicable, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 12 to the financial statements, in the year ended June 30, 2013, the Boulder Valley School District RE-2 adopted new accounting guidance as required by Governmental Accounting Standards Board Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

Other Matters (Required Supplementary Information)

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the information in accordance with the auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Matters (Other Information)

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 introductory section, combining and individual fund statements and schedules, statistical section, and auditors integrity report listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund statements and schedules and the auditors integrity report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling the information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements 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 do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2013, 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, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Boulder Valley School District RE-2's internal control over financial reporting and compliance.



November 18, 2013

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, 2013. We encourage readers to consider the information presented here in conjunction with additional information that can be found in the letter of transmittal on pages 1-7 of this report.

Financial Highlights

At June 30, 2013:

- The primary government has government-wide net position of \$150,432,961. Of this amount, unrestricted net position of \$24,028,660 may be used to meet the district's ongoing financial obligations.
- The primary government's net position increased from the prior year by \$1,906,033 and unrestricted net position decreased by \$5,586,624.
- At the end of the current fiscal year, the primary government's governmental funds reported combined ending fund balances of \$58,402,125 a decrease of \$6,925,612 from the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund is \$16,180,855 or 6.21% of total General Fund expenditures.
- The primary government's long-term general obligation debt decreased by \$12,250,000 to \$350,285,000.

Overview of the Financial Statements

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

Government-wide Financial Statements

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

The statement of net position presents information on all of the district's assets and liabilities. The difference between assets and liabilities is reported as net position. Over time, increases or decreases in net position 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 district's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the district that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover a significant portion of their costs through user fees and charges (business activities). Governmental activities consolidate all of the following district funds: General Fund (consisting of the General Operating Fund, Risk Management Fund, Technology Fund, Athletics Fund, Community Schools Fund, Preschool Fund, Tuition Preschool Fund, and Colorado Preschool Program Fund), Bond Redemption Fund, Governmental Designated-Purpose Grants Fund, Transportation Fund, Capital Reserve Fund, Building Fund, Health Insurance Fund, and Dental Insurance Fund. Business-type activities include the Food 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 32-33 of this report.

Fund Financial Statements

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

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

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

The district maintains two governmental funds called major funds: the General Fund (which combines the district's General Operating Fund, Risk Management Fund, Technology Fund, Athletics Fund, Community Schools Fund, Preschool Fund, Tuition Preschool Fund and the Colorado Preschool Program Fund), and the Bond Redemption Fund. They are presented separately in the fund financial statements with the remaining governmental funds combined into a single aggregated presentation labeled non-major governmental funds. Non-major funds

include the Transportation Fund, the Grants Fund, the Building Fund and the Capital Reserve Fund. Individual fund information for the non-major funds is presented as combining and individual fund statements and schedules after the notes section of this report.

The basic governmental fund financial statements can be found on pages 34-36 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 food 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 37-39 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 40-41 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 42-58 of this report.

Other Information: In addition to the basic financial statements and accompanying notes, this report also contains other required supplementary information concerning the district's budget process. Within a statutory timeline, the board of education adopts a resolution appropriating an annual budget for each of the individual governmental funds. A Budgetary Comparison Schedule for the General Fund has been provided to demonstrate compliance with the district's adopted budget followed by the Notes to Required Supplementary Information. Required supplementary information can be found on pages 59-60 of this report.

The Combining and Individual Fund Statements and Schedules follow the Required Supplementary Information and include the remaining governmental funds budgetary comparison schedules. These statements and schedules can be found on pages 61-78 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The assets of the primary government exceed liabilities by \$150,432,961 with an unrestricted balance of \$24,028,660 at June 30, 2013.

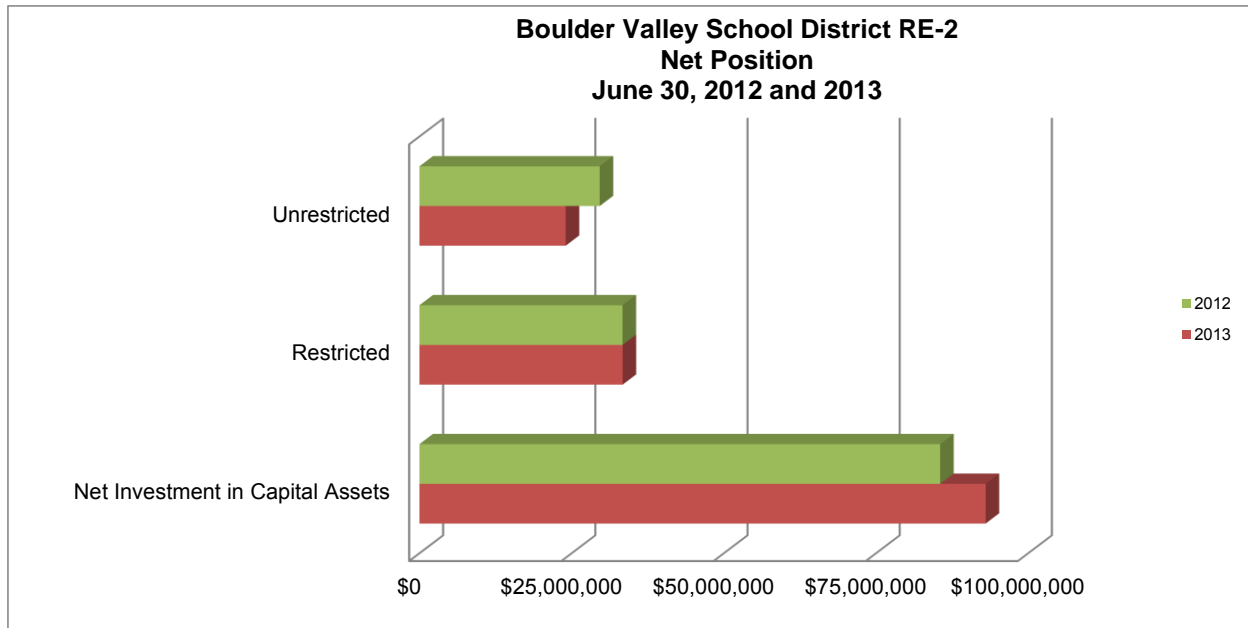
Boulder Valley School District RE-2
Net Position

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Assets						
Current and Other Assets	\$ 96,972,558	\$104,641,214	\$ 336,436	\$ 279,775	\$ 97,308,994	\$ 104,920,989
Capital Assets	445,209,960	447,803,926	147,140	175,072	445,357,100	447,978,998
Total Assets	542,182,518	552,445,140	483,576	454,847	542,666,094	552,899,987
Deferred Outflows of Resources						
Loss on Debt Refunding, Net of Accumulated Amortization	1,270,276	1,611,367	-	-	1,270,276	1,611,367
Liabilities						
Noncurrent Liabilities	362,944,046	375,755,264	-	-	362,944,046	375,755,264
Other Liabilities	30,262,889	29,949,623	296,474	279,539	30,559,363	30,229,162
Total Liabilities	393,206,935	405,704,887	296,474	279,539	393,503,409	405,984,426
Net Position						
Net Investment in Capital Assets	92,872,518	85,372,124	147,140	175,072	93,019,658	85,547,196
Restricted for:						
Debt Service	23,655,325	23,473,052	-	-	23,655,325	23,473,052
Multiple Year Obligations	120,000	120,000	-	-	120,000	120,000
Preschool Expenditures	33,714	69,942	-	-	33,714	69,942
Emergencies	8,168,845	8,259,600	187,102	175,308	8,355,947	8,434,908
Medicaid	1,144,045	1,138,837	-	-	1,144,045	1,138,837
Flexible Spending	75,612	127,709	-	-	75,612	127,709
Unrestricted	24,175,800	29,790,356	(147,140)	(175,072)	24,028,660	29,615,284
Total Net Position	<u>\$150,245,859</u>	<u>\$148,351,620</u>	<u>\$ 187,102</u>	<u>\$ 175,308</u>	<u>\$150,432,961</u>	<u>\$ 148,526,928</u>

The largest portion of the district's net position, \$93,019,658 (61.84%), represents 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 position, \$33,384,643 (22.19%), is subject to external restrictions on how the assets may be used. The remaining amount of net position, \$24,028,660 (15.97%), is available to fund the district's ongoing programs.

At the end of the current fiscal year, the district is able to report positive balances in all three of the categories of net position. The same situation held true for the prior fiscal year.



Overall, the district's net position increased \$1,906,033 from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

Governmental Activities. During the current fiscal year, net position for governmental activities increased \$1,894,239 from the prior fiscal year for an ending balance of \$150,245,859. Governmental activities total revenues decreased by \$1,506,241 or .47% while governmental activities total expenses decreased by \$462,789, or .14%. Reasons for these changes are as follows:

Charges for Services: The \$615,868 increase is due primarily to increased tuition revenues associated with district's expanding Preschool program and Community Schools program.

Operating Grants and Contributions: The \$1,337,954 decrease is due primarily to lower awards of Federal and State grant funds.

Capital Grants and Contributions: The \$3,823,057 decrease is due primarily to one-time \$3,500,000 award for a building remodel project.

Local Property Taxes: The \$2,631,110 increase is due primarily to an increase in both the district's assessed valuation and mill levy for the 2013 mill levy year.

Specific Ownership Taxes: The \$629,783 increase is due to increased automobile registrations collected at the county level.

State Equalization: The \$1,207,155 change is due to a funding increase from the State for an additional 221 students.

Instruction Expenses: The \$5,005,818 increase is due primarily to varying cost of living and step/grade pay increases given to all employees groups and a .9% increase in required contribution to PERA, the State of Colorado retirement plan.

Supporting Services: The \$4,733,623 decrease is due primarily to a current year decrease in spending from the proceeds of the district's 2006 Capital Improvement Program.

Business-type Activities. For the district's business-type activities, net position for the current fiscal year increased by \$11,794 to an ending balance of \$187,102. However, the district's food service program saw total revenues increase by \$371,923 or 6.72%. This increase is due to a 2.3%, 4.0% and 14.0% increase in lunch, breakfast and snack participation respectively. There were no lunch price increase in the current year. Additionally, the Federal reimbursement rate on reimbursable meals increased 2%.

Business-type activities total expenses increase by \$403,849 or 6.79%. This increase is attributable to salary and benefit increases given to staff, higher food costs caused by increased participation and increases in transportation costs.

In order to bring Business-type activities to its required reserve amount, an internal transfer from Governmental activities of \$452,802 was made during the current fiscal year.

Boulder Valley School District RE-2
Condensed Statement of Activities

	Governmental Activities		Business-type Activities		Total	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Revenues:						
Program Revenues:						
Charges For Services	\$ 13,114,529	\$ 12,498,661	\$ 3,062,748	\$ 2,823,846	\$ 16,177,277	\$ 15,322,507
Operating Grants and Contributions	22,481,256	23,819,210	2,846,872	2,713,851	25,328,128	26,533,061
Capital Grants and Contributions	2,708,752	6,531,809	-	-	2,708,752	6,531,809
General Revenues:						
Local Property Taxes	214,017,080	211,385,970	-	-	214,017,080	211,385,970
Specific Ownership Taxes	10,466,659	9,836,876	-	-	10,466,659	9,836,876
State Equalization	57,695,380	56,488,225	-	-	57,695,380	56,488,225
All Other Revenues	868,392	2,297,538	-	-	868,392	2,297,538
Total Revenues	<u>321,352,048</u>	<u>322,858,289</u>	<u>5,909,620</u>	<u>5,537,697</u>	<u>327,261,668</u>	<u>328,395,986</u>
Expenses:						
Instruction	205,026,722	200,020,904	-	-	205,026,722	200,020,904
Supporting Services	98,720,151	103,453,774	-	-	98,720,151	103,453,774
Interest Expense	15,258,134	15,993,118	-	-	15,258,134	15,993,118
Food Service	-	-	6,350,628	5,946,779	6,350,628	5,946,779
Total Expenses	<u>319,005,007</u>	<u>319,467,796</u>	<u>6,350,628</u>	<u>5,946,779</u>	<u>325,355,635</u>	<u>325,414,575</u>
Increase (Decrease) In Net Position Before Transfers	<u>2,347,041</u>	<u>3,390,493</u>	<u>(441,008)</u>	<u>(409,082)</u>	<u>1,906,033</u>	<u>2,981,411</u>
Transfers	<u>(452,802)</u>	<u>(398,501)</u>	<u>452,802</u>	<u>398,501</u>	<u>-</u>	<u>-</u>
Increase (Decrease) in Net Position	<u>1,894,239</u>	<u>2,991,992</u>	<u>11,794</u>	<u>(10,581)</u>	<u>1,906,033</u>	<u>2,981,411</u>
Net Position-Beginning	148,351,620	144,945,807	175,308	185,889	148,526,928	145,131,696
Prior Period Adjustment	<u>-</u>	<u>413,821</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>413,821</u>
Net Position-Beginning, Restated	<u>148,351,620</u>	<u>145,359,628</u>	<u>175,308</u>	<u>185,889</u>	<u>148,526,928</u>	<u>145,545,517</u>
Net Position-Ending	<u>\$ 150,245,859</u>	<u>\$ 148,351,620</u>	<u>\$ 187,102</u>	<u>\$ 175,308</u>	<u>\$ 150,432,961</u>	<u>\$ 148,526,928</u>

Financial Analysis of the Government's Funds

As noted earlier, the district uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the district's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the district's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as it represents the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the district itself, or a group or individual that has been

delegated authority to assign resources for use for particular purposes by the district's Board of Education.

At June 30, 2013, the district's governmental funds reported combined fund balances of \$58,402,125, a decrease of \$6,925,612 from the prior year. Approximately 27.71% of this amount (\$16,180,855) constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is either nonspendable, restricted, committed, or assigned to indicate that it is not in spendable form (\$679,078), restricted for particular purposes (\$36,781,828), committed for particular purposes (\$2,636,718), or assigned for particular purposes (\$2,123,646).

Additional information on the district's ending fund balances can be found in Note 7 of this report.

General Fund Highlights

The General Fund is the chief operating fund of the district. The General Fund under GASB 34 reporting requirements includes the General Operating Fund, Risk Management Fund, Technology Fund, Athletics Fund, Community Schools Fund, Preschool Fund, Tuition Preschool Fund, and the Colorado Preschool Program Fund. A Combining Schedule of Revenues, Expenditures and Changes in Fund Balances of the General Fund is shown on page 62 of this document. As of June 30, 2013, the General Fund shows an ending fund balance of \$28,332,616 up from the combined fund balance of \$27,809,116 for the prior year, an increase of \$523,500.

The following table reflects the amount of revenue from various sources.

	<u>2013</u>	<u>2012</u>	<u>Amount of Change</u>	<u>Percentage Change</u>
<u>Revenues</u>				
Property Taxes	\$ 177,938,577	\$ 175,986,286	\$ 1,952,291	1.11%
Specific Ownership Taxes	10,466,659	9,836,876	629,783	6.40%
State Equalization	57,695,380	56,488,225	1,207,155	2.14%
State Reimbursement Programs	7,892,551	7,704,980	187,571	2.43%
Local Revenues	<u>13,476,272</u>	<u>12,681,238</u>	<u>795,034</u>	<u>6.27%</u>
Total	\$ 267,469,439	\$ 262,697,605	\$ 4,771,834	1.82%

Property Taxes: Property Tax Revenues were based upon a levy of 37.997 mills applied against an assessed valuation of \$4,732,098,623 compared to 37.300 mills and an assessed valuation of \$4,727,938,464 in the prior year. Because the district's property tax levy is based on a calendar year, Property Tax Revenues include collections on both the 2012 and 2013 levies.

Specific Ownership Taxes: (SOT) is a personal property tax based upon the taxable value of vehicles registered in Boulder County. The ownership tax rate is based upon the age of the vehicle from the date of manufacturer. In the current fiscal year, specific ownership tax revenue increased by 6.40%.

State Equalization: State Equalization increased by 2.14% in the current year as the district received funding for 221 additional students.

State Reimbursement Programs: Funding for state reimbursement programs (Special Education, Vocational Education, ELPA, Talented and Gifted, and Medicaid) increased by 2.43%. Each program received small increases in funding with the largest increase for Vocational Education.

Local Revenues: Local revenues increased by 6.27% due primarily to increased tuition collections for on-line learning programs, preschool tuition, and before and after school programs.

The following table reflects expenditures by major program area. Overall, expenditures increased by 1.32% from the previous year.

	<u>2013</u>	<u>2012</u>	<u>Amount of Change</u>	<u>Percentage Change</u>
<u>Expenditures</u>				
Instruction - Regular Programs	\$ 136,207,237	\$ 131,519,684	\$ 4,687,553	3.56%
Instruction - Special Programs	42,512,571	42,994,795	(482,224)	-1.12%
Student Support Services	10,458,221	9,605,149	853,072	8.88%
Instructional Staff Services	8,696,314	8,802,491	(106,177)	-1.21%
General Administration	3,014,889	2,916,898	97,991	3.36%
School Administration	19,073,535	18,476,711	596,824	3.23%
Business Services	3,098,198	2,731,015	367,183	13.44%
Operations and Maintenance	21,139,479	20,023,856	1,115,623	5.57%
Central Support Services	11,467,508	11,940,864	(473,356)	-3.96%
Community Services	4,752,458	4,667,285	85,173	1.82%
Debt Service	-	3,338,525	(3,338,525)	-100.00%
Total	<u>\$ 260,420,410</u>	<u>\$ 257,017,273</u>	<u>\$ 3,403,137</u>	<u>1.32%</u>

Approximately 90% of General Fund expenditures are for salary and benefits. For the 2012-13 fiscal year, all employees received a 1.0% cost of living increase, select employee groups received step increases and Unit B employees received mid-year raises as a transition to a new professional salary schedule. Additionally, the district was required to make an additional .9% contribution to PERA, the State of Colorado's retirement plan.

In 2012, the district paid off the remaining balance of its 2003 Certificates of Participation issue; saving the district \$254,375 in future interest costs.

The Bond Redemption Fund is the district's other major fund. The fund's ending fund balance increased by \$35,493 to \$24,492,573. Property tax revenues in the current year were based upon a 2013 levy of 6.007 mills applied against an assessed valuation of \$4,732,098,623. The large ending fund balance is necessary to have sufficient cash on hand to make debt service payments as they become due. Property tax levies are based upon a calendar year cycle while debt service payments are made each fiscal year in December and June.

General Operating Fund Highlights

The General Operating Fund is the core operating fund of the district. At the end of the fiscal year, fund balance increased by \$140,156 to \$25,125,334.

Revenues

General Operating Fund Revenues increased by \$4,161,451 from the prior year. Major revenue variances are shown in the table below.

General Operating Fund Revenues by Source

	June 30, 2013 <u>Amount</u>	June 30, 2012 <u>Amount</u>	Increase <u>(Decrease)</u>
Local Revenues			
Property Taxes	\$ 177,938,577	\$ 175,986,286	\$ 1,952,291
Specific Ownership Taxes	10,466,659	9,836,876	629,783
Indirect Cost Reimbursement	224,883	199,663	25,220
Miscellaneous Local Revenues	5,001,821	4,842,390	159,431
Subtotal	193,631,940	190,865,215	2,766,725
State Revenues			
State Equalization	57,695,380	56,533,993	1,161,387
State Categoricals	7,892,551	7,659,212	233,339
Subtotal	65,587,931	64,193,205	1,394,726
Total Revenues	<u>\$ 259,219,871</u>	<u>\$ 255,058,420</u>	<u>\$ 4,161,451</u>

Expenditures

General Operating Fund expenditures increased by .97% or \$2,326,189 to \$242,511,242

General Operating Fund expenditures by function are shown in the following table. 77.76% of expenditures are instruction related: regular program instruction, special program instruction, and direct instructional support. 16.19% of expenditures are for school administration, operations and maintenance of district facilities. 6.05% of expenditures are for district-wide services and community obligations.

Boulder Valley School District RE-2
2013 General Operating Fund Expenditures By Function

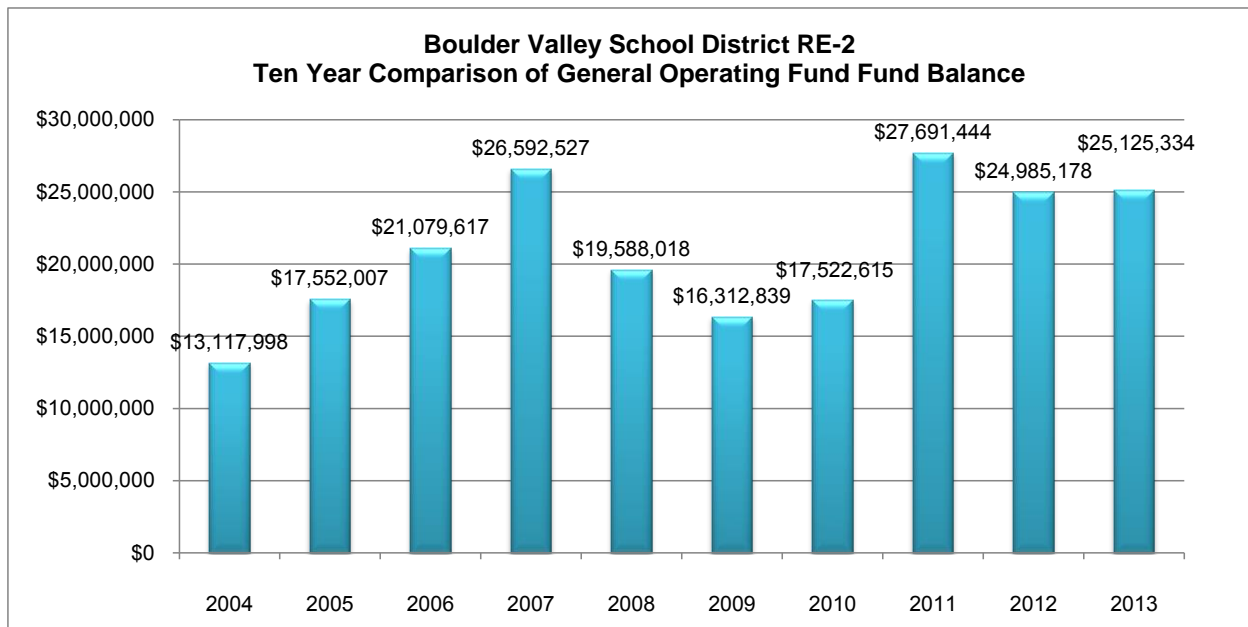
<u>Function</u>	<u>June 30, 2013</u>	<u>Percent</u>
Regular Instruction		
Regular Instruction	\$ 132,326,666	54.57%
Special Instruction		
Special Education	28,657,071	
Vocational Education	1,913,092	
Co-curricular Education	1,055,736	
Language, Culture & Equity	5,573,597	
Talented and Gifted Education	1,335,569	
Subtotal Special Instruction	<u>38,535,065</u>	15.89%
Instructional Support		
Student Support Services	9,656,064	
Instructional Staff Services	8,050,305	
Subtotal Instructional Support	<u>17,706,369</u>	<u>7.30%</u>
Subtotal Instruction	188,568,100	77.76%
School Administration and Operations		
School Administration	18,716,639	
Operations and Maintenance	20,545,289	
Subtotal School Administration and Operations	<u>39,261,928</u>	16.19%
District Wide/Community Services		
General Administration	2,942,861	
Business Services	3,080,135	
Central Support Services	8,413,119	
Community Services	245,099	
Subtotal District Wide/Community Services	<u>14,681,214</u>	<u>6.05%</u>
Total General Operating Fund Expenditures	<u>\$ 242,511,242</u>	<u>100.00%</u>

General Operating Fund expenditures by function for the past five fiscal years are shown in the following table. The district has spent a minimum of 76.43% of General Operating Fund dollars on instruction related activities over the past five fiscal years.

**Boulder Valley School District RE-2
General Operating Fund Expenditures By Function
For The Past Five Fiscal Years (Percentages)**

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Regular Instruction	54.35%	54.53%	53.96%	53.30%	54.57%
Special Instruction	17.04%	16.87%	17.25%	16.09%	15.89%
Instructional Support	6.78%	6.42%	6.17%	7.04%	7.30%
Subtotal Instruction	78.17%	77.82%	77.38%	76.43%	77.76%
School Administration and Operations	16.10%	16.48%	16.55%	15.95%	16.19%
District Wide/Community Services	5.73%	5.70%	6.07%	7.62%	6.05%
Subtotal Support	21.83%	22.18%	22.62%	23.57%	22.24%
Total	100.00%	100.00%	100.00%	100.00%	100.00%

An analysis of the district's General Operating Fund ending fund balance is shown in the following chart. Over the 10 year period 2003-04 to 2012-13, the fund balance of the General Operating Fund has fluctuated from a low of \$13,117,998 at June 30, 2004 to its current amount of \$25,125,334.



There are many factors that caused this fluctuation over time. First, the Colorado School Finance Act allows school districts to pass mill levy override elections up to a maximum of 25% of total program funding. The maximum override percentage increased from 20% to 25% beginning with the 2009-10 fiscal year. The district passed mill levy override elections in November 1991, November 1998, November 2002 and November 2010 of \$7,062,468,

\$10,600,000, \$15,000,000 and \$22,500,000 respectively. In 2010, the School Finance Act was amended to allow district's to change the mill levy override amounts to a percentage of total program instead of a fixed dollar amount. This allows the override amount to grow as the district's total program grows. With the 1998 Referendum, a stabilization fund was established to fund the growing personnel costs that were expected to exceed the fixed revenue stream over time. This stabilization fund was continued and supplemented with the 2002 referendum. Previously, it was standard practice to spend 100% of each override on new programs and then seek voter approval of additional revenues when the fund was depleted. With Colorado's financial issues and the district's stable enrollment, the district changed this practice, halting the use of fund balance for ongoing costs and used the existing stabilization fund to fully fund GAAP budgeting as part of the establishment of Board Policy DB Fund Balance Requirements.

General Fund Budgetary Highlights

Colorado local government uniform accounting and budget laws require that a budget be adopted and reported for all funds. 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 the fiscal year. Supplemental appropriations that alter the total expenditures of any fund must be approved by the Board of Education.

The district's original budget for the 2012-13 fiscal year was adopted by the Board of Education at its June 25, 2012 meeting while the district's revised budget was adopted at its November 13, 2012 meeting. The total General Fund appropriation was increased primarily due to increased funding provided by the School Finance Act and additional tuition and fee revenues.

A Budgetary Comparison Schedule for the General Fund is included on page 59 of this document. Significant differences between final budgeted and actual revenues are as follows:

	Final	Actual	
	<u>Budget</u>	<u>Revenues</u>	<u>Difference</u>
Property Taxes	\$ 182,851,222	\$ 177,938,577	\$ (4,912,645)
State Equalization	54,149,059	57,695,380	3,546,321
State Reimbursement Programs	6,760,573	7,892,551	1,131,978
Specific Ownership Taxes	9,314,725	10,466,659	1,151,934

The variances between current property taxes and state equalization are due to a downward adjustment in the district's estimated assessed valuation which caused an increase to state equalization. The budget was not adjusted to reflect this change. The increase in state reimbursement programs is due to allocation adjustments made at the state level after adoption of the budget. The increase in specific ownership tax is due to higher than projected growth in automobile registrations at the county level.

Total variance between final budget and actual expenditures is \$9,241,284 after deducting reserves. Significant causes of these differences are as follows:

<u>Program</u>	<u>Average Cost</u>	<u>Vacancy</u>	<u>Payouts</u>	<u>Total</u>	<u>Supplies/</u>	<u>Grand</u>
	<u>Variance</u>	<u>Reserves</u>	<u>Variance</u>	<u>Salary</u>	<u>Materials</u>	<u>Total</u>
		<u>Variance</u>		<u>Variance</u>	<u>Carryovers</u>	
Instruction - Regular Programs	\$ 1,513,129	\$ 646,048	\$ 204,205	\$ 2,363,382	\$ 1,019,949	\$ 3,383,331
Instruction - Special Programs	1,003,040	298,211	73,014	1,374,265	763,090	2,137,355
Student Support Services	(8,363)	(73)	27,674	19,238	1,054,709	1,073,947
Instructional Staff Services	(368,296)	3,492	23,119	(341,685)	860,861	519,176
General Administration	39,983	-	(92,162)	(52,179)	3,579	(48,600)
School Administration	87,316	61,325	164,544	313,185	349,972	663,157
Business Services	183,516	-	(34,310)	149,206	475,574	624,780
Operations and Maintenance	416,055	-	(14,849)	401,206	(21,484)	379,722
Central Support Services	(39,989)	-	(12,701)	(52,690)	853,966	801,276
Community Services	4,461	-	(73)	4,388	44,410	48,798
Total	\$ 2,830,852	\$ 1,009,004	\$ 338,461	\$ 4,178,316	\$ 5,404,624	\$ 9,582,941

Average Cost Variance: Most district positions are budgeted on an average salary and benefit cost by position type. This allows schools and departments to manage their personnel costs on an FTE basis instead of a dollar basis. This savings is due to the fact that the average salary and benefit cost was higher than the actual cost for most positions.

Vacancy Reserves Variance: This variance is the savings due to short term vacant positions and positions held in reserve throughout the district.

Payout Variance: Upon retirement, resignation, or termination, employees are eligible to receive payouts of unused vacation time based upon the terms of their employment agreement. The amount budgeted annually is based upon historical averages and when the actual payouts are less than average, budget savings occur.

Supply/Materials Carryover: The district allows schools and departments to carryover unused budget allocations from year to year, subject to some limitations. Schools and departments use this procedure to accumulate funds for large purchases or multi-year projects; it also keeps schools and departments from excessive year end spending.

Capital Assets and Debt Administration

The district's investment in capital assets for its governmental and business-type activities as of June 30, 2013 and 2012 are \$445,357,100 and \$447,978,998, respectively.

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

	Governmental Activities		Business-Type Activities		Total	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Land	\$ 4,618,068	\$ 2,861,733	\$ -	\$ -	\$ 4,618,068	\$ 2,861,733
Construction in Progress	1,330,550	3,485,694	-	-	1,330,550	3,485,694
Land Improvements	22,076,355	25,029,294	-	-	22,076,355	25,029,294
Buildings	407,987,990	405,477,545	-	-	407,987,990	405,477,545
Equipment	3,795,467	5,101,701	147,140	175,072	3,942,607	5,276,773
Vehicles	5,401,530	5,847,959	-	-	5,401,530	5,847,959
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 445,209,960</u>	<u>\$447,803,926</u>	<u>\$ 147,140</u>	<u>\$ 175,072</u>	<u>\$ 445,357,100</u>	<u>\$ 447,978,998</u>

In November 2006, voters approved the sale of \$296,800,000 of general obligation bonds to fund critical repairs and capital improvements to the district's infrastructure as identified in the district's May 2006 Educational Facilities Master Plan. The bonds were issued in two installments; \$120,000,000 in February 2007 and \$176,800,000 in February 2009. In addition, the district realized an additional \$23.5 million in premiums from the sale of the bonds and interest earnings. These funds were used to cover bond issuance costs, overhead costs, and to supplement the Master Plan project budgets.

The 2012-13 fiscal year was the seventh year of work on these projects. Of the \$320.3 million available, approximately \$317.5 million has been spent on these projects from inception through June 30, 2013.

Capital asset additions in 2013 totaled nearly \$16.3 million. This consisted of \$8.7 million of additions from bond proceeds discussed above; \$5.5 million from the proceeds of a state grant, just over \$1 million of vehicle purchases, including 12 new school busses and 3 new maintenance vehicles, and other asset additions of about \$1.1 million.

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

At June 30, 2013, the district had total bonded debt outstanding of \$350,285,000 backed by the full faith and credit of the district. Additionally, the district has long-term debt obligations for compensated absences in the amount of \$6,589,289 outstanding at the end of the current fiscal year.

Boulder Valley School District RE-2
Long Term Debt

	<u>June 30, 2013</u>	<u>June 30, 2012</u>
General Obligation Bonds	\$ 350,285,000	\$ 362,535,000
Compensated Absences	<u>6,589,289</u>	<u>6,231,216</u>
	<hr/>	<hr/>
	<u>\$ 356,874,289</u>	<u>\$ 368,766,216</u>

The district maintains a "AA" rating from Standard & Poor's, an "AA+" rating from Fitch Ratings and a "Aa2" rating from Moody's Investors Services for its general obligation debt.

State statute limits the amount of general obligation debt a government may issue to 20% of its total assessed valuation. At June 30, 2013, the district's legal debt limit is \$946,419,725 and The district's total outstanding general obligation bonds are under the legal debt limit by \$596,134,725.

Additional information on the district's long-term obligations can be found in Note 6 of this report.

Economic Factors and Next Year's Budget

Each year the state budget is crafted by the governor and legislature to determine how much of the total budget will be allocated to K-12 education. 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 (SFA) established by the state legislature. During the recent recession, state revenue shortfalls forced cuts to K-12 education even though expectations for constitutionally mandated funding increases existed under Amendment 23. After the state sets the total funding for K-12 public education, each local district determines how to fund its specific system and every school within its district.

Over 73% of the district's General Operating Fund revenues are a result of state level decisions. For the 2013-14 fiscal year, the Colorado General Assembly approved the School Finance Act that increased the statewide per pupil base funding by inflation, or 1.9%. However, for the third consecutive year, the Colorado State Legislature decreased the statewide total funding by applying a negative factor to reduce total program funding. For the district, this negative factor equates to \$34.7 million in lost state revenues, as calculated through the SFA.

The district's projected state per pupil revenue (PPR) for 2013-14 is \$6,546 after accounting for a \$2 per pupil rescission to pay for finance staff at the Colorado Department of Education. Total program funding, defined by the SFA, is projected to be \$189.4 million (this figure does not include the estimated uncollectable property taxes due to the timing of tax collections), an increase of \$7.3 million from the district's 2012-13 Revised Budget.

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

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

Requests for Information

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

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



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BASIC FINANCIAL STATEMENTS



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Boulder Valley School District RE-2

STATEMENT OF NET POSITION

June 30, 2013

	PRIMARY GOVERNMENT			COMPONENT
	GOVERNMENTAL	BUSINESS-TYPE	TOTAL	UNITS
	ACTIVITIES	ACTIVITIES		CHARTER
				SCHOOLS
ASSETS				
Cash and Investments	\$ 80,558,844	\$ -	\$ 80,558,844	\$ 7,004,821
Restricted Cash and Investments	3,232,598	-	3,232,598	2,696,017
Accounts Receivable	96,258	-	96,258	-
Taxes Receivable	9,450,639	-	9,450,639	-
Grants Receivable	2,829,882	271,605	3,101,487	19,615
Internal Balances	125,259	(125,259)	-	-
Inventories	376,107	190,090	566,197	595
Prepaid Expenses	302,971	-	302,971	3,074
Capital Assets, Not Being Depreciated	5,948,618	-	5,948,618	1,833,055
Capital Assets, Net of Accumulated Depreciation	439,261,342	147,140	439,408,482	15,162,478
TOTAL ASSETS	542,182,518	483,576	542,666,094	26,719,655
DEFERRED OUTFLOWS OF RESOURCES				
Loss on Debt Refunding, Net of Accumulated Amortization	1,270,276	-	1,270,276	3,836,081
LIABILITIES				
Accounts Payable	4,519,985	-	4,519,985	346,042
Accrued Liabilities	4,322,384	152,033	4,474,417	-
Accrued Summer Salaries	14,329,910	14,918	14,344,828	282,626
Accrued Salaries and Benefits	2,019,148	118,523	2,137,671	515,841
Unearned Revenues	379,638	11,000	390,638	42,906
Accrued Interest Payable	1,300,333	-	1,300,333	385,623
Claims Payable	3,391,491	-	3,391,491	-
Noncurrent Liabilities				
Due Within One Year	13,119,465	-	13,119,465	520,234
Due in More Than One Year	349,824,581	-	349,824,581	19,930,399
TOTAL LIABILITIES	393,206,935	296,474	393,503,409	22,023,671
NET POSITION				
Net Investment in Capital Assets	92,872,518	147,140	93,019,658	427,722
Restricted for Advanced Placement Testing				
Nonexpendable	-	-	-	9,955
Restricted for Debt Service	23,655,325	-	23,655,325	2,060,316
Restricted for Repairs and Replacements	-	-	-	250,078
Restricted for Multiple Year Obligations	120,000	-	120,000	-
Restricted for Colorado Preschool Program	33,714	-	33,714	-
Restricted for Capital Renewal	-	-	-	5,000
Restricted for Emergencies	8,168,845	187,102	8,355,947	784,657
Restricted for Medicaid	1,144,045	-	1,144,045	-
Restricted for Flexible Spending	75,612	-	75,612	-
Unrestricted	24,175,800	(147,140)	24,028,660	4,994,337
TOTAL NET POSITION	\$ 150,245,859	\$ 187,102	\$ 150,432,961	\$ 8,532,065

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

Boulder Valley School District RE-2

STATEMENT OF ACTIVITIES

Year Ended June 30, 2013

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
PRIMARY GOVERNMENT				
Governmental Activities				
Instruction	\$ 205,026,722	\$ 1,262,543	\$ 15,193,672	\$ -
Supporting Services	98,720,151	11,851,986	7,287,584	2,708,752
Interest Expense	15,258,134	-	-	-
Total Governmental Activities	319,005,007	13,114,529	22,481,256	2,708,752
Business-Type Activities				
Food Services	6,350,628	3,062,748	2,846,872	-
Total Business-Type Activities	6,350,628	3,062,748	2,846,872	-
TOTAL PRIMARY GOVERNMENT	\$ 325,355,635	\$ 16,177,277	\$ 25,328,128	\$ 2,708,752
COMPONENT UNITS				
Charter Schools	25,482,023	1,681,023	908,744	2,634,803
TOTAL COMPONENT UNITS	\$ 25,482,023	\$ 1,681,023	\$ 908,744	\$ 2,634,803
GENERAL REVENUES				
Local Property Taxes				
Specific Ownership Taxes				
State Equalization				
Grants and Contributions Not Restricted to Specific Programs				
State Capital Construction Funding				
Investment Earnings				
Other				
TRANSFERS				
SPECIAL ITEM				
Extinguishment of Debt				
TOTAL GENERAL REVENUES, TRANSFERS AND SPECIAL ITEM				
CHANGE IN NET POSITION				
NET POSITION, Beginning				
NET POSITION, Ending				

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

NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION

PRIMARY GOVERNMENT			COMPONENT UNITS
GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	CHARTER SCHOOLS
\$ (188,570,507)	\$ -	\$ (188,570,507)	\$ -
(76,871,829)	-	(76,871,829)	-
(15,258,134)	-	(15,258,134)	-
(280,700,470)	-	(280,700,470)	-
-	(441,008)	(441,008)	-
-	(441,008)	(441,008)	-
(280,700,470)	(441,008)	(281,141,478)	-
			(20,257,453)
			(20,257,453)
214,017,080	-	214,017,080	-
10,466,659	-	10,466,659	-
57,695,380	-	57,695,380	-
-	-	-	928,630
-	-	-	167,899
85,715	-	85,715	18,681
782,677	-	782,677	19,546,391
(452,802)	452,802	-	-
-	-	-	343,000
282,594,709	452,802	283,047,511	21,004,601
1,894,239	11,794	1,906,033	747,148
148,351,620	175,308	148,526,928	7,784,917
\$ 150,245,859	\$ 187,102	\$ 150,432,961	\$ 8,532,065

Boulder Valley School District RE-2

BALANCE SHEET GOVERNMENTAL FUNDS June 30, 2013

	GENERAL	BOND REDEMPTION	NONMAJOR GOVERNMENTAL FUNDS	TOTAL
ASSETS				
Cash and Investments	\$ 43,956,872	\$ 23,815,014	\$ 3,230,063	\$ 71,001,949
Restricted Cash and Investments	75,612	-	3,156,986	3,232,598
Accounts Receivable	94,470	1,788	-	96,258
Taxes Receivable	8,020,463	1,138,856	291,320	9,450,639
Grants Receivable	-	-	2,829,882	2,829,882
Due from Other Funds	2,197,172	-	-	2,197,172
Inventories	376,107	-	-	376,107
Prepaid Items	302,971	-	-	302,971
TOTAL ASSETS	<u>\$ 55,023,667</u>	<u>\$ 24,955,658</u>	<u>\$ 9,508,251</u>	<u>\$ 89,487,576</u>
LIABILITIES				
Accounts Payable	\$ 4,109,837	\$ -	\$ 410,148	\$ 4,519,985
Accrued Liabilities	4,322,384	-	-	4,322,384
Accrued Summer Salaries	13,837,096	-	492,814	14,329,910
Accrued Salaries and Benefits	1,277,292	-	734,917	2,012,209
Due to Other Funds	-	-	2,071,913	2,071,913
Unearned Revenue	275,854	-	103,784	379,638
TOTAL LIABILITIES	<u>23,822,463</u>	<u>-</u>	<u>3,813,576</u>	<u>27,636,039</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Revenue-Property Taxes	2,868,588	463,085	117,739	3,449,412
FUND BALANCES				
Nonspendable	679,078	-	-	679,078
Restricted	8,835,965	24,492,573	3,453,290	36,781,828
Committed	2,636,718	-	-	2,636,718
Assigned	-	-	2,123,646	2,123,646
Unassigned	16,180,855	-	-	16,180,855
TOTAL FUND BALANCES	<u>28,332,616</u>	<u>24,492,573</u>	<u>5,576,936</u>	<u>58,402,125</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 55,023,667</u>	<u>\$ 24,955,658</u>	<u>\$ 9,508,251</u>	

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

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.	445,209,960
Other long-term assets are not available to pay for current year expenditures and, therefore, are deferred in the funds.	3,449,412
An internal service fund is used by management to charge the costs of employee health and dental insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.	6,158,465
Long-term liabilities and related items, including bonds payable (\$350,285,000), bond premium (\$6,069,757), compensated absences (\$6,589,289), loss on refunding \$1,270,276 and accrued interest payable (\$1,300,333) are not due and payable in the current year and, therefore, are not reported in the funds.	<u>(362,974,103)</u>
Net Position of Governmental Activities	<u><u>\$ 150,245,859</u></u>

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 BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2013

	GENERAL	BOND REDEMPTION	NONMAJOR GOVERNMENTAL FUNDS	TOTAL
REVENUES				
Local Sources	\$ 201,881,508	\$ 28,167,785	\$ 8,327,867	\$ 238,377,160
State Sources	65,587,931	-	3,487,206	69,075,137
Federal Sources	-	-	10,546,199	10,546,199
TOTAL REVENUES	267,469,439	28,167,785	22,361,272	317,998,496
EXPENDITURES				
Current				
Instruction	178,719,808	-	8,439,315	187,159,123
Supporting Services	81,700,602	-	15,497,650	97,198,252
Capital Outlay	-	-	12,291,962	12,291,962
Debt Service				
Principal	-	12,250,000	-	12,250,000
Interest and Fiscal Charges	-	15,882,292	-	15,882,292
TOTAL EXPENDITURES	260,420,410	28,132,292	36,228,927	324,781,629
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	7,049,029	35,493	(13,867,655)	(6,783,133)
OTHER FINANCING SOURCES (USES)				
Insurance Proceeds	-	-	310,323	310,323
Transfers In	-	-	6,072,727	6,072,727
Transfers Out	(6,525,529)	-	-	(6,525,529)
TOTAL OTHER FINANCING SOURCES (USES)	(6,525,529)	-	6,383,050	(142,479)
NET CHANGE IN FUND BALANCES	523,500	35,493	(7,484,605)	(6,925,612)
FUND BALANCES, Beginning	27,809,116	24,457,080	13,061,541	65,327,737
FUND BALANCES, Ending	\$ 28,332,616	\$ 24,492,573	\$ 5,576,936	\$ 58,402,125

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 BALANCE OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2013

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

Net Change in Fund Balances	\$ (6,925,612)
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 position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount by which depreciation expense (\$16,471,743) and loss on disposal (\$2,069,935) exceeded capital outlay \$13,312,909 and capital contributions \$2,634,803 in the current year.	(2,593,966)
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.	718,749
Repayments of debt principal are expenditures in the governmental funds, but they reduce long-term liabilities in the statement of net position and do not affect the statement of activities.	12,250,000
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position and does not affect the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt related items: amortization of loss on refunding (\$341,091), and amortization of bond premium \$919,291.	578,200
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported expenditures in the governmental funds. This amount represents the change in accrued interest payable \$45,958 and compensated absences (\$358,073).	(312,115)
An internal service fund is used by management to charge the costs of employee health and dental insurance to individual funds. The net revenue of the internal service fund is included in governmental activities in the statement of activities.	<u>(1,821,017)</u>
Change in Net Position of Governmental Activities	<u>\$ 1,894,239</u>

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

Boulder Valley School District RE-2

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

June 30, 2013

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
ASSETS		
Current Assets		
Cash and Investments	\$ -	\$ 9,556,895
Grants Receivable	271,605	-
Inventories	190,090	-
Total Current Assets	461,695	9,556,895
Noncurrent Assets		
Equipment	1,373,297	-
Accumulated Depreciation	(1,226,157)	-
Total Noncurrent Assets	147,140	-
TOTAL ASSETS	608,835	9,556,895
LIABILITIES		
Current Liabilities		
Claims Payable	-	3,391,491
Accrued Liabilities	152,033	-
Accrued Summer Salaries	14,918	-
Accrued Salaries and Benefits	118,523	6,939
Unearned Revenues	11,000	-
Due to Other Funds	125,259	-
TOTAL LIABILITIES	421,733	3,398,430
NET POSITION		
Net Investment in Capital Assets	147,140	-
Restricted for Emergencies	187,102	-
Unrestricted	(147,140)	6,158,465
TOTAL NET POSITION	\$ 187,102	\$ 6,158,465

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

Boulder Valley School District RE-2
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
Year Ended June 30, 2013

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
OPERATING REVENUES		
Regular School Lunch	\$ 2,449,640	\$ -
A La Carte	366,622	-
Premiums and Services	-	25,445,293
Other	246,486	364,189
	<hr/>	<hr/>
TOTAL OPERATING REVENUES	3,062,748	25,809,482
	<hr/>	<hr/>
OPERATING EXPENSES		
Salaries	2,834,984	152,683
Benefits	955,864	37,334
Purchased Food and Commodities	2,082,926	-
Nonfood Supplies	255,290	-
Purchased Services	137,659	25,977,970
Depreciation	49,307	-
Other	34,598	1,462,512
	<hr/>	<hr/>
TOTAL OPERATING EXPENSES	6,350,628	27,630,499
	<hr/>	<hr/>
OPERATING INCOME (LOSS)	(3,287,880)	(1,821,017)
	<hr/>	<hr/>
NONOPERATING REVENUES		
USDA Donated Commodities	299,309	-
Federal Reimbursements	2,479,834	-
State Sources	67,729	-
	<hr/>	<hr/>
TOTAL NONOPERATING REVENUES	2,846,872	-
	<hr/>	<hr/>
NET INCOME (LOSS) BEFORE TRANSFERS	(441,008)	(1,821,017)
	<hr/>	<hr/>
TRANSFERS		
Transfers In	452,802	-
	<hr/>	<hr/>
CHANGE IN NET POSITION	11,794	(1,821,017)
	<hr/>	<hr/>
NET POSITION, Beginning	175,308	7,979,482
	<hr/>	<hr/>
NET POSITION, Ending	\$ 187,102	\$ 6,158,465
	<hr/> <hr/>	<hr/> <hr/>

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

Boulder Valley School District RE-2

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

Increase (Decrease) in Cash and Cash Equivalents

Year Ended June 30, 2013

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
Cash Flows From Operating Activities		
Premiums Received	\$ -	\$ 25,809,482
Cash Received from Food Services	3,062,748	-
Cash Payments for Premiums and Claims	-	(28,075,668)
Cash Paid to Employees	(3,766,756)	(183,078)
Cash Paid to Suppliers	(2,238,801)	-
	<u>(2,942,809)</u>	<u>(2,449,264)</u>
Net Cash Provided (Used) by Operating Activities		
Cash Flows From Noncapital Financing Activities		
Cash Received from Federal Reimbursements	2,463,399	-
Cash Received from State Grants	91,683	-
Transfers from Other Funds	452,802	-
Repayment of Loans from Other Funds	(43,700)	-
	<u>2,964,184</u>	<u>-</u>
Net Cash Provided by Noncapital Financing Activities		
Cash Flows From Capital and Related Financing Activities		
Purchases of Equipment	(21,375)	-
	<u>(21,375)</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	-	(2,449,264)
CASH AND CASH EQUIVALENTS, Beginning	-	12,006,159
CASH AND CASH EQUIVALENTS, Ending	<u>\$ -</u>	<u>\$ 9,556,895</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income (Loss)	\$ (3,287,880)	\$ (1,821,017)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities		
Depreciation	49,307	-
Donated Commodities	299,309	-
Changes in Assets and Liabilities Related to Operations		
Inventories	(20,480)	-
Claims Payable	-	(635,186)
Accrued Liabilities	(8,157)	-
Accrued Summer Salaries	14,918	-
Accrued Salaries and Benefits	9,174	6,939
Unearned Revenues	1,000	-
	<u>(2,942,809)</u>	<u>(2,449,264)</u>
Net Cash Provided (Used) by Operating Activities		
NON-CASH TRANSACTIONS		
Commodities Received	<u>\$ 299,309</u>	<u>\$ -</u>

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

Boulder Valley School District RE-2

STATEMENT OF NET POSITION

FIDUCIARY FUNDS

June 30, 2013

	PRIVATE PURPOSE TRUST FUNDS	AGENCY FUND
ASSETS		
Cash and Investments	\$ 1,155,766	\$ 3,722,227
TOTAL ASSETS	1,155,766	3,722,227
LIABILITIES		
Due to Student and School Groups	-	3,722,227
TOTAL LIABILITIES	-	3,722,227
NET POSITION		
Held in Trust for Scholarships	1,155,766	-
TOTAL NET POSITION	\$ 1,155,766	\$ -

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

Boulder Valley School District RE-2

STATEMENT OF CHANGES IN NET POSITION

FIDUCIARY FUNDS

Year Ended June 30, 2013

	PRIVATE PURPOSE TRUST FUNDS
ADDITIONS	
Contributions	<u>\$ 889,721</u>
TOTAL ADDITIONS	<u>889,721</u>
DEDUCTIONS	
Scholarships and Awards	<u>7,849</u>
CHANGE IN HELD IN TRUST FOR SCHOLARSHIPS	881,872
HELD IN TRUST FOR SCHOLARSHIPS, Beginning	<u>273,894</u>
HELD IN TRUST FOR SCHOLARSHIPS, Ending	<u><u>\$ 1,155,766</u></u>

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



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Boulder Valley School District RE-2
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

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, organizations for which the district is financially accountable, and organizations that raise and hold economic resources for the direct benefit of the district. 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 may be obtained by contacting the schools individually at the following addresses: Boulder Preparatory High School at 5075 Chaparral Court, Boulder, Colorado 80301; Horizon's K-8 School at 4545 Sioux Drive, Boulder, Colorado 80303; Peak to Peak Charter School at 800 Merlin Drive, Lafayette, Colorado 80026; Summit Middle School at 4655 Hanover Avenue, Boulder, Colorado, 80305; and Justice High School at 805 Excalibur, Lafayette, Colorado 80026.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position 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.

Boulder Valley School District RE-2
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (Continued)

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

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

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

Boulder Valley School District RE-2
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

Additionally, the district reports the following fund types:

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

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

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

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

Assets, Liabilities and Fund Equity

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

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

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

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*. Any residual balances outstanding between governmental and business-type activities are reported in the government-wide financial statements as internal balances.

Boulder Valley School District RE-2

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Fund Equity (Continued)

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

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

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

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

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

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

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

Deferred Outflows of Resources - In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The district only has one item that qualifies for reporting in this category. It is loss on refunding in the government-wide statement of net position. A loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Accrued Summer Salaries - Salaries and benefits of certain contractually employed personnel are paid over a twelve month period from August to July, but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, at June 30, 2013, are reflected as a liability in the accompanying financial statements.

Boulder Valley School District RE-2
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Fund Equity (Continued)

Unearned Revenues - Unearned revenues include grant funds that have been collected but the corresponding expenditures have not been incurred, and tuition and fees received in advance.

Compensated Absences - District policy allows unlimited accumulation of sick time and accumulation of vacation time to a maximum of 40 days for certain personnel classifications.

Accrued sick leave is paid to those eligible employees upon termination of employment at varying rates based upon longevity and/or classification. Eligible employee groups include administration, professional technical, clerical, service, paraeducators, and teacher frozen sick.

Accrued vacation is paid to those eligible employees upon termination of employment.

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

Long-Term Debt - In the government-wide financial statements and the proprietary fund in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities. Debt premiums, discounts and accounting losses resulting from debt refundings are deferred and amortized over the life of the debt using the straight-line method. In the governmental fund financial statements, 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 are reported as other financing uses.

Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as current expenses or expenditures.

Deferred Inflows of Resources - In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The district has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts are earned.

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

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

Boulder Valley School District RE-2
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Fund Equity (Continued)

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

- **Nonspendable fund balance** - Amounts that are not in a spendable form (such as inventory) or are required to be maintained intact (such as the corpus of an endowment fund).
- **Restricted fund balance** - Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- **Committed fund balance** - Amounts constrained to specific purposes through resolution by the board of education are reported as committed. Amounts cannot be used for any other purpose unless the board takes the same action to modify or rescind the commitment.
- **Assigned fund balance** - Amounts constrained by the district for specific purposes, but are neither restricted nor committed. Through resolution, the board of education has authorized the district's superintendent to assign fund balances.
- **Unassigned fund balance** - The residual amount reported when the balances do not meet any of the above criterion. The district reports positive unassigned fund balance only in the general fund. Negative unassigned balances may be reported in all funds.

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

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

Revenues

Property Taxes - Property taxes for a calendar year are certified in arrears on December 10 and attached as a lien on the property the previous January 1. For example, property taxes owed in 2013 are certified to the county in December 2012 and are available for collection on the levy date, January 1. Property taxes are payable in full by April 30 or in two equal installments due February 28 and June 15. Property tax receipts collected by the county are generally remitted to the district in the subsequent month.

Boulder Valley School District RE-2
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

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, 2013, the district had the following cash and investments:

Cash on Hand	\$ 105,896
Deposits	56,181,040
Investments	<u>34,571,017</u>
Total	<u><u>\$ 90,857,953</u></u>

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

Primary Government Cash and Investments	\$ 80,558,844
Primary Government Restricted Cash and Investments	3,232,598
Fiduciary Funds Cash and Investments	4,877,993
Charter School Cash Held by District	<u>2,188,518</u>
Total	<u><u>\$ 90,857,953</u></u>

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires all local government entities to deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all uninsured public deposits as a group. The fair value of the collateral must be at least equal to 102% of the uninsured deposits. At June 30, 2013, the district had bank deposits of \$56,520,950 collateralized with 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, 2013

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, and concentration risk criteria in which local governments may invest, which include the following. State statutes do not address custodial risk.

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

Interest Rate Risk - State statutes generally limit the maturity date of investment securities to five years from the date of purchase unless the governing board authorizes the investment for a period in excess of five years.

Credit Risk - State statutes limit certain investments to those with specified ratings provided by nationally recognized statistical rating organizations, depending on the type of investment.

Concentration of Credit Risk - State statutes do not limit the amount the district may invest in one issuer, except for corporate securities.

Local Government Investment Pool - At June 30, 2013, the district had \$34,571,017 invested in the Colorado Local Government Liquid Asset Trust (Colotrust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces the requirements of creating and operating Colotrust. The pool operates in conformity with the Securities and Exchange Commission's Rule 2a-7 as promulgated under the Investment Company Act of 1940, as amended, which includes the maintenance of 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 \$75,612, representing required deposits for employee flexible spending benefits have been restricted in the General Fund. In addition, \$3,156,986, representing unspent bond proceeds, have been restricted in the Building Fund.

Boulder Valley School District RE-2

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE 3: INTERFUND BALANCES AND TRANSFERS

<u>Due from Other Funds</u>	<u>Due to Other Funds</u>	<u>Balance</u>
General Fund	Grants Fund	\$ 2,071,913
General Fund	Food Services Fund	125,259
Total		<u>\$ 2,197,172</u>

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

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Balance</u>
Capital Reserve Fund	General Fund	\$ 3,687,515
Transportation Fund	General Fund	2,385,212
Food Services Fund	General Fund	452,802
Total		<u>\$ 6,525,529</u>

The General Fund transfers a portion of its funding to the Capital Reserve Fund to be used for capital purposes. The General Fund subsidizes the student transportation program reported in the Transportation Fund and the food services program reported in the Food Services Fund.

Boulder Valley School District RE-2
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 4: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2013, is summarized below.

	Balances 6/30/12	Additions	Deletions	Balances 6/30/13
Governmental Activities				
Capital Assets, Not Being Depreciated				
Land	\$ 2,861,733	\$ 1,756,335	\$ -	\$ 4,618,068
Construction in Progress	3,485,694	5,666,437	(7,821,581)	1,330,550
Total Capital Assets, Not Being Depreciated	<u>6,347,427</u>	<u>7,422,772</u>	<u>(7,821,581)</u>	<u>5,948,618</u>
Capital Assets, Being Depreciated				
Land Improvements	28,426,486	382,376	(2,538,721)	26,270,141
Buildings	537,308,587	14,653,040	(109,383)	551,852,244
Equipment	10,155,756	280,450	(90,536)	10,345,670
Vehicles	22,246,266	1,030,655	(853,693)	22,423,228
Total Capital Assets, Being Depreciated	<u>598,137,095</u>	<u>16,346,521</u>	<u>(3,592,333)</u>	<u>610,891,283</u>
Less Accumulated Depreciation For				
Land Improvements	3,397,192	1,514,671	(718,077)	4,193,786
Buildings	131,831,042	12,119,984	(86,772)	143,864,254
Equipment	5,054,055	1,554,156	(58,008)	6,550,203
Vehicles	16,398,307	1,282,932	(659,541)	17,021,698
Total Accumulated Depreciation	<u>156,680,596</u>	<u>16,471,743</u>	<u>(1,522,398)</u>	<u>171,629,941</u>
Total Capital Assets, Being Depreciated, Net	<u>441,456,499</u>	<u>(125,222)</u>	<u>(2,069,935)</u>	<u>439,261,342</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 447,803,926</u></u>	<u><u>\$ 7,297,550</u></u>	<u><u>\$ (9,891,516)</u></u>	<u><u>\$ 445,209,960</u></u>
Business-Type Activities				
Capital Assets, Being Depreciated				
Equipment	\$ 1,351,922	\$ 21,375	\$ -	\$ 1,373,297
Less Accumulated Depreciation For				
Equipment	<u>1,176,850</u>	<u>49,307</u>	<u>-</u>	<u>1,226,157</u>
Business-Type Activities Capital Assets, Net	<u><u>\$ 175,072</u></u>	<u><u>\$ (27,932)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 147,140</u></u>

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

Governmental Activities	
Instruction	\$ 14,210,419
Supporting Services	<u>2,261,324</u>
Total	<u><u>\$ 16,471,743</u></u>

Boulder Valley School District RE-2

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE 5: SHORT-TERM DEBT

During the year ended June 30, 2013, the district borrowed \$96,260,945 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, 2013, from property taxes received primarily from February through June. The schedule of changes is summarized below.

	Balances 6/30/12	Additions	Payments	Balances 6/30/13
State-sponsored interest-free loan	\$ -	\$ 96,260,945	\$ 96,260,945	\$ -
Total	<u>\$ -</u>	<u>\$ 96,260,945</u>	<u>\$ 96,260,945</u>	<u>\$ -</u>

NOTE 6: LONG-TERM DEBT

Following is a summary of long-term debt transactions of the district for the year ended June 30, 2013.

	Balances 6/30/12	Additions	Payments	Balances 6/30/13	Due Within One Year
Governmental Activities					
General Obligation Bonds	\$ 362,535,000	\$ -	\$ 12,250,000	\$ 350,285,000	\$ 12,790,000
Bond Premium	6,989,048	-	919,291	6,069,757	-
Compensated Absences	6,231,216	4,511,894	4,153,821	6,589,289	329,465
Total	<u>\$ 375,755,264</u>	<u>\$ 4,511,894</u>	<u>\$ 17,323,112</u>	<u>\$ 362,944,046</u>	<u>\$ 13,119,465</u>

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

Boulder Valley School District RE-2
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 6: LONG-TERM DEBT (Continued)

General Obligation Bonds

General obligation bonds payable at June 30, 2013, are comprised of the following issues:

\$53,645,000 General Obligation Bonds, Series 2009B.

Issued to refund the general obligation bonds, Series 1999.

Principal payments due on December 1 and interest payments due on December 1 and June 1, through 2018. Interest accrues at rates ranging from 2.00% to 4.00%.

\$ 50,070,000

\$176,800,000 General Obligation Bonds, Series 2009.

Issued to implement a district-wide capital construction and improvement program. Principal payments due on December 1 and interest payments due on December 1 and June 1, through 2034. Interest accrues at rates ranging from 4.00% to 5.00%.

\$ 176,100,000

\$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%.

\$ 16,370,000

\$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 3.50% to 4.50%.

\$ 107,745,000

Total

\$ 350,285,000

Bond payments, to maturity, are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	12,790,000	15,310,380	28,100,380
2015	13,370,000	14,706,524	28,076,524
2016	13,835,000	14,199,117	28,034,117
2017	14,225,000	13,770,017	27,995,017
2018	14,685,000	13,298,380	27,983,380
2019 - 2023	65,620,000	58,001,338	123,621,338
2024 - 2028	75,945,000	41,882,644	117,827,644
2029 - 2033	95,100,000	22,312,144	117,412,144
2034 - 2035	44,715,000	2,263,875	46,978,875
Total	<u><u>\$ 350,285,000</u></u>	<u><u>\$ 195,744,419</u></u>	<u><u>\$ 546,029,419</u></u>

Boulder Valley School District RE-2
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 6: LONG-TERM DEBT (Continued)

General Obligation Bonds (Continued)

In prior years, the district deposited bond proceeds in an irrevocable trust with an escrow agent to provide for all future debt service payments for \$2.445 million of the 1997 General Obligation Bonds. Accordingly, the liability for the defeased debt has been removed from the district's financial statements. The total outstanding balance of the defeased debt at June 30, 2013, was \$2.445 million.

NOTE 7: FUND BALANCES

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

	<u>GENERAL</u>	<u>BOND REDEMPTION</u>	<u>NONMAJOR GOVERNMENTAL FUNDS</u>	<u>TOTAL</u>
FUND BALANCES				
Nonspendable:				
Inventories	\$ 376,107	\$ -	\$ -	\$ 376,107
Prepaid Items	302,971	-	-	302,971
Total Nonspendable	679,078	-	-	679,078
Restricted For:				
Debt Service	-	24,492,573	-	24,492,573
Capital Projects	-	-	2,747,039	2,747,039
Multiple Year Obligations	120,000	-	-	120,000
Colorado Preschool Program	33,714	-	-	33,714
Emergencies	7,462,594	-	706,251	8,168,845
Medicaid	1,144,045	-	-	1,144,045
Flexible Spending	75,612	-	-	75,612
Total Restricted	8,835,965	24,492,573	3,453,290	36,781,828
Committed To:				
School Resource Allocation Funds	538,711	-	-	538,711
Textbook and Learning Material Funds	2,091,402	-	-	2,091,402
School Board Member Inservice Travel Funds	6,605	-	-	6,605
Total Committed	2,636,718	-	-	2,636,718
Assigned To:				
Transportation	-	-	509,168	509,168
Capital Projects	-	-	1,614,478	1,614,478
Total Assigned	-	-	2,123,646	2,123,646
Unassigned, Reported In				
General Fund	16,180,855	-	-	16,180,855
Total Unassigned	16,180,855	-	-	16,180,855
 TOTAL FUND BALANCES	 <u>\$ 28,332,616</u>	 <u>\$ 24,492,573</u>	 <u>\$ 5,576,936</u>	 <u>\$ 58,402,125</u>

Boulder Valley School District RE-2
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

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 \$500,000 are pooled between the member districts, and losses in excess of \$500,000 are reinsured for up to statutory limits.

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

Colorado School Districts Self-Insurance Pool

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

Boulder Valley School District RE-2
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 8: RISK MANAGEMENT (Continued)

Health and Dental Self-Insurance

Under the district's employee health insurance plan and dental insurance plan, the district provides coverage for its employees. Claims liabilities are reported in each fund respectively if information available prior to the issuance of the financial statements indicates that it is probable that the liability has been incurred at the date of the financial statements and the amount of loss can be reasonably estimated. Other than current amounts, the district believes the estimated claims liability is not fully measurable and the district could incur additional costs related to IBNR claims. 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, 2011	\$ 2,655,630	\$ 445,218
Claims Incurred and Adjustments	13,893,583	1,953,106
Payments	(12,979,700)	(1,941,160)
Claims Payable, June 30, 2012	3,569,513	457,164
Claims Incurred and Adjustments	13,697,544	1,937,249
Payments	(14,294,094)	(1,975,885)
Claims Payable, June 30, 2013	<u>\$ 2,972,963</u>	<u>\$ 418,528</u>

Claims payable at June 30, 2013 are expected to be liquidated within the next fiscal year.

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.

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

Funding Policy - The contribution requirements of plan members and the district are established under Title 24, Article 51, Part 4 of the CRS, as amended. The contribution rate for members was 8% of covered salaries. The district's contribution rate for calendar years 2011, 2012, and 2013 was 14.75%, 15.65%, and 16.55% of covered salary, respectively. A portion of the district's contribution (1.02% of covered salary) is allocated to the Health Care Trust Fund (See Note 10). The district's contributions to the SDTF for the years ended June 30, 2013, 2012, and 2011 were \$29,618,865, \$27,331,691, and \$26,994,363, respectively, equal to the required contributions for each year.

Boulder Valley School District RE-2

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE 10: POSTEMPLOYMENT HEALTHCARE BENEFITS

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

Funding Policy - The district was required to contribute at a rate of 1.02% of covered salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the district are established under Title 24, Article 51, Part 4 of the CRS, as amended. The apportionment of the contributions of the HCTF is established under Title 24, Article 51, Section 208 of the CRS, as amended. The districts' apportionment to the HCTF for the years ended June 30, 2013, 2012, and 2011 was \$1,875,353, \$1,833,435, and \$1,924,844, equal to the required amount for each year.

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 required to reimburse the grantor government. At June 30, 2013, 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, 2013, the district had construction commitments totaling \$524,448, primarily for building renovations to be funded with bond proceeds.

Boulder Valley School District RE-2
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 11: COMMITMENTS AND CONTINGENCIES (Continued)

Tabor Amendment

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

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

The Amendment requires all governments to establish a reserve for emergencies. At June 30, 2013, net position of \$8,355,947 was restricted to satisfy the reserve requirement.

NOTE 12: CHANGE IN ACCOUNTING PRINCIPLE

For the year ended June 30, 2013, the district adopted the Governmental Accounting Standards Board Statement No. 65, *Items Previously Reported as Assets and Liabilities*. As a result, the district's net position at June 30, 2012, was restated to remove debt issuance costs capitalized in previous years, as follows.

	<u>Governmental Activities</u>
Net Position, June 30, 2012, as Originally Stated	\$ 150,240,212
Debt Issuance Costs, Net of Accumulated Amortization	<u>(1,888,592)</u>
Net Position, June 30, 2012, as Restated	<u><u>\$ 148,351,620</u></u>



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REQUIRED SUPPLEMENTARY INFORMATION

Boulder Valley School District RE-2

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Year Ended June 30, 2013

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL Positive (Negative)
REVENUES				
Property Taxes	\$ 181,788,261	\$ 182,851,222	\$ 177,938,577	\$ (4,912,645)
Specific Ownership Taxes	9,314,725	9,314,725	10,466,659	1,151,934
Tuition and Fees	7,663,757	8,050,969	8,390,490	339,521
Other Local Revenue	4,948,294	4,879,255	5,085,782	206,527
State Equalization	54,391,425	54,149,059	57,695,380	3,546,321
State Reimbursement Programs	6,760,573	6,760,573	7,892,551	1,131,978
TOTAL REVENUES	264,867,035	266,005,803	267,469,439	1,463,636
EXPENDITURES				
Current				
Instruction - Regular Programs	138,260,795	139,478,387	136,207,237	3,271,150
Instruction - Special Programs	45,479,571	44,319,763	42,512,571	1,807,192
Student Support Services	8,514,837	11,522,308	10,458,221	1,064,087
Instructional Staff Services	10,519,990	9,220,834	8,696,314	524,520
General Administration	2,795,935	3,018,374	3,014,889	3,485
School Administration	18,507,490	19,720,923	19,073,535	647,388
Business Services	3,320,300	3,937,600	3,098,198	839,402
Operations and Maintenance	20,406,467	20,775,592	21,139,479	(363,887)
Central Support Services	11,856,787	12,674,444	11,467,508	1,206,936
Community Services	5,070,121	4,993,469	4,752,458	241,011
Emergency Reserves	7,343,626	7,494,758	-	7,494,758
Reserves	7,345,777	10,360,740	-	10,360,740
TOTAL EXPENDITURES	279,421,696	287,517,192	260,420,410	27,096,782
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(14,554,661)	(21,511,389)	7,049,029	28,560,418
OTHER FINANCING SOURCES (USES)				
Transfers Out	(6,262,724)	(6,297,727)	(6,525,529)	(227,802)
NET CHANGE IN FUND BALANCE	(20,817,385)	(27,809,116)	523,500	28,332,616
FUND BALANCE, Beginning	20,817,385	27,809,116	27,809,116	-
FUND BALANCE, Ending	\$ -	\$ -	\$ 28,332,616	\$ 28,332,616

See the accompanying Independent Auditors' Report.

Boulder Valley School District RE-2
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2013

NOTE 1: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets

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

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

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



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COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES



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GENERAL FUND

Boulder Valley School District RE-2

COMBINING BALANCE SHEET

GENERAL FUND

June 30, 2013

	GENERAL	RISK MANAGEMENT	TECHNOLOGY
ASSETS			
Cash and Investments	\$ 40,094,535	\$ 209,703	\$ 1,300,159
Restricted Cash and Investments	75,612	-	-
Accounts Receivable	55,515	-	-
Taxes Receivable	8,020,463	-	-
Due from Other Funds	2,197,172	-	-
Inventories	376,107	-	-
Prepaid Items	302,971	-	-
TOTAL ASSETS	<u>\$ 51,122,375</u>	<u>\$ 209,703</u>	<u>\$ 1,300,159</u>
LIABILITIES			
Accounts Payable	\$ 4,109,837	\$ -	\$ -
Accrued Liabilities	4,322,384	-	-
Accrued Summer Salaries	13,443,807	-	-
Accrued Salaries and Benefits	1,194,528	27,743	2,266
Unearned Revenues	57,897	-	-
TOTAL LIABILITIES	<u>23,128,453</u>	<u>27,743</u>	<u>2,266</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Revenue-Property Taxes	2,868,588	-	-
FUND BALANCES			
Nonspendable	679,078	-	-
Restricted	8,237,752	89,231	99,326
Committed	2,636,718	-	-
Unassigned	13,571,786	92,729	1,198,567
TOTAL FUND BALANCES	<u>25,125,334</u>	<u>181,960</u>	<u>1,297,893</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 51,122,375</u>	<u>\$ 209,703</u>	<u>\$ 1,300,159</u>

See the accompanying Independent Auditors' Report.

ATHLETICS	COMMUNITY SCHOOLS	PRESCHOOL	TUITION PRESCHOOL	COLORADO PRESCHOOL PROGRAM	TOTAL GENERAL FUND
\$ 319,547	\$ 1,020,455	\$ 879,118	\$ 60,421	\$ 72,934	\$ 43,956,872
-	-	-	-	-	75,612
-	38,955	-	-	-	94,470
-	-	-	-	-	8,020,463
-	-	-	-	-	2,197,172
-	-	-	-	-	376,107
-	-	-	-	-	302,971
<u>\$ 319,547</u>	<u>\$ 1,059,410</u>	<u>\$ 879,118</u>	<u>\$ 60,421</u>	<u>\$ 72,934</u>	<u>\$ 55,023,667</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,109,837
-	-	-	-	-	4,322,384
-	156,222	180,711	18,546	37,810	13,837,096
11,991	34,737	4,534	83	1,410	1,277,292
-	144,867	45,662	27,428	-	275,854
<u>11,991</u>	<u>335,826</u>	<u>230,907</u>	<u>46,057</u>	<u>39,220</u>	<u>23,822,463</u>
-	-	-	-	-	2,868,588
-	-	-	-	-	679,078
103,482	135,953	122,143	14,364	33,714	8,835,965
-	-	-	-	-	2,636,718
<u>204,074</u>	<u>587,631</u>	<u>526,068</u>	<u>-</u>	<u>-</u>	<u>16,180,855</u>
<u>307,556</u>	<u>723,584</u>	<u>648,211</u>	<u>14,364</u>	<u>33,714</u>	<u>28,332,616</u>
<u>\$ 319,547</u>	<u>\$ 1,059,410</u>	<u>\$ 879,118</u>	<u>\$ 60,421</u>	<u>\$ 72,934</u>	<u>\$ 55,023,667</u>

Boulder Valley School District RE-2
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GENERAL FUND
Year Ended June 30, 2013

	GENERAL	RISK MANAGEMENT	TECHNOLOGY
REVENUES			
Local Sources	\$ 193,631,940	\$ 26,731	\$ 170,320
State Sources	65,587,931	-	-
TOTAL REVENUES	259,219,871	26,731	170,320
EXPENDITURES			
Current			
Instruction - Regular Programs	132,326,666	-	1,218,064
Instruction - Special Programs	38,535,065	-	-
Student Support Services	9,656,064	-	-
Instructional Staff Services	8,050,305	-	161,713
General Administration	2,942,861	-	-
School Administration	18,716,639	-	-
Business Services	3,080,135	18,063	-
Operations and Maintenance	20,545,289	577,548	-
Central Support Services	8,413,119	2,302,767	751,622
Community Services	245,099	-	-
TOTAL EXPENDITURES	242,511,242	2,898,378	2,131,399
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	16,708,629	(2,871,647)	(1,961,079)
OTHER FINANCING SOURCES (USES)			
Transfers In	897,282	2,948,663	2,202,945
Transfers Out	(17,465,755)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(16,568,473)	2,948,663	2,202,945
NET CHANGE IN FUND BALANCE	140,156	77,016	241,866
FUND BALANCE, Beginning	24,985,178	104,944	1,056,027
FUND BALANCE, Ending	\$ 25,125,334	\$ 181,960	\$ 1,297,893

See the accompanying Independent Auditors' Report.

ATHLETICS	COMMUNITY SCHOOLS	PRESCHOOL	TUITION PRESCHOOL	COLORADO PRESCHOOL PROGRAM	TOTAL GENERAL FUND
\$ 1,196,503	\$ 5,931,444	\$ 462,836	\$ 461,734	\$ -	\$ 201,881,508
-	-	-	-	-	65,587,931
1,196,503	5,931,444	462,836	461,734	-	267,469,439
-	-	2,216,278	446,229	-	136,207,237
3,126,035	-	-	-	851,471	42,512,571
-	-	802,157	-	-	10,458,221
-	-	265,199	-	219,097	8,696,314
72,028	-	-	-	-	3,014,889
18,445	-	308,970	29,481	-	19,073,535
-	-	-	-	-	3,098,198
5,309	-	11,333	-	-	21,139,479
-	-	-	-	-	11,467,508
-	4,507,359	-	-	-	4,752,458
3,221,817	4,507,359	3,603,937	475,710	1,070,568	260,420,410
(2,025,314)	1,424,085	(3,141,101)	(13,976)	(1,070,568)	7,049,029
1,934,415	-	2,896,026	-	1,064,792	11,944,123
-	(897,282)	-	(76,163)	(30,452)	(18,469,652)
1,934,415	(897,282)	2,896,026	(76,163)	1,034,340	(6,525,529)
(90,899)	526,803	(245,075)	(90,139)	(36,228)	523,500
398,455	196,781	893,286	104,503	69,942	27,809,116
<u>\$ 307,556</u>	<u>\$ 723,584</u>	<u>\$ 648,211</u>	<u>\$ 14,364</u>	<u>\$ 33,714</u>	<u>\$ 28,332,616</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 district's transportation needs.

Capital Projects Funds

Building Fund - This fund reports bond proceeds and other revenues to be used for major building repairs and renovations.

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.

Boulder Valley School District RE-2

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS

June 30, 2013

	SPECIAL REVENUE	
	GRANTS	TRANSPORTATION
ASSETS		
Cash and Investments	\$ -	\$ 1,294,849
Restricted Cash and Investments	-	-
Taxes Receivable	-	291,320
Grants Receivable	2,829,882	-
TOTAL ASSETS	<u>\$ 2,829,882</u>	<u>\$ 1,586,169</u>
LIABILITIES		
Accounts Payable	\$ -	\$ -
Accrued Summer Salaries	492,814	-
Accrued Salaries and Benefits	161,371	573,546
Due to Other Funds	2,071,913	-
Unearned Revenue	103,784	-
TOTAL LIABILITIES	<u>2,829,882</u>	<u>573,546</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred Revenue-Property Taxes	-	117,739
FUND BALANCES		
Restricted	-	385,716
Assigned	-	509,168
TOTAL FUND BALANCES	<u>-</u>	<u>894,884</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 2,829,882</u>	<u>\$ 1,586,169</u>

See the accompanying Independent Auditors' Report.

CAPITAL PROJECTS

BUILDING	CAPITAL RESERVE	TOTAL
\$ -	\$ 1,935,214	\$ 3,230,063
3,156,986	-	3,156,986
-	-	291,320
-	-	2,829,882
<u>\$ 3,156,986</u>	<u>\$ 1,935,214</u>	<u>\$ 9,508,251</u>
\$ 409,947	\$ 201	\$ 410,148
-	-	492,814
-	-	734,917
-	-	2,071,913
-	-	103,784
<u>409,947</u>	<u>201</u>	<u>3,813,576</u>
-	-	117,739
2,747,039	320,535	3,453,290
-	1,614,478	2,123,646
<u>2,747,039</u>	<u>1,935,013</u>	<u>5,576,936</u>
<u>\$ 3,156,986</u>	<u>\$ 1,935,214</u>	<u>\$ 9,508,251</u>

Boulder Valley School District RE-2
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2013

	SPECIAL REVENUE	
	GRANTS	TRANSPORTATION
REVENUES		
Local Sources	\$ 554,519	\$ 7,520,933
State Sources	314,708	3,172,498
Federal Sources	10,546,199	-
TOTAL REVENUES	11,415,426	10,693,431
EXPENDITURES		
Current		
Instruction - Regular Programs	2,596,512	-
Instruction - Special Programs	4,703,828	1,138,975
Student Support Services	600,782	-
Instructional Staff Services	2,565,169	-
School Administration	454,190	-
Operations and Maintenance	501	175,567
Student Transportation	17,343	11,237,994
Central Support Services	38,180	-
Non-Instructional Services	141,375	-
Community Services	115,578	-
Adult Education	150,971	-
Capital Outlay	30,997	-
TOTAL EXPENDITURES	11,415,426	12,552,536
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(1,859,105)
OTHER FINANCING SOURCES		
Insurance Proceeds	-	-
Transfers In	-	2,385,212
TOTAL OTHER FINANCING SOURCES	-	2,385,212
NET CHANGE IN FUND BALANCE	-	526,107
FUND BALANCE, Beginning	-	368,777
FUND BALANCE, Ending	\$ -	\$ 894,884

See the accompanying Independent Auditors' Report.

CAPITAL PROJECTS

BUILDING	CAPITAL RESERVE	TOTAL
\$ 82,476	\$ 169,939	\$ 8,327,867
-	-	3,487,206
-	-	10,546,199
82,476	169,939	22,361,272
-	-	2,596,512
-	-	5,842,803
-	-	600,782
-	-	2,565,169
-	-	454,190
-	-	176,068
-	-	11,255,337
-	-	38,180
-	-	141,375
-	-	115,578
-	-	150,971
3,126,639	9,134,326	12,291,962
3,126,639	9,134,326	36,228,927
(3,044,163)	(8,964,387)	(13,867,655)
310,323	-	310,323
-	3,687,515	6,072,727
310,323	3,687,515	6,383,050
(2,733,840)	(5,276,872)	(7,484,605)
5,480,879	7,211,885	13,061,541
\$ 2,747,039	\$ 1,935,013	\$ 5,576,936

Boulder Valley School District RE-2

BUDGETARY COMPARISON SCHEDULE

GRANTS FUND

Year Ended June 30, 2013

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Local Sources	\$ 8,658,432	\$ 7,561,215	\$ 554,519	\$ (7,006,696)
State Sources	312,511	365,552	314,708	(50,844)
Federal Sources	10,529,057	11,573,233	10,546,199	(1,027,034)
TOTAL REVENUES	19,500,000	19,500,000	11,415,426	(8,084,574)
EXPENDITURES				
Current				
Instruction and Supporting Services-Unallocated	19,500,000	6,946,936	-	6,946,936
Instruction - Regular Programs	-	2,666,858	2,596,512	70,346
Instruction - Special Programs	-	5,646,845	4,703,828	943,017
Student Support Services	-	593,111	600,782	(7,671)
Instructional Staff Services	-	2,670,994	2,565,169	105,825
School Administration	-	488,327	454,190	34,137
Operations and Maintenance	-	7,654	501	7,153
Student Transportation	-	10,000	17,343	(7,343)
Central Support Services	-	39,172	38,180	992
Non-Instructional Services	-	122,601	141,375	(18,774)
Community Services	-	119,813	115,578	4,235
Adult Education	-	152,089	150,971	1,118
Capital Outlay	-	35,600	30,997	4,603
TOTAL EXPENDITURES	19,500,000	19,500,000	11,415,426	8,084,574
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE, Beginning	-	-	-	-
FUND BALANCE, Ending	\$ -	\$ -	\$ -	\$ -

See the accompanying Independent Auditors' Report.

Boulder Valley School District RE-2

BUDGETARY COMPARISON SCHEDULE

TRANSPORTATION FUND

Year Ended June 30, 2013

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Property Taxes	\$ 7,227,000	\$ 7,227,000	\$ 7,226,986	\$ (14)
State Transportation Reimbursement	2,713,722	2,921,497	3,172,498	251,001
Other Local Revenue	259,455	340,421	293,947	(46,474)
TOTAL REVENUES	10,200,177	10,488,918	10,693,431	204,513
EXPENDITURES				
Current				
Instruction - Special Programs	1,061,672	1,061,672	1,138,975	(77,303)
Operations and Maintenance	223,514	221,157	175,567	45,590
Student Transportation	11,292,680	11,574,362	11,237,994	336,368
Emergency Reserves	377,336	385,716	-	385,716
TOTAL EXPENDITURES	12,955,202	13,242,907	12,552,536	690,371
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,755,025)	(2,753,989)	(1,859,105)	894,884
OTHER FINANCING SOURCES				
Transfers In	2,385,212	2,385,212	2,385,212	-
NET CHANGE IN FUND BALANCE	(369,813)	(368,777)	526,107	894,884
FUND BALANCE, Beginning	369,813	368,777	368,777	-
FUND BALANCE, Ending	\$ -	\$ -	\$ 894,884	\$ 894,884

See the accompanying Independent Auditors' Report.

Boulder Valley School District RE-2

BUDGETARY COMPARISON SCHEDULE

BOND REDEMPTION FUND

Year Ended June 30, 2013

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Property Taxes	\$ 28,022,663	\$ 28,561,014	\$ 28,132,767	\$ (428,247)
Investment Earnings	30,000	20,000	35,018	15,018
TOTAL REVENUES	<u>28,052,663</u>	<u>28,581,014</u>	<u>28,167,785</u>	<u>(413,229)</u>
EXPENDITURES				
Debt Service				
Principal	12,250,000	12,250,000	12,250,000	-
Interest and Fiscal Charges	15,889,743	15,889,743	15,882,292	7,451
TOTAL EXPENDITURES	<u>28,139,743</u>	<u>28,139,743</u>	<u>28,132,292</u>	<u>7,451</u>
NET CHANGE IN FUND BALANCE	(87,080)	441,271	35,493	(405,778)
FUND BALANCE, Beginning	<u>24,603,078</u>	<u>24,457,080</u>	<u>24,457,080</u>	<u>-</u>
FUND BALANCE, Ending	<u>\$ 24,515,998</u>	<u>\$ 24,898,351</u>	<u>\$ 24,492,573</u>	<u>\$ (405,778)</u>

See the accompanying Independent Auditors' Report.

Boulder Valley School District RE-2

BUDGETARY COMPARISON SCHEDULE

BUILDING FUND

Year Ended June 30, 2013

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Local Sources				
Other Local Revenue	\$ 25,000	\$ 25,000	\$ 82,476	\$ 57,476
TOTAL REVENUES	25,000	25,000	82,476	57,476
EXPENDITURES				
Capital Outlay	713,325	4,187,415	3,126,639	1,060,776
TOTAL EXPENDITURES	713,325	4,187,415	3,126,639	1,060,776
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(688,325)	(4,162,415)	(3,044,163)	1,118,252
OTHER FINANCING SOURCES				
Insurance Proceeds	-	-	310,323	310,323
NET CHANGE IN FUND BALANCE	(688,325)	(4,162,415)	(2,733,840)	1,428,575
FUND BALANCE, Beginning	2,300,000	5,480,879	5,480,879	-
FUND BALANCE, Ending	\$ 1,611,675	\$ 1,318,464	\$ 2,747,039	\$ 1,428,575

See the accompanying Independent Auditors' Report.

Boulder Valley School District RE-2

BUDGETARY COMPARISON SCHEDULE

CAPITAL RESERVE FUND

Year Ended June 30, 2013

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Local Sources	\$ 92,142	\$ 105,642	\$ 169,939	\$ 64,297
TOTAL REVENUES	<u>92,142</u>	<u>105,642</u>	<u>169,939</u>	<u>64,297</u>
EXPENDITURES				
Capital Outlay				
Salaries and Benefits	502,341	502,345	446,452	55,893
Building Improvements	950,000	1,451,439	1,393,964	57,475
Operating Departments	2,066,385	1,822,822	1,144,890	677,932
School Projects	6,643,246	6,907,901	6,149,020	758,881
Reserves	304,860	320,535	-	320,535
TOTAL EXPENDITURES	<u>10,466,832</u>	<u>11,005,042</u>	<u>9,134,326</u>	<u>1,870,716</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(10,374,690)	(10,899,400)	(8,964,387)	1,935,013
OTHER FINANCING SOURCES				
Transfers In	<u>3,652,512</u>	<u>3,687,515</u>	<u>3,687,515</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(6,722,178)	(7,211,885)	(5,276,872)	1,935,013
FUND BALANCE, Beginning	<u>6,722,178</u>	<u>7,211,885</u>	<u>7,211,885</u>	<u>-</u>
FUND BALANCE, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,935,013</u>	<u>\$ 1,935,013</u>

See the accompanying Independent Auditors' Report.

Boulder Valley School District RE-2

BUDGETARY COMPARISON SCHEDULE

FOOD SERVICES FUND

Year Ended June 30, 2013

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
OPERATING REVENUES				
Regular School Lunch	\$ 2,400,108	\$ 2,395,404	\$ 2,449,640	\$ 54,236
A La Carte	474,068	500,000	366,622	(133,378)
Other	390,439	277,132	246,486	(30,646)
TOTAL OPERATING REVENUES	3,264,615	3,172,536	3,062,748	(109,788)
OPERATING EXPENSES				
Salaries	2,663,294	2,702,073	2,834,984	(132,911)
Benefits	949,771	963,916	955,864	8,052
Purchased Food and Commodities	1,974,875	2,015,986	2,082,926	(66,940)
Nonfood Supplies	230,000	200,000	255,290	(55,290)
Purchased Services	205,000	158,267	137,659	20,608
Depreciation	56,500	56,500	49,307	7,193
Other	160,255	140,000	34,598	105,402
Emergency Reserves	187,191	187,102	-	187,102
TOTAL OPERATING EXPENSES	6,426,886	6,423,844	6,350,628	73,216
OPERATING INCOME (LOSS)	(3,162,271)	(3,251,308)	(3,287,880)	(36,572)
NONOPERATING REVENUES				
USDA Donated Commodities	262,132	296,108	299,309	3,201
Federal Reimbursements	2,438,320	2,494,892	2,479,834	(15,058)
State Sources	60,000	60,000	67,729	7,729
TOTAL NONOPERATING REVENUES	2,760,452	2,851,000	2,846,872	(4,128)
NET INCOME (LOSS) BEFORE TRANSFERS	(401,819)	(400,308)	(441,008)	(40,700)
TRANSFERS				
Transfers In	225,000	225,000	452,802	227,802
CHANGE IN NET POSITION	(176,819)	(175,308)	11,794	187,102
NET POSITION, Beginning	176,819	175,308	175,308	-
NET POSITION, Ending	\$ -	\$ -	\$ 187,102	\$ 187,102

See the accompanying Independent Auditors' Report.



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INTERNAL SERVICE FUNDS

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

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

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



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Boulder Valley School District RE-2

COMBINING STATEMENT OF NET POSITION

INTERNAL SERVICE FUNDS

June 30, 2013

	HEALTH INSURANCE FUND	DENTAL INSURANCE FUND	TOTAL
ASSETS			
Cash and Investments	\$ 8,689,405	\$ 867,490	\$ 9,556,895
TOTAL ASSETS	8,689,405	867,490	9,556,895
LIABILITIES			
Claims Payable	2,972,963	418,528	3,391,491
Accrued Salaries and Benefits	3,467	3,472	6,939
TOTAL LIABILITIES	2,976,430	422,000	3,398,430
NET POSITION			
Unrestricted	5,712,975	445,490	6,158,465
TOTAL NET POSITION	\$ 5,712,975	\$ 445,490	\$ 6,158,465

See the accompanying Independent Auditors' Report.

Boulder Valley School District RE-2

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

INTERNAL SERVICE FUNDS

Year Ended June 30, 2013

	HEALTH INSURANCE FUND	DENTAL INSURANCE FUND	TOTAL
OPERATING REVENUES			
Premiums and Services	\$ 23,324,406	\$ 2,120,887	\$ 25,445,293
Other	363,303	886	364,189
	<hr/>	<hr/>	<hr/>
TOTAL OPERATING REVENUES	23,687,709	2,121,773	25,809,482
	<hr/>	<hr/>	<hr/>
OPERATING EXPENSES			
Salaries	122,029	30,654	152,683
Benefits	30,031	7,303	37,334
Insurance Premiums and Claims	22,971,821	1,937,249	24,909,070
Administrative Fees	910,537	158,363	1,068,900
Other	1,447,481	15,031	1,462,512
	<hr/>	<hr/>	<hr/>
TOTAL OPERATING EXPENSES	25,481,899	2,148,600	27,630,499
	<hr/>	<hr/>	<hr/>
CHANGE IN NET POSITION	(1,794,190)	(26,827)	(1,821,017)
	<hr/>	<hr/>	<hr/>
NET POSITION, Beginning	7,507,165	472,317	7,979,482
	<hr/>	<hr/>	<hr/>
NET POSITION, Ending	\$ 5,712,975	\$ 445,490	\$ 6,158,465
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See the accompanying Independent Auditors' Report.

Boulder Valley School District RE-2

COMBINING STATEMENT OF CASH FLOWS

INTERNAL SERVICE FUNDS

Increase (Decrease) in Cash and Cash Equivalents

Year Ended June 30, 2013

	HEALTH INSURANCE FUND	DENTAL INSURANCE FUND	TOTAL
Cash Flows From Operating Activities			
Premiums Received	\$ 23,687,709	\$ 2,121,773	\$ 25,809,482
Cash Payments for Premiums and Claims	(25,926,389)	(2,149,279)	(28,075,668)
Cash Paid to Employees	(148,593)	(34,485)	(183,078)
Net Cash Provided (Used) by Operating Activities	(2,387,273)	(61,991)	(2,449,264)
Net Change in Cash and Cash Equivalents	(2,387,273)	(61,991)	(2,449,264)
CASH AND CASH EQUIVALENTS, Beginning	11,076,678	929,481	12,006,159
CASH AND CASH EQUIVALENTS, Ending	<u>\$ 8,689,405</u>	<u>\$ 867,490</u>	<u>\$ 9,556,895</u>
RECONCILIATION OF CHANGE IN NET POSITION TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Change in Net Position	\$ (1,794,190)	\$ (26,827)	\$ (1,821,017)
Adjustments to Reconcile Change in Net Position to Net Cash Provided (Used) by Operating Activities			
Changes in Assets and Liabilities Related to Operations			
Claims Payable	(596,550)	(38,636)	(635,186)
Accrued Salaries and Benefits	3,467	3,472	6,939
Net Cash Provided (Used) by Operating Activities	<u>\$ (2,387,273)</u>	<u>\$ (61,991)</u>	<u>\$ (2,449,264)</u>

See the accompanying Independent Auditors' Report.

Boulder Valley School District RE-2

BUDGETARY COMPARISON SCHEDULE

HEALTH INSURANCE FUND

Year Ended June 30, 2013

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
OPERATING REVENUES				
Premiums and Services	\$ 23,524,500	\$ 23,524,500	\$ 23,324,406	\$ (200,094)
Other	211,000	327,000	363,303	36,303
TOTAL OPERATING REVENUES	23,735,500	23,851,500	23,687,709	(163,791)
OPERATING EXPENSES				
Salaries	115,024	118,536	122,029	(3,493)
Benefits	30,635	31,255	30,031	1,224
Insurance Premiums and Claims	25,089,699	25,089,699	22,971,821	2,117,878
Administrative Fees	950,000	950,000	910,537	39,463
Other	181,000	331,000	1,447,481	(1,116,481)
Reserves	5,442,077	4,838,175	-	4,838,175
TOTAL OPERATING EXPENSES	31,808,435	31,358,665	25,481,899	5,876,766
CHANGE IN NET POSITION	(8,072,935)	(7,507,165)	(1,794,190)	5,712,975
NET POSITION, Beginning	8,072,935	7,507,165	7,507,165	-
NET POSITION, Ending	\$ -	\$ -	\$ 5,712,975	\$ 5,712,975

See the accompanying Independent Auditors' Report.

Boulder Valley School District RE-2

BUDGETARY COMPARISON SCHEDULE

DENTAL INSURANCE FUND

Year Ended June 30, 2013

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
OPERATING REVENUES				
Premiums and Services	\$ 2,231,112	\$ 2,231,112	\$ 2,120,887	\$ (110,225)
Other	500	500	886	386
TOTAL OPERATING REVENUES	2,231,612	2,231,612	2,121,773	(109,839)
OPERATING EXPENSES				
Salaries	27,389	28,116	30,654	(2,538)
Benefits	7,010	7,141	7,303	(162)
Insurance Premiums and Claims	2,099,654	2,099,654	1,937,249	162,405
Administrative Fees	170,000	170,000	158,363	11,637
Other	13,000	16,000	15,031	969
Reserves	404,332	383,018	-	383,018
TOTAL OPERATING EXPENSES	2,721,385	2,703,929	2,148,600	555,329
CHANGE IN NET POSITION	(489,773)	(472,317)	(26,827)	445,490
NET POSITION, Beginning	489,773	472,317	472,317	-
NET POSITION, Ending	\$ -	\$ -	\$ 445,490	\$ 445,490

See the accompanying Independent Auditors' Report.



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FIDUCIARY FUNDS

Private Purpose Trust Funds

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

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

Agency Fund

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



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Boulder Valley School District RE-2
COMBINING STATEMENT OF FIDUCIARY NET POSITION
PRIVATE PURPOSE TRUST FUNDS
June 30, 2013

	<u>SCHOLARSHIP</u>	<u>TRUST</u>	<u>TOTAL</u>
ASSETS			
Cash and Investments	<u>\$ 944,337</u>	<u>\$ 211,429</u>	<u>\$ 1,155,766</u>
TOTAL ASSETS	<u>944,337</u>	<u>211,429</u>	<u>1,155,766</u>
NET POSITION			
Held in Trust for Scholarships	<u>\$ 944,337</u>	<u>\$ 211,429</u>	<u>\$ 1,155,766</u>

See the accompanying Independent Auditors' Report.

Boulder Valley School District RE-2
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PRIVATE PURPOSE TRUST FUNDS
Year Ended June 30, 2013

	<u>SCHOLARSHIP</u>	<u>TRUST</u>	<u>TOTAL</u>
ADDITIONS			
Contributions	\$ 888,808	\$ 913	\$ 889,721
TOTAL ADDITIONS	<u>888,808</u>	<u>913</u>	<u>889,721</u>
DEDUCTIONS			
Scholarships and Awards	<u>4,849</u>	<u>3,000</u>	<u>7,849</u>
CHANGE IN HELD IN TRUST FOR SCHOLARSHIPS	883,959	(2,087)	881,872
HELD IN TRUST FOR SCHOLARSHIPS, Beginning	<u>60,378</u>	<u>213,516</u>	<u>273,894</u>
HELD IN TRUST FOR SCHOLARSHIPS, Ending	<u><u>\$ 944,337</u></u>	<u><u>\$ 211,429</u></u>	<u><u>\$ 1,155,766</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, 2013

	<u>Balances 6/30/12</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balances 6/30/13</u>
ASSETS				
Cash and Investments - Student Groups	\$ 2,894,253	\$ 8,970,174	\$ 8,977,097	\$ 2,887,330
Cash and Investments - School Groups	<u>802,182</u>	<u>2,994,605</u>	<u>2,961,890</u>	<u>834,897</u>
TOTAL ASSETS	<u>\$ 3,696,435</u>	<u>\$ 11,964,779</u>	<u>\$ 11,938,987</u>	<u>\$ 3,722,227</u>
LIABILITIES				
Due to Student Groups	\$ 2,894,253	\$ 8,970,174	\$ 8,977,097	\$ 2,887,330
Due to School Groups	<u>802,182</u>	<u>2,994,605</u>	<u>2,961,890</u>	<u>834,897</u>
TOTAL LIABILITIES	<u>\$ 3,696,435</u>	<u>\$ 11,964,779</u>	<u>\$ 11,938,987</u>	<u>\$ 3,722,227</u>

See the accompanying Independent Auditors' Report.



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COMPONENT UNITS

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

Boulder Valley School District RE-2

COMBINING STATEMENT OF NET POSITION

COMPONENT UNITS

June 30, 2013

	BOULDER PREP	HORIZONS	PEAK TO PEAK
ASSETS			
Cash and Investments	\$ 349,934	\$ 721,720	\$ 3,994,921
Restricted Cash and Investments	-	-	2,696,017
Grants Receivable	-	-	15,815
Inventories	-	595	-
Prepaid Expenses	-	-	3,074
Capital Assets, Not Being Depreciated	76,400	-	1,756,655
Capital Assets, Net of Accumulated Depreciation	295,169	16,955	14,828,211
	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	721,503	739,270	23,294,693
	<hr/>	<hr/>	<hr/>
DEFERRED OUTFLOWS OF RESOURCES			
Loss on Debt Refunding, Net of Accumulated Amortization	-	-	3,836,081
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LIABILITIES			
Accounts Payable	-	-	345,392
Accrued Summer Salaries	-	158,751	-
Accrued Salaries and Benefits	-	13,095	490,045
Unearned Revenues	-	14,242	28,664
Accrued Interest Payable	-	-	385,623
Noncurrent Liabilities			
Due Within One Year	8,074	-	512,160
Due in More Than One Year	211,226	-	19,719,173
	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES	219,300	186,088	21,481,057
	<hr/>	<hr/>	<hr/>
NET POSITION			
Net Investment in Capital Assets	152,269	16,955	236,355
Restricted for Advanced Placement Testing Nonexpendable	-	-	9,955
Restricted for Debt Service	-	-	2,060,316
Restricted for Repairs and Replacements	-	-	250,078
Restricted for Capital Renewal	-	5,000	-
Restricted for Emergencies	36,518	100,488	432,879
Unrestricted	313,416	430,739	2,660,134
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TOTAL NET POSITION	\$ 502,203	\$ 553,182	\$ 5,649,717
	<hr/>	<hr/>	<hr/>

See the accompanying Independent Auditors' Report.

SUMMIT	JUSTICE HIGH	TOTAL
\$ 1,824,850	\$ 113,396	\$ 7,004,821
-	-	2,696,017
3,800	-	19,615
-	-	595
-	-	3,074
-	-	1,833,055
22,143	-	15,162,478
1,850,793	113,396	26,719,655
-	-	3,836,081
650	-	346,042
123,875	-	282,626
12,701	-	515,841
-	-	42,906
-	-	385,623
-	-	520,234
-	-	19,930,399
137,226	-	22,023,671
22,143	-	427,722
-	-	9,955
-	-	2,060,316
-	-	250,078
-	-	5,000
111,936	24,149	784,657
1,579,488	89,247	4,994,337
\$ 1,713,567	\$ 113,396	\$ 8,532,065

Boulder Valley School District RE-2

COMBINING STATEMENT OF ACTIVITIES

COMPONENT UNITS

Year Ended June 30, 2013

	BOULDER PREP	HORIZONS	PEAK TO PEAK
EXPENSES			
Instruction	\$ 796,823	\$ 2,285,382	\$ 7,791,608
Supporting Services	414,119	3,625,728	5,494,771
Interest and Fiscal Charges	10,575	2,496	1,197,230
Component Unit	-	-	-
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TOTAL EXPENSES	1,221,517	5,913,606	14,483,609
	<hr/>	<hr/>	<hr/>
PROGRAM REVENUES			
Charges for Services	-	187,538	1,392,778
Operating Grants and Contributions	229,765	65,393	297,986
Capital Grants and Contributions	-	2,634,803	-
	<hr/>	<hr/>	<hr/>
TOTAL PROGRAM REVENUES	229,765	2,887,734	1,690,764
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NET EXPENSE (REVENUE)	(991,752)	(3,025,872)	(12,792,845)
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GENERAL REVENUES			
Per Pupil Revenues	769,129	2,071,237	9,019,350
Mill Levy Override	250,064	703,515	3,042,721
Grants and Contributions Not Restricted to Specific Programs	24,541	307,592	481,717
Capital Construction Funding	10,257	-	123,947
Investment Earnings	-	-	15,506
Other	-	2,419	89,593
SPECIAL ITEM			
Extinguishment of Debt	-	343,000	-
	<hr/>	<hr/>	<hr/>
TOTAL GENERAL REVENUES AND SPECIAL ITEM	1,053,991	3,427,763	12,772,834
	<hr/>	<hr/>	<hr/>
CHANGE IN NET POSITION	62,239	401,891	(20,011)
	<hr/>	<hr/>	<hr/>
NET POSITION, Beginning	439,964	151,291	5,669,728
	<hr/>	<hr/>	<hr/>
NET POSITION, Ending	\$ 502,203	\$ 553,182	\$ 5,649,717
	<hr/>	<hr/>	<hr/>

See the accompanying Independent Auditors' Report.

SUMMIT	JUSTICE HIGH	TOTAL
\$ 1,730,227	\$ 498,200	\$ 13,102,240
1,151,539	464,774	11,150,931
-	-	1,210,301
18,551	-	18,551
2,900,317	962,974	25,482,023
100,707	-	1,681,023
73,339	242,261	908,744
-	-	2,634,803
174,046	242,261	5,224,570
(2,726,271)	(720,713)	(20,257,453)
2,195,449	602,522	14,657,687
712,062	88,330	4,796,692
111,958	2,822	928,630
25,717	7,978	167,899
3,175	-	18,681
-	-	92,012
-	-	343,000
3,048,361	701,652	21,004,601
322,090	(19,061)	747,148
1,391,477	132,457	7,784,917
\$ 1,713,567	\$ 113,396	\$ 8,532,065



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STATISTICAL SECTION



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Boulder Valley School District RE-2

STATISTICAL SECTION

TABLE OF CONTENTS

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
Financial Trends		
These tables contain trend information to help the reader understand how the district's financial condition has changed over time.	1- 4	82 - 85
Revenue Capacity		
These tables contain information to help the reader assess the district's largest revenue source: property taxes.	5 - 8	86 - 89
Debt Capacity		
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.	9 - 12	90 - 93
Demographic and Economic Information		
These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	13 -14	94 - 95
Operating Information		
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.	15-18	96 - 103

Boulder Valley School District RE-2

NET POSITION BY COMPONENT

Last 10 Fiscal Years

(Unaudited)

	<u>June 30, 2004</u>	<u>June 30, 2005</u>	<u>June 30, 2006</u>	<u>June 30, 2007</u>
Governmental Activities				
Net Investment in Capital Assets	\$ 47,637,046	\$ 49,692,959	\$ 51,647,224	\$ 53,686,966
Restricted	25,332,313	23,690,482	24,912,968	32,797,516
Unrestricted	<u>8,886,135</u>	<u>14,408,303</u>	<u>18,100,286</u>	<u>20,535,493</u>
Total Governmental Activities	81,855,494	87,791,744	94,660,478	107,019,975
Business-Type Activities				
Net Investment in Capital Assets	295,298	249,763	241,459	217,527
Restricted	154,940	160,179	156,368	163,236
Unrestricted	<u>667,738</u>	<u>643,460</u>	<u>483,950</u>	<u>190,339</u>
Total Business-Type Activities	1,117,976	1,053,402	881,777	571,102
Primary Government				
Net Investment in Capital Assets	47,932,344	49,942,722	51,888,683	53,904,493
Restricted	25,487,253	23,850,661	25,069,336	32,960,752
Unrestricted	<u>9,553,873</u>	<u>15,051,763</u>	<u>18,584,236</u>	<u>20,725,832</u>
Total Primary Government	<u>\$ 82,973,470</u>	<u>\$ 88,845,146</u>	<u>\$ 95,542,255</u>	<u>\$ 107,591,077</u>

* The district adopted GASB 65 in 2013. Issuance costs have been restated as of June 30, 2012.

Table 1

<u>June 30, 2008</u>	<u>June 30, 2009</u>	<u>June 30, 2010</u>	<u>June 30, 2011</u>	<u>June 30, 2012</u>	<u>June 30, 2013</u>
\$ 65,773,525	\$ 69,851,279	\$ 79,862,762	\$ 80,504,664	\$ 85,372,124	\$ 92,872,518
31,414,692	36,657,498	39,488,349	33,808,972	33,189,140	33,197,541
16,090,059	10,570,286	13,097,872	32,745,041	29,790,356	24,175,800
<u>113,278,276</u>	<u>117,079,063</u>	<u>132,448,983</u>	<u>147,058,677</u>	<u>148,351,620</u>	<u>150,245,859</u>
356,784	300,555	247,954	221,203	175,072	147,140
170,927	182,553	176,491	286,940	175,308	187,102
<u>(19,621)</u>	<u>(148,996)</u>	<u>(788,601)</u>	<u>(322,254)</u>	<u>(175,072)</u>	<u>(147,140)</u>
508,090	334,112	(364,156)	185,889	175,308	187,102
66,130,309	70,151,834	80,110,716	80,725,867	85,547,196	93,019,658
31,585,619	36,840,051	39,664,840	34,095,912	33,364,448	33,384,643
16,070,438	10,421,290	12,309,271	32,422,787	31,503,876	24,028,660
<u>\$ 113,786,366</u>	<u>\$ 117,413,175</u>	<u>\$ 132,084,827</u>	<u>\$ 147,244,566</u>	<u>\$ 150,415,520</u>	<u>\$ 150,432,961</u>

Boulder Valley School District RE-2

CHANGES IN NET POSITION

Last 10 Fiscal Years

(Unaudited)

	June 30, 2004	June 30, 2005	June 30, 2006	June 30, 2007
Primary Government Expenses				
Governmental Activities				
Instruction	\$ 152,350,470	\$ 156,019,891	\$ 159,937,412	\$ 162,839,335
Supporting Services	67,708,814	70,880,775	76,041,071	85,954,536
Interest Expense	7,251,857	7,041,788	6,732,020	8,429,419
Total Governmental Activities	227,311,141	233,942,454	242,710,503	257,223,290
Business-Type Activities				
Food Services	4,951,365	4,968,538	5,211,811	5,625,673
Total Business-Type Activities	4,951,365	4,968,538	5,211,811	5,625,673
Total Primary Government Expenses	232,262,506	238,910,992	247,922,314	262,848,963
Program Revenues				
Governmental Activities				
Charges for Services				
Instruction	3,845,513	3,938,124	1,071,875	729,238
Supporting Services	787,690	1,110,965	8,154,329	9,737,651
Operating Grants and Contributions	17,157,713	19,381,843	19,442,789	20,948,003
Capital Grants and Contributions	-	-	-	-
Total Governmental Activities	21,790,916	24,430,932	28,668,993	31,414,892
Business-Type Activities				
Charges for Services				
Food Services	3,592,297	3,370,264	3,371,042	3,486,250
Operating Grants and Contributions	1,545,589	1,533,700	1,669,144	1,828,748
Total Business-Type Activities	5,137,886	4,903,964	5,040,186	5,314,998
Total Primary Government Program Revenues	26,928,802	29,334,896	33,709,179	36,729,890
Net (Expense) Revenue				
Governmental Activities	(205,520,225)	(209,511,522)	(214,041,510)	(225,808,398)
Business-Type Activities	186,521	(64,574)	(171,625)	(310,675)
Total Primary Government Net (Expense)	(205,333,704)	(209,576,096)	(214,213,135)	(226,119,073)
General Revenues and Transfers				
Governmental Activities				
Property Taxes	152,701,086	148,506,345	154,646,048	164,129,499
Specific Ownership Taxes	11,551,266	11,254,363	10,887,850	11,108,990
State Equalization	45,499,801	49,628,580	51,919,871	58,089,462
State Fiscal Stabilization Fund	-	-	-	-
Investment Earnings	230,215	555,174	1,192,940	3,629,865
Other Revenues	6,215,533	5,503,310	2,263,535	1,210,079
Transfers	-	-	-	-
Total Governmental Activities	216,197,901	215,447,772	220,910,244	238,167,895
Business-Type Activities				
Transfers	-	-	-	-
Total Primary Government Revenues and Transfers	216,197,901	215,447,772	220,910,244	238,167,895
Change in Net Position				
Governmental Activities	10,677,676	5,936,250	6,868,734	12,359,497
Business-type Activities	186,521	(64,574)	(171,625)	(310,675)
Total Primary Government	\$ 10,864,197	\$ 5,871,676	\$ 6,697,109	\$ 12,048,822

Table 2

<u>June 30, 2008</u>	<u>June 30, 2009</u>	<u>June 30, 2010</u>	<u>June 30, 2011</u>	<u>June 30, 2012</u>	<u>June 30, 2013</u>
\$ 174,678,565	\$ 184,528,008	\$ 184,537,048	\$ 188,306,226	\$ 200,020,904	\$ 205,026,722
94,388,108	91,944,942	93,260,558	102,051,046	103,678,052	98,720,151
9,817,663	13,076,805	16,358,947	16,456,075	15,993,118	15,258,134
278,884,336	289,549,755	294,156,553	306,813,347	319,692,074	319,005,007
5,728,486	5,708,651	6,033,046	5,735,910	5,946,779	6,350,628
5,728,486	5,708,651	6,033,046	5,735,910	5,946,779	6,350,628
284,612,822	295,258,406	300,189,599	312,549,257	325,638,853	325,355,635
805,306	850,255	885,640	1,049,174	1,253,365	1,262,543
10,496,456	10,908,725	10,934,983	10,931,866	11,245,296	11,851,986
19,718,065	20,861,065	24,748,470	25,719,981	23,819,210	22,481,256
-	-	3,747,258	386,381	6,531,809	2,708,752
31,019,827	32,620,045	40,316,351	38,087,402	42,849,680	38,304,537
3,649,198	3,124,504	2,696,927	2,545,086	2,823,846	3,062,748
2,016,276	2,185,169	2,412,851	2,486,869	2,713,851	2,846,872
5,665,474	5,309,673	5,109,778	5,031,955	5,537,697	5,909,620
36,685,301	37,929,718	45,426,129	43,119,357	48,387,377	44,214,157
(247,864,509)	(256,929,710)	(253,840,202)	(268,725,945)	(276,842,394)	(280,700,470)
(63,012)	(398,978)	(923,268)	(703,955)	(409,082)	(441,008)
(247,927,521)	(257,328,688)	(254,763,470)	(269,429,900)	(277,251,476)	(281,141,478)
174,440,943	182,808,375	193,973,616	212,383,487	211,385,970	214,017,080
11,258,208	9,995,765	9,251,558	9,404,630	9,836,876	10,466,659
56,336,553	61,973,644	64,227,060	53,462,090	56,488,225	57,695,380
-	-	-	7,628,224	180,742	-
7,152,235	2,288,518	716,554	444,720	126,883	85,715
4,834,871	3,989,195	1,266,334	1,266,488	1,989,913	782,677
-	-	(225,000)	(1,254,000)	(398,501)	(452,802)
254,022,810	261,055,497	269,210,122	283,335,639	279,610,108	282,594,709
-	-	225,000	1,254,000	398,501	452,802
254,022,810	261,055,497	269,435,122	284,589,639	280,008,609	283,047,511
6,158,301	4,125,787	15,369,920	14,609,694	2,767,714	1,894,239
(63,012)	(398,978)	(698,268)	550,045	(10,581)	11,794
\$ 6,095,289	\$ 3,726,809	\$ 14,671,652	\$ 15,159,739	\$ 2,757,133	\$ 1,906,033

Boulder Valley School District RE-2

FUND BALANCES OF GOVERNMENTAL FUNDS

Last 10 Fiscal Years

(Unaudited)

	2004	2005	2006	2007	2008
General Fund					
Reserved	\$ 6,088,567	\$ 6,452,971	\$ 6,416,452	\$ 7,039,417	\$ 7,244,362
Unreserved	8,310,252	12,555,719	17,132,787	21,551,939	14,521,629
Subtotal	<u>14,398,819</u>	<u>19,008,690</u>	<u>23,549,239</u>	<u>28,591,356</u>	<u>21,765,991</u>
Other Governmental Funds					
Reserved	286,639	209,028	501,254	521,385	683,809
Unreserved, reported in					
Grants Fund	-	-	-	-	-
Debt Service Fund	17,075,783	15,577,400	15,912,470	23,304,815	17,282,227
Capital Projects Fund	2,141,390	1,575,024	2,310,761	122,941,492	93,862,349
Special Revenue Fund	-	-	143,238	682,392	318,922
Subtotal	<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>
Total Governmental Funds	<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>
General Fund					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Governmental Funds					
Restricted	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Governmental Funds	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Note: The district adopted GASB 54 for fiscal year 2011.

Table 3

2009	2010	2011	2012	2013
\$ 7,543,322	\$ 7,441,515	\$ -	\$ -	\$ -
12,092,348	12,203,848	-	-	-
19,635,670	19,645,363	-	-	-
1,135,289	1,246,044	-	-	-
-	(1,422,177)	-	-	-
20,663,878	24,032,073	-	-	-
169,505,386	101,209,140	-	-	-
-	-	-	-	-
191,304,553	125,065,080	-	-	-
<u>\$ 210,940,223</u>	<u>\$ 144,710,443</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ 373,499	\$ 375,768	\$ 679,078
-	-	8,446,994	8,837,606	8,835,965
-	-	3,579,393	2,471,900	2,636,718
-	-	10,785,148	-	-
-	-	7,440,288	16,123,842	16,180,855
-	-	30,625,322	27,809,116	28,332,616
-	-	24,974,541	30,816,441	27,945,863
-	-	46,778,607	6,702,180	2,123,646
-	-	(100,540)	-	-
-	-	71,652,608	37,518,621	30,069,509
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 102,277,930</u>	<u>\$ 65,327,737</u>	<u>\$ 58,402,125</u>

Boulder Valley School District RE-2
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last 10 Fiscal Years

	(Unaudited)			
	2004	2005	2006	2007
Revenues				
Local Sources				
Current Property Taxes	\$ 151,789,396	\$ 146,875,553	\$ 155,286,194	\$ 165,456,960
Specific Ownership Taxes	11,588,140	11,254,363	10,887,850	11,108,990
Delinquent Property Taxes	336,249	154,876	197,766	988,215
Grants	891,361	625,824	379,077	415,434
Tuition and Fees	5,416,755	4,178,361	5,856,936	4,978,744
Interest	826,866	314,937	1,192,940	3,629,864
Miscellaneous	4,639,448	6,369,584	5,632,801	5,185,099
State Sources				
Equalization	45,510,703	49,628,580	51,919,871	58,089,462
Special Education	3,562,820	3,580,231	4,382,998	4,325,948
State Fiscal Stabilization Fund	-	-	-	-
Transportation	1,666,126	1,817,823	1,812,163	1,953,274
Vocational Education	740,919	863,334	745,959	1,382,780
Grants	1,283,960	1,708,940	699,254	1,431,036
Medicaid	195,883	181,471	205,233	1,512
Miscellaneous	298,318	299,121	342,855	594,242
Federal Sources				
Grants	8,703,306	10,486,570	10,875,250	10,843,777
Total Revenues	237,450,250	238,339,568	250,417,147	270,385,337
Expenditures				
Regular Instruction	101,172,110	103,615,622	106,537,319	111,167,575
Special Instruction	41,407,709	43,141,666	42,475,585	44,666,239
Instructional Support				
Student Services	5,332,767	5,332,346	5,737,529	6,127,364
Instructional Staff Support	7,340,550	7,943,077	9,200,010	11,265,749
School Administration and Operations				
School Administration	14,119,765	14,292,469	14,968,318	15,818,323
Operations and Maintenance	15,338,688	15,759,700	16,890,272	16,915,946
Student Transportation	6,611,788	6,887,504	7,439,219	7,727,513
District Wide/Community Services				
General Administration	2,607,570	2,715,598	2,832,062	3,132,739
Business Services	1,934,280	2,694,665	2,016,893	2,121,958
Central Services	8,495,520	9,338,785	10,813,212	11,302,707
Enterprise Operations	-	107,008	-	-
Community Services	4,061,211	4,042,492	4,373,239	4,815,749
Adult Basic Education	41,195	179,308	92,263	117,797
Debt Service				
Principal	6,935,000	7,245,000	7,555,000	7,880,000
Interest and Fiscal Charges	7,606,483	7,051,265	6,741,497	6,427,353
Debt Issuance Costs	-	-	-	687,174
Capital Outlay	7,713,867	5,525,552	7,171,042	8,002,276
Total Expenditures	230,718,503	235,872,057	244,843,460	258,176,462
Other Financing Sources (Uses)				
Sale of School Property	-	-	-	-
Insurance Proceeds	-	-	-	-
Transfers In	6,916,416	4,232,179	11,644,143	8,032,741
Transfers Out	(6,916,416)	(4,232,179)	(11,171,010)	(8,032,741)
Certificates of Participation Issued	7,275,000	-	-	-
Bonds Issued	-	-	-	120,000,000
Bond Premium	-	-	-	1,415,603
Payment to Escrow Agent	(5,518,412)	-	-	-
Total Other Financing Sources (Uses)	1,756,588	-	473,133	121,415,603
Net Change in Fund Balances	8,488,335	2,467,511	6,046,820	133,624,478
Fund Balance, Beginning	25,414,296	33,902,631	36,370,142	42,416,962
Fund Balance, Ending	\$ 33,902,631	\$ 36,370,142	\$ 42,416,962	\$ 176,041,440
Debt Service as a Percentage of Noncapital Expenditures	6.42%	6.13%	5.90%	5.87%

Table 4

2008	2009	2010	2011	2012	2013
\$ 174,006,259	\$ 181,017,953	\$ 193,830,522	\$ 212,310,056	\$ 211,261,417	\$ 213,101,317
11,258,208	9,995,765	9,251,558	9,404,630	9,836,876	10,466,659
147,499	248,156	115,978	227,096	282,202	197,013
425,429	739,098	570,743	643,019	523,146	554,519
5,026,167	5,868,843	5,856,442	6,068,801	6,543,035	8,390,490
7,152,235	2,288,518	716,554	444,720	126,883	85,715
11,110,467	9,879,333	10,977,773	7,565,108	10,457,358	5,581,447
56,336,553	61,973,644	64,227,060	53,462,090	56,488,225	57,695,380
4,450,546	4,449,466	4,525,751	4,300,112	4,695,420	4,835,600
-	-	-	2,116,382	-	-
1,629,616	2,244,747	2,506,921	2,730,405	2,915,419	3,172,498
945,566	1,098,195	1,391,921	1,059,030	907,589	1,185,965
39,200	198,448	649,220	830,508	574,109	314,708
306,245	381,501	529,192	908,801	1,335,538	1,072,354
432,416	400,302	733,858	776,173	766,433	798,632
11,489,046	11,349,308	12,418,687	21,405,952	12,282,298	10,546,199
284,755,452	292,133,277	308,302,180	324,252,883	318,995,948	317,998,496
118,137,145	124,512,216	129,345,449	129,694,776	134,540,220	138,803,749
48,087,295	48,462,119	48,778,916	48,672,908	48,722,631	48,355,374
7,202,651	7,726,360	8,338,184	7,821,093	10,695,514	11,059,003
11,976,063	11,489,131	12,228,132	11,839,653	11,754,232	11,261,483
16,473,185	17,865,922	18,299,706	18,178,756	19,037,915	19,527,725
18,005,709	18,855,666	20,526,501	20,406,434	20,261,982	21,315,547
8,952,362	9,218,669	10,146,947	10,954,306	11,874,817	11,255,337
3,253,790	2,757,510	2,678,408	2,783,571	2,916,898	3,014,889
2,211,860	2,693,872	2,803,873	2,593,077	2,742,194	3,098,198
10,887,214	10,956,736	10,173,778	10,299,898	12,044,255	11,505,688
-	-	-	90,810	52,735	141,375
5,010,135	4,981,140	5,034,613	5,065,759	4,921,301	4,868,036
147,949	116,098	97,140	149,707	135,188	150,971
10,535,000	10,105,000	9,870,000	11,570,000	14,890,000	12,250,000
11,172,641	12,477,695	17,036,074	17,075,900	16,615,268	15,882,292
124,702	1,330,325	453,110	-	-	-
46,175,383	112,036,962	76,734,547	66,234,748	45,481,450	12,291,962
318,353,084	395,585,421	372,545,378	363,431,396	356,686,600	324,781,629
-	-	-	-	1,138,960	-
-	-	-	-	-	310,323
10,484,082	4,754,381	5,281,112	12,051,538	8,098,037	6,072,727
(14,584,082)	(4,979,381)	(5,506,112)	(15,305,538)	(8,496,538)	(6,525,529)
-	-	-	-	-	-
49,910,000	176,800,000	53,645,000	-	-	-
2,824,044	3,904,069	2,385,564	-	-	-
(57,164,554)	-	(57,792,146)	-	-	-
(8,530,510)	180,479,069	(1,986,582)	(3,254,000)	740,459	(142,479)
(42,128,142)	77,026,925	(66,229,780)	(42,432,513)	(36,950,193)	(6,925,612)
176,041,440	133,913,298	210,940,223	144,710,443	102,277,930	65,327,737
\$ 133,913,298	\$ 210,940,223	\$ 144,710,443	\$ 102,277,930	\$ 65,327,737	\$ 58,402,125
7.80%	8.34%	9.18%	9.30%	9.97%	9.11%

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	
2004	1,952,680,540	1,667,504,239	352,499,975	3,972,684,754	38.255
2005	1,974,598,660	1,681,144,196	319,779,595	3,975,522,451	37.423
2006	2,064,990,490	1,766,828,760	322,566,613	4,154,385,863	37.685
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
2009	2,334,456,140	2,047,735,440	299,416,056	4,681,607,636	39.113
2010	2,451,438,580	1,562,360,162	864,866,444	4,878,665,186	39.999
2011	2,470,710,400	1,656,952,142	737,801,555	4,865,464,097	43.838
2012	2,429,617,885	1,599,185,710	699,134,869	4,727,938,464	44.843
2013	2,447,708,360	1,599,001,398	685,388,865	4,732,098,623	45.547

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

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

Table 5

Estimated Actual Value	Ratio of Estimated Actual Value to Assessed Value	Assessment Rate	
		Residential	All Other
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%
37,827,103,800	8.0799	7.96%	29.00%
38,364,291,949	7.8637	7.96%	29.00%
38,538,770,816	7.9209	7.96%	29.00%
39,739,863,309	8.4053	7.96%	29.00%
39,966,908,824	8.4459	7.96%	29.00%

Boulder Valley School District RE-2**Table 6****PROPERTY TAX LEVIES AND COLLECTIONS****Last 10 Fiscal Years****(Unaudited)**

Levy Year	Collection Year	Total Tax Levy	Current Tax Collections	Percent of Current Tax Collected	Delinquent Tax Collections	Total Collections	
						Amount	Percent of Levy
2003	2004	152,358,541	151,722,942	99.58%	336,249	152,059,191	99.80%
2004	2005	149,047,366	147,225,944	98.78%	139,537	147,365,481	98.87%
2005	2006	156,558,031	155,286,194	99.19%	197,766	155,483,960	99.31%
2006	2007	164,782,963	161,992,586	98.31%	96,132	162,088,718	98.36%
2007	2008	175,242,316	172,742,380	98.57%	47,942	172,790,322	98.60%
2008	2009	183,111,718	178,265,743	97.35%	184,636	178,450,379	97.45%
2009	2010	195,141,729	190,148,336	97.44%	80,169	190,228,505	97.48%
2010	2011	213,292,216	208,270,983	97.65%	149,647	208,420,630	97.72%
2011	2012	212,014,945	207,164,133	97.71%	167,457	207,331,590	97.79%
2012	2013*	215,532,897	209,935,274	97.40%	126,768	210,062,042	97.46%

* Collections through July 31, 2013

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



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Boulder Valley School District RE-2
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
Last 10 Fiscal Years

(Unaudited)

	2004	2005	2006	2007
Boulder Valley School District RE-2				
General Fund				
School Finance Act	26.049	26.049	25.023	25.023
Budget Election	8.201	8.193	7.862	7.842
Abatements and Refunds	0.128	0.176	0.461	0.288
Subtotal General Fund	34.378	34.418	33.346	33.153
Transportation Fund	-	-	1.065	1.509
Bond Redemption Fund	3.877	3.005	3.274	4.902
Total Boulder Valley School District RE-2	38.255	37.423	37.685	39.564
Boulder County	20.088	21.267	21.867	22.467
Cities and Towns				
Boulder	9.860	10.005	9.643	9.889
Broomfield	28.986	28.986	28.968	28.968
Lafayette	10.832	10.710	11.848	11.779
Louisville	6.710	6.710	6.710	6.710
Jamestown	14.680	21.400	21.400	21.400
Nederland	14.462	14.765	14.572	14.572
Superior	8.805	8.805	8.805	8.805
Ward	2.616	2.709	2.300	2.730
	96.951	104.090	104.246	104.853
Special Districts (Ranges)	.533 to 84.319	.538 to 89.500	.538 to 99.000	.542 to 49.500
Fire Districts (Ranges)	2.500 to 11.434	2.500 to 11.433	2.500 to 11.325	2.500 to 11.747
Water/Sanitation Districts (Ranges)	.243 to 17.365	.230 to 17.957	.222 to 18.141	.214 to 18.482

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

2008	2009	2010	2011	2012	2013
25.023	25.023	25.023	25.023	25.023	25.023
7.057	6.977	6.695	11.338	12.096	12.620
0.229	0.125	0.220	0.186	0.181	0.354
32.309	32.125	31.938	36.547	37.300	37.997
1.414	1.559	1.496	1.500	1.544	1.543
4.142	5.429	6.565	5.791	5.999	6.007
37.865	39.113	39.999	43.838	44.843	45.547
22.467	23.067	23.667	24.645	24.645	24.645
9.201	9.841	10.295	10.818	11.981	11.981
28.968	28.968	28.968	28.968	28.968	28.968
10.641	15.515	15.009	14.334	14.387	14.379
6.710	6.710	6.710	6.710	6.710	6.710
21.400	21.000	21.000	21.000	21.000	18.500
14.070	15.051	14.883	15.156	16.527	16.917
8.050	8.050	8.050	9.480	9.480	9.430
2.699	2.792	3.480	3.399	3.700	3.800
101.739	107.927	108.395	109.865	112.753	110.685
.507 to 49.500	.528 to 74.771	.508 to 79.366	.523 to 80.420	.566 to 78.265	.599 to 80.965
2.500 to 11.747	2.500 to 15.256	2.500 to 15.192	2.500 to 15.130	2.500 to 15.454	2.500 to 17.445
.197 to 21.825	.194 to 22.755	.184 to 22.283	.184 to 17.545	.184 to 17.746	.184 to 17.743



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Boulder Valley School District RE-2

Table 8

PRINCIPAL PROPERTY TAXPAYERS

January 1, 2013 and 9 Years Ago

(Unaudited)

Taxpayer	2013			2004		
	Rank	Assessed Valuation	Percentage of Total Assessed Valuation	Rank	Assessed Valuation	Percentage of Total Assessed Valuation
Xcel Energy	1	80,423,736	1.70%	1	59,930,900	1.51%
IBM Corporation	2	42,946,301	0.91%	4	33,306,130	0.84%
Oracle Corporation	3	38,696,030	0.82%			
Flatiron Holding LLC	4	38,280,000	0.81%	2	51,954,710	1.31%
Qwest Corporation	5	30,213,229	0.64%	5	29,121,970	0.73%
Level 3 Communications	6	28,797,210	0.61%	3	34,376,110	0.87%
FSP Corp (380, 385 & 390 Interlocken)	7	28,039,950	0.59%			
Macerich Twenty Ninth Street LLC	8	26,945,142	0.57%			
Ball Corporation	9	25,907,152	0.55%			
Flatiron Investments LP	10	20,300,058	0.43%			
Sun Microsystems				6	28,611,820	0.72%
Flatiron Property Holding LLC				7	21,828,350	0.55%
Storage Technology Corporation				8	21,159,150	0.53%
Roche Colorado Corporation				9	18,514,670	0.47%
DDR Flatirons LLC				10	13,196,090	0.33%
Subtotal		<u>360,548,808</u>	<u>7.62%</u>		<u>311,999,900</u>	<u>7.86%</u>
Remaining Assessed Valuation		<u>4,371,549,815</u>	<u>92.38%</u>		<u>3,660,684,854</u>	<u>92.14%</u>
Total Assessed Valuation		<u>\$ 4,732,098,623</u>	<u>100.00%</u>		<u>\$ 3,972,684,754</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**Table 9****RATIOS OF OUTSTANDING DEBT BY TYPE****Last 10 Fiscal Years****(Unaudited)**

Fiscal Year	General Obligation Bonds*	Certificates of Participation	Total Primary Government	Percentage of Personal Income**	Debt Per Capita**
2004	147,007,952	6,790,000	153,797,952	1.28%	551
2005	140,243,475	6,300,000	146,543,475	1.15%	521
2006	133,173,998	5,805,000	138,978,998	1.03%	490
2007	247,188,610	5,300,000	252,488,610	1.76%	869
2008	232,543,125	4,785,000	237,328,125	1.55%	809
2009	403,452,144	4,255,000	407,707,144	2.51%	1,358
2010	391,819,081	3,710,000	395,529,081	2.29%	1,296
2011	380,235,881	3,145,000	383,380,881	2.09%	1,245
2012	367,912,681	-	367,912,681	2.32%	1,223
2013	356,354,757	-	356,354,757	2.23%	1,158

* Includes bond premiums, and prior to 2013, also includes loss on refunding

** Personal Income and Population data may be found on Table 13

Source: Boulder Valley School District RE-2

Boulder Valley School District RE-2
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
Last 10 Fiscal Years

Table 10

(Unaudited)

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Bond Redemption Fund	Total	Percentage of Actual Taxable Value of Property*	Per Capita**
2004	147,007,952	15,131,986	131,875,966	0.417005014	472
2005	140,243,475	17,075,783	123,167,692	0.386905847	438
2006	133,173,998	15,577,400	117,596,598	0.353420145	415
2007	247,188,610	15,912,470	231,276,140	0.688589378	796
2008	232,543,125	23,304,815	209,238,310	0.570939618	714
2009	403,452,144	20,663,878	382,788,266	1.011941776	1,275
2010	391,819,081	24,032,073	361,252,927	0.941638458	1,183
2011	380,235,881	24,325,632	355,910,249	0.923512197	1,156
2012	367,912,681	24,457,080	343,455,601	0.864259644	1,142
2013	356,354,757	24,492,573	331,862,184	0.830342385	1,078

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

** Personal Income and Population data may be found on Table 13

Source: Boulder Valley School District RE-2

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>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Debt Limit	\$ 796,541,845	\$ 796,554,878	\$ 830,877,173	\$ 832,994,457	\$ 925,616,358
Debt Applicable To Limit	<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>
Legal Debt Margin	<u>\$ 649,476,845</u>	<u>\$ 656,244,878</u>	<u>\$ 697,627,173</u>	<u>\$ 587,119,457</u>	<u>\$ 695,441,358</u>
Total Debt Applicable As A Percentage Of Debt Limit	18.46%	17.61%	16.04%	29.52%	24.87%

Table 11

\$ 4,732,098,623

20.00%

946,419,725

350,285,000\$ 596,134,725

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$ 936,321,527	\$ 975,733,037	\$ 973,092,819	\$ 945,587,693	\$ 946,419,725
<u>397,400,000</u>	<u>385,285,000</u>	<u>374,280,000</u>	<u>362,535,000</u>	<u>350,285,000</u>
<u>\$ 538,921,527</u>	<u>\$ 590,448,037</u>	<u>\$ 598,812,819</u>	<u>\$ 583,052,693</u>	<u>\$ 596,134,725</u>

42.44%

39.49%

38.46%

38.34%

37.01%

Boulder Valley School District RE-2

Table 12

COMPUTATION OF DIRECT AND OVERLAPPING GENERAL OBLIGATION DEBT

June 30, 2013

(Unaudited)

	Outstanding General Obligation Debt	Percentage Applicable to the District (3)	Amount of Outstanding Debt Applicable to the District
Overlapping Debt (1)			
Berthoud Fire Protection District	855,000	100.00%	855,000
Boulder Central Area General Improvement District	13,340,000	100.00%	13,340,000
Boulder Rural Fire	3,016,956	100.00%	3,016,956
City of Boulder	95,120,000	100.00%	95,120,000
City of Lafayette	5,055,000	100.00%	5,055,000
City of Louisville	4,685,000	100.00%	4,685,000
Colorado Tech Center Metropolitan District	10,115,000	100.00%	10,115,000
East Boulder County Water District	1,310,000	100.00%	1,310,000
Hoover Hill Water and Sanitation District	106,358	100.00%	106,358
Indian Peaks Fire	164,097	100.00%	164,097
Interlocken Consolidated Metropolitan District	89,462,091	100.00%	89,462,091
North Metro Fire Rescue District	22,670,000	20.88%	4,733,496
Nederland Community Library District	1,746,057	100.00%	1,746,057
Nederland Fire Protection District	685,000	100.00%	685,000
Northern Colorado Water Conservancy District	4,487,644	41.05%	1,842,178
Pine Brook Water District	4,125,000	100.00%	4,125,000
Rocky Mountain Fire	8,610,000	100.00%	8,610,000
Superior/McCaslin Interchange District	3,965,000	100.00%	3,965,000
Superior Metropolitan District #2	3,656,000	100.00%	3,656,000
Superior Metropolitan District #3	1,696,000	100.00%	1,696,000
Town of Erie	15,490,000	1.96%	303,604
Town of Nederland	960,000	100.00%	960,000
Subtotal Overlapping Debt			255,551,837
School District Direct Debt (2)			356,354,757
Total Direct and Overlapping Debt			<u>\$ 611,906,594</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, 2012
- (2) Balance as of June 30, 2013
- (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 and Broomfield County Assessor's Office.

Boulder Valley School District RE-2

Table 13

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last 10 Fiscal Years

(Unaudited)

Fiscal Year	*Estimated Population(1)	**Personal Income(1) (millions)	**Per Capita Personal Income(1)	***Enrollment (Student (Funded FTE))	****Unemployment Rate(1)
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	26,741.0	4.009%
2007	290,580	14,385	50,141	26,914.5	3.896%
2008	293,232	15,267	52,601	27,222.5	4.900%
2009	300,136	16,251	55,319	27,455.2	7.500%
2010	305,268	17,241	57,978	27,673.3	6.500%
2011	308,005	18,351	60,962	28,148.8	6.500%
2012	300,823	15,884	52,942	28,317.5	6.200%
2013	307,722	15,993	52,993	28,538.3	6.100%

Source: * Colorado State Demography Office
 ** Global Insight Inc. prior to 2012 and projected by Boulder Valley School District for subsequent years
 *** Boulder Valley School District RE-2
 **** Colorado Department of Labor
 Note: (1) Amounts are for the Boulder, CO Metropolitan Statistical Area



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Boulder Valley School District RE-2

Table 14

PRINCIPAL EMPLOYERS January 1, 2013 and 9 Years Ago

(Unaudited)

Employer	2013			2004		
	Rank	Number of Employees	Percentage of Total County Employment	Rank	Number of Employees	Percentage of Total County Employment
University of Colorado	1	7,312	3.46%	1	6,937	3.63%
Boulder Valley School District	2	4,000	1.89%	3	4,600	2.41%
St. Vrain Valley School District	3	3,238	1.53%			
International Business Machines	4	2,800	1.32%	2	4,700	2.46%
Level 3 Communications	5	2,346	1.11%	7	2,200	1.15%
Boulder Community Hospital	6	2,300	1.09%	6	2,400	1.26%
Ball Aerospace	7	2,033	0.96%	5	2,600	1.36%
Oracle Corporation	8	1,975	0.93%			
Covidien	9	1,870	0.88%			
Boulder County	10	1,848	0.87%			
Sun Microsystems, Inc.				4	3,100	1.62%
Storage Technology Corporation				8	1,800	0.94%
City of Boulder				9	1,600	0.84%
Seagate				10	1,200	0.63%
Subtotal		29,722	14.04%		31,137	16.30%
Other Employers		181,601	85.96%		159,786	83.70%
Total		<u>211,323</u>	<u>100.00%</u>		<u>190,923</u>	<u>100.00%</u>

Source: Boulder County Business Report Book of Lists, Daily Camera and Colorado Department of Labor

Boulder Valley School District RE-2

DISTRICT EMPLOYEES - FULL TIME EQUIVALENTS

Last 10 Fiscal Years

(Unaudited)

	2004	2005	2006	2007	2008
Administrators					
Superintendent	1.00	1.00	1.00	1.00	1.00
Assistant Superintendent	7.70	6.80	5.00	6.40	9.50
Non-Instructional Director	18.70	18.20	21.40	21.50	22.70
Instructional Director	10.00	9.00	13.90	11.00	7.70
Principal	49.40	49.60	53.60	51.90	54.10
Assistant Principal	35.90	37.60	35.60	32.90	37.00
Instructional Program Coord.	6.80	1.00	2.40	2.00	2.50
Non-Instructional Program Coord.	-	-	-	-	-
Subtotal	129.50	123.20	132.90	126.70	134.50
Professional-Instructional					
Teacher, Regular	1,420.50	1,465.40	1,460.20	1,504.60	1,538.20
Teacher, Special Education	189.40	199.40	199.00	191.90	190.47
Teacher, Title I	19.50	11.80	15.40	13.50	16.10
Counselor	54.80	55.40	56.40	57.70	65.70
Curriculum Specialist Consultant	8.00	6.50	7.80	13.50	10.97
Dean	2.10	1.60	3.40	4.00	3.20
Education Diagnostician	-	-	-	2.60	4.33
Instructional Program Consultant	8.70	1.00	0.80	2.60	8.79
Librarian/Media Consultant	39.30	40.10	41.70	44.10	43.50
Teacher Mentor	36.40	40.60	45.70	58.40	54.90
Audiologist	2.00	2.00	2.00	2.00	1.52
Licensed Practical Nurse	-	-	-	1.10	2.10
Registered Nurse	10.90	13.50	13.40	11.30	15.74
Occupational Therapist	14.90	14.60	14.10	14.50	14.12
Physical Therapist	1.80	1.80	1.90	2.00	2.16
Psychologist	20.70	21.10	23.30	19.70	22.10
Social Worker	20.60	22.00	22.30	20.00	26.40
Speech-Language Pathologist	31.70	34.00	34.90	32.40	28.72
Subtotal	1,881.30	1,930.80	1,942.30	1,995.90	2,049.02
Professional-Other	97.80	87.60	107.10	96.90	112.40
Paraprofessionals	666.90	666.40	674.60	672.30	675.52
Office/Administrative Support	261.30	261.80	265.10	266.60	269.00
Crafts, Trades, and Services					
Bus Driver	133.50	163.20	152.10	164.20	165.80
Food Service Workers	48.60	55.70	44.60	55.70	78.30
Custodian	152.70	152.60	155.70	154.90	153.50
Maintenance Workers	136.20	131.30	125.60	119.00	101.40
Subtotal	471.00	502.80	478.00	493.80	499.00
Total	<u>3,507.80</u>	<u>3,572.60</u>	<u>3,600.00</u>	<u>3,652.20</u>	<u>3,739.44</u>

Source: Boulder Valley School District RE-2

Table 15

2009	2010	2011	2012	2013
1.00	1.00	1.00	1.00	1.00
13.80	12.30	10.50	10.60	11.80
18.90	17.50	17.30	16.60	16.80
14.04	15.57	15.02	13.00	11.61
54.40	54.80	54.80	52.50	52.50
40.70	38.70	37.60	41.10	41.10
2.00	2.00	2.48	5.60	5.83
-	-	-	3.77	2.90
144.84	141.87	138.70	144.17	143.54
1,549.50	1,517.40	1,490.20	1,493.00	1,503.90
178.60	180.16	172.87	191.57	188.68
15.70	18.90	21.80	22.70	18.50
68.20	61.80	54.80	66.00	64.20
9.60	4.70	4.10	3.50	3.90
4.70	3.00	2.10	2.00	2.40
4.60	2.76	-	-	-
1.00	1.25	-	2.00	2.00
42.60	41.60	40.30	39.00	37.80
49.20	48.90	45.77	45.98	33.90
2.06	1.98	1.50	1.29	1.50
-	-	-	-	-
14.91	14.73	12.60	14.86	15.11
15.03	15.13	14.30	15.43	15.57
1.76	2.06	2.00	2.30	2.30
46.66	25.81	26.04	28.80	24.32
24.47	21.63	18.60	18.71	16.90
34.62	29.73	36.26	37.99	44.36
2,063.21	1,991.54	1,943.24	1,985.13	1,975.34
132.75	132.36	130.46	134.56	138.18
757.90	727.88	686.77	708.69	668.55
268.70	254.77	241.58	238.32	253.92
198.00	196.10	190.60	176.90	178.90
84.50	100.60	91.80	81.70	89.20
155.70	160.30	150.70	145.70	150.90
95.90	92.10	88.60	88.60	84.10
534.10	549.10	521.70	492.90	503.10
3,901.50	3,797.52	3,662.45	3,703.77	3,682.63

Boulder Valley School District RE-2

SCHOOL BUILDING INFORMATION

Last 10 Fiscal Years

(Unaudited)

School	2004	2005	2006	2007	2008	2009	2010
<u>Elementary Schools</u>							
Aurora 7							
Square Feet	0	0	0	0	0	0	0
Capacity	0	0	0	0	0	0	0
Enrollment	0	0	0	0	0	0	0
Bear Creek							
Square Feet	39,549	39,549	39,549	39,549	39,549	39,549	39,549
Capacity	310	350	370	350	350	350	350
Enrollment	343	337	348	343	361	362	352
Birch							
Square Feet	44,714	44,714	44,714	44,714	44,714	44,714	44,714
Capacity	440	438	463	463	463	463	440
Enrollment	400	403	409	415	425	448	426
BCSIS							
Square Feet	25,922	25,922	25,922	25,922	25,922	25,922	31,745
Capacity	210	230	230	230	230	230	280
Enrollment	229	259	285	287	287	290	284
Coal Creek							
Square Feet	53,916	53,916	53,916	53,916	53,916	53,916	53,916
Capacity	473	460	460	465	465	465	485
Enrollment	537	511	491	478	470	470	448
Columbine							
Square Feet	48,078	48,078	48,078	48,078	48,078	48,078	50,938
Capacity	341	352	413	431	431	431	431
Enrollment	312	346	384	402	368	379	398
Community Montessori							
Square Feet	42,583	42,583	42,583	42,583	42,583	42,583	42,588
Capacity	126	140	180	200	200	200	280
Enrollment	148	148	193	215	228	225	237
Creekside							
Square Feet	46,976	46,976	46,976	46,976	46,976	46,976	46,976
Capacity	308	289	316	316	316	316	334
Enrollment	293	285	269	329	330	344	345
Crest View							
Square Feet	55,007	55,007	55,007	55,007	55,007	67,266	66,884
Capacity	385	485	510	530	530	530	595
Enrollment	492	494	501	510	511	532	594
Douglass							
Square Feet	54,772	54,772	54,772	54,772	54,772	54,772	54,901
Capacity	410	435	435	435	435	435	480
Enrollment	476	482	469	455	439	409	423
Eisenhower							
Square Feet	53,601	53,601	53,601	53,601	53,601	53,601	53,601
Capacity	548	548	500	525	525	525	555
Enrollment	420	436	449	440	468	453	445
Emerald							
Square Feet	56,300	56,300	56,300	56,300	56,300	56,300	56,300
Capacity	420	384	377	377	377	377	413
Enrollment	382	384	376	390	384	386	370
Fireside							
Square Feet	60,307	60,307	60,307	60,307	60,307	60,307	60,307
Capacity	440	465	460	440	440	440	465
Enrollment	416	454	449	433	444	418	437
Flatirons							
Square Feet	33,469	33,469	33,469	33,469	33,469	33,469	43,857
Capacity	300	295	315	320	320	320	305
Enrollment	307	297	298	307	295	288	272
Foothill							
Square Feet	57,819	57,819	57,819	57,819	57,819	57,819	75,951
Capacity	435	440	485	510	510	510	610
Enrollment	430	463	486	504	526	528	572

Table 16

2011	2012	2013
0	0	0
0	0	0
0	0	0
54,853	54,853	54,853
355	475	478
367	378	391
51,192	51,192	51,192
405	436	453
443	401	352
31,745	31,745	31,745
280	312	301
300	295	294
52,476	57,305	57,305
490	496	555
464	467	453
68,294	68,787	68,787
455	579	603
410	453	462
42,588	42,588	42,588
280	287	367
251	258	250
50,661	50,661	50,661
441	484	505
348	353	335
66,884	66,884	66,884
670	685	674
627	625	617
54,901	59,705	57,966
480	491	504
430	433	461
59,525	59,525	59,525
580	613	653
474	453	411
62,542	62,573	62,573
473	454	484
345	341	327
60,307	61,486	61,486
515	475	576
445	464	470
43,857	43,857	43,857
325	337	339
279	306	295
76,021	76,021	76,021
610	644	648
564	583	569

Boulder Valley School District RE-2

SCHOOL BUILDING INFORMATION

Last 10 Fiscal Years

(Unaudited)

School	2004	2005	2006	2007	2008	2009	2010
<u>Elementary Schools (continued)</u>							
Gold Hill							
Square Feet	3,316	3,316	3,316	3,316	3,316	3,316	3,316
Capacity	41	41	41	41	41	41	41
Enrollment	37	34	26	26	25	25	21
Heatherwood							
Square Feet	52,016	52,016	52,016	52,016	52,016	52,016	51,975
Capacity	316	312	319	321	321	321	440
Enrollment	350	332	323	340	368	382	363
High Peaks							
Square Feet	24,521	24,521	24,521	24,521	24,521	24,521	32,983
Capacity	240	240	287	240	240	240	280
Enrollment	279	296	299	293	299	301	311
Jamestown							
Square Feet	5,030	5,030	5,030	5,030	5,030	5,030	5,030
Capacity	18	18	18	18	18	18	18
Enrollment	22	12	15	16	22	21	27
Kohl							
Square Feet	54,113	54,113	54,113	54,113	54,113	54,113	54,113
Capacity	480	480	460	480	480	480	490
Enrollment	437	442	467	453	469	488	478
Lafayette							
Square Feet	56,764	56,764	56,764	56,764	60,673	67,638	62,208
Capacity	296	298	298	350	350	350	492
Enrollment	331	333	353	396	475	534	603
Louisville							
Square Feet	57,018	57,018	57,018	57,018	57,018	57,018	57,018
Capacity	460	460	460	460	460	460	485
Enrollment	440	432	404	409	427	440	459
Majestic Heights							
Square Feet	0	0	0	0	0	0	0
Capacity	0	0	0	0	0	0	0
Enrollment	0	0	0	0	0	0	0
Mapleton							
Square Feet	0	0	0	0	0	0	0
Capacity	0	0	0	0	0	0	0
Enrollment	0	0	0	0	0	0	0
Martin Park							
Square Feet	0	0	0	0	0	0	0
Capacity	0	0	0	0	0	0	0
Enrollment	0	0	0	0	0	0	0
Mesa							
Square Feet	45,670	45,670	45,670	45,670	45,670	45,670	45,670
Capacity	310	330	315	315	315	315	375
Enrollment	348	346	319	357	355	384	365
Nederland							
Square Feet	61,470	61,470	61,470	61,470	61,470	61,470	61,470
Capacity	345	332	345	355	355	355	375
Enrollment	302	331	317	319	285	307	278
Pioneer							
Square Feet	72,398	72,398	72,398	72,398	72,398	72,398	72,398
Capacity	355	329	341	348	348	348	419
Enrollment	356	396	404	427	414	429	433
Ryan							
Square Feet	49,176	49,176	49,176	49,176	49,176	49,176	49,352
Capacity	369	363	350	357	357	357	377
Enrollment	390	383	390	398	430	406	422
Sanchez							
Square Feet	49,887	49,887	49,887	49,887	49,887	49,887	49,900
Capacity	301	278	316	334	334	334	266
Enrollment	288	262	280	286	280	278	286

Table 16
(continued)

2011	2012	2013
3,316	3,316	3,293
36	37	41
29	26	29
60,797	60,797	60,797
540	552	555
385	381	378
32,983	32,983	32,983
280	312	301
306	303	299
5,030	5,030	5,032
18	19	21
25	21	20
57,417	57,417	57,417
490	521	525
498	473	506
62,203	62,203	62,203
555	623	628
636	606	619
63,034	63,034	63,034
535	572	628
502	540	572
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
54,963	55,195	55,195
385	485	494
378	371	352
61,470	61,470	61,470
405	432	468
287	280	280
74,874	74,864	74,864
391	477	525
423	422	419
54,913	54,912	54,912
460	512	530
419	443	454
55,320	55,320	55,320
294	301	330
295	330	320

Boulder Valley School District RE-2

SCHOOL BUILDING INFORMATION

Last 10 Fiscal Years

(Unaudited)

School	2004	2005	2006	2007	2008	2009	2010
<u>Elementary Schools (continued)</u>							
Superior							
Square Feet	69,765	69,765	69,765	69,765	69,765	69,765	69,725
Capacity	480	500	500	500	500	500	505
Enrollment	589	600	629	650	633	664	635
University Hill							
Square Feet	68,696	68,696	68,696	68,696	68,696	68,696	67,276
Capacity	510	492	314	375	375	375	402
Enrollment	503	391	307	322	306	321	338
Washington							
Square Feet	0	0	0	0	0	0	0
Capacity	0	0	0	0	0	0	0
Enrollment	0	0	0	0	0	0	0
Whittier							
Square Feet	35,122	35,122	35,122	35,122	35,122	35,122	35,123
Capacity	300	320	300	325	325	325	325
Enrollment	303	328	319	323	320	347	334
<u>Middle Schools</u>							
Angevine							
Square Feet	121,676	121,676	121,676	121,676	121,676	121,676	121,676
Capacity	862	902	863	906	906	906	902
Enrollment	668	616	587	536	550	546	581
Baseline							
Square Feet	0	0	0	0	0	0	0
Capacity	0	0	0	0	0	0	0
Enrollment	0	0	0	0	0	0	0
Broomfield Heights							
Square Feet	107,385	107,385	107,385	107,385	107,385	107,385	107,239
Capacity	935	914	914	914	914	914	932
Enrollment	551	562	555	565	523	536	530
Burbank							
Square Feet	0	0	0	0	0	0	0
Capacity	0	0	0	0	0	0	0
Enrollment	0	0	0	0	0	0	0
Casey							
Square Feet	84,007	84,007	84,007	84,007	84,007	84,007	44,923
Capacity	582	612	612	535	535	535	521
Enrollment	341	361	366	313	345	292	349
Centennial							
Square Feet	99,556	99,556	99,556	99,556	99,556	99,556	99,515
Capacity	750	750	750	772	772	772	750
Enrollment	641	596	588	559	583	596	627
Louisville							
Square Feet	88,887	88,887	88,887	88,887	74,206	74,206	101,483
Capacity	673	651	651	651	651	651	669
Enrollment	547	541	546	560	567	548	569
Manhattan							
Square Feet	83,572	83,572	83,572	83,572	83,572	83,572	93,632
Capacity	590	579	605	618	618	618	638
Enrollment	587	449	443	422	413	455	498
Platt							
Square Feet	117,573	117,573	117,573	117,573	117,573	117,573	81,495
Capacity	729	729	707	707	707	707	888
Enrollment	529	524	531	549	556	540	546
Southern Hills							
Square Feet	72,260	72,260	72,260	72,260	70,194	70,194	98,342
Capacity	503	503	503	503	503	503	701
Enrollment	523	537	503	478	487	496	539

Table 16
(continued)

2011	2012	2013
69,673	71,464	71,464
505	521	525
591	573	553
69,701	69,701	69,701
427	426	474
358	385	366
0	0	0
0	0	0
0	0	0
46,517	46,517	46,517
380	371	412
369	394	401
121,676	121,961	121,961
946	968	962
545	587	573
0	0	0
0	0	0
0	0	0
107,239	111,379	111,379
932	935	935
526	561	531
0	0	0
0	0	0
0	0	0
106,458	106,458	106,458
743	743	743
440	546	582
99,515	117,772	117,772
750	750	750
562	554	548
101,483	101,483	101,483
669	673	691
603	623	632
93,542	93,542	93,551
642	642	642
468	466	487
117,552	123,958	123,958
827	860	860
533	502	510
98,340	98,340	98,340
701	701	683
545	535	542

Boulder Valley School District RE-2

SCHOOL BUILDING INFORMATION

Last 10 Fiscal Years

(Unaudited)

School	2004	2005	2006	2007	2008	2009	2010
<u>High Schools</u>							
Boulder							
Square Feet	229,281	229,281	229,281	229,281	218,717	218,717	245,772
Capacity	2015	2015	1994	1900	1900	1900	1900
Enrollment	1929	1970	1932	1093	1851	1808	1786
Broomfield							
Square Feet	218,163	218,163	218,163	218,163	218,163	218,163	240,535
Capacity	1593	1599	1599	1606	1606	1606	1805
Enrollment	1321	1375	1413	1407	1438	1388	1401
Centaurus							
Square Feet	190,610	190,610	190,610	190,610	196,089	198,329	194,687
Capacity	1616	1530	1607	1581	1581	1581	1874
Enrollment	1003	990	996	1051	1051	1135	1092
Fairview							
Square Feet	256,392	256,392	256,392	256,392	256,392	256,392	262,019
Capacity	1861	1861	1861	1840	1840	1840	1958
Enrollment	1880	1891	1871	1903	1907	1903	1913
Monarch							
Square Feet	228,827	228,827	228,827	228,827	228,827	230,134	233,909
Capacity	1728	1728	1728	1728	1728	1728	1728
Enrollment	1626	1679	1633	1562	1526	1508	1511
New Vista							
Square Feet	76,668	76,668	76,668	76,668	76,668	76,668	76,668
Capacity	345	637	659	659	659	659	659
Enrollment	332	341	339	337	324	324	317
<u>Combination Schools</u>							
Aspen Creek K-8							
Square Feet	114,478	114,478	114,478	114,478	115,918	115,918	115,918
Capacity	948	969	969	969	969	969	892
Enrollment	817	870	875	869	912	913	921
Eldorado K-8							
Square Feet	117,336	117,336	117,336	117,336	117,336	117,336	120,210
Capacity	899	942	876	876	876	876	926
Enrollment	956	938	935	994	1012	967	983
Halcyon							
Square Feet	8,736	8,736	8,736	8,736	8,736	8,736	10,168
Capacity	na	na	na	na	na	na	na
Enrollment	15	12	14	11	17	6	27
Monarch K-8							
Square Feet	108,802	108,802	108,802	108,802	108,802	108,802	108,802
Capacity	746	753	753	766	766	766	856
Enrollment	719	709	696	741	757	769	748
Nederland Middle/Senior							
Square Feet	97,080	97,080	97,080	97,080	97,080	97,080	97,080
Capacity	650	650	650	650	650	650	674
Enrollment	387	387	391	385	377	457	340
<u>Vocational/Technical Schools</u>							
Arapahoe Ridge and Technical Education Center							
Square Feet	129,579	129,579	129,579	129,579	129,579	129,579	130,707
Capacity	882	876	820	925	925	925	981
Enrollment	308	281	279	223	216	199	175
<u>Charter Schools</u>							
Boulder Preparatory High School							
Square Feet	5,938	5,938	5,938	5,938	5,938	5,938	5,938
Capacity	na	na	na	na	na	na	na
Enrollment	84	88	103	125	149	131	158
Horizons K-8 School							
Square Feet	30,814	30,814	30,814	30,814	30,814	30,814	30,810
Capacity	330	351	315	342	342	342	404
Enrollment	309	309	321	320	340	324	325

Table 16
(continued)

2011	2012	2013
245,971	245,971	245,971
1900	1900	1900
1775	1790	1846
240,535	240,535	240,535
1805	1805	1762
1437	1329	1401
194,687	194,687	194,687
1874	1874	1874
1029	1008	999
264,007	264,007	264,007
1990	1990	1996
1971	2065	2132
233,909	241,819	241,823
1728	1728	1833
1527	1514	1576
76,668	77,966	77,966
659	654	654
299	309	301
115,917	122,111	122,111
919	990	1015
916	929	917
120,207	123,343	123,343
926	1003	1006
987	972	991
10,203	10,203	10,168
na	na	na
24	21	21
108,802	114,491	114,491
904	926	933
790	814	844
97,080	97,080	102,168
630	718	718
333	299	270
152,954	152,954	152,146
1099	1099	1062
204	200	147
5,938	5,938	5,938
na	na	117
142	122	117
30,814	43,426	52,009
404	440	414
332	332	340

Boulder Valley School District RE-2

SCHOOL BUILDING INFORMATION

Last 10 Fiscal Years

(Unaudited)

School	2004	2005	2006	2007	2008	2009	2010
Charter Schools (continued)							
Peak To Peak K-12 School							
Square Feet	104,365	116,679	116,679	116,679	116,679	116,679	134,284
Capacity	na	na	na	na	na	na	na
Enrollment	1107	1175	1236	1292	1341	1405	1425
Summit Middle School							
Square Feet	29,894	29,894	29,894	29,894	41,161	52,434	49,934
Capacity	278	337	337	337	337	337	480
Enrollment	308	309	307	312	312	319	324
Sojourner K-8 School							
Square Feet	0	0	0	0	0	0	0
Capacity	0	0	0	0	0	0	0
Enrollment	0	0	0	0	0	0	0
Justice High 6-12 School							
Square Feet	0	na	na	na	2,409	2,409	2,409
Capacity	0	na	na	na	na	na	na
Enrollment	0	0	0	79	75	97	129

Source: Boulder Valley School District RE-2

Table 16
(continued)

2011	2012	2013
139,990	139,990	139,990
na	na	1444
1443	1446	1444
49,935	49,935	49,944
493	493	493
336	334	339
0	0	0
0	0	0
0	0	0
6,590	6,590	6,590
na	na	91
111	96	91

Boulder Valley School District RE-2

TEACHER STATISTICS

Last 7 School Years*

(Unaudited)

	2007	2008	2009	2010
Number of Teachers by Education Level				
Bachelor's Degree	143	141	151	141
Bachelor's Degree + 12 Hours	68	79	72	66
Bachelor's Degree + 24 Hours	68	73	62	58
Bachelor's Degree + 36 Hours	71	67	72	64
Bachelor's Degree + 48 Hours	267	250	247	233
Master's Degree	435	451	453	450
Master's Degree + 12 Hours	176	183	190	204
Master's Degree + 24 Hours	165	171	159	152
Master's Degree + 36 Hours	118	128	142	126
Master's Degree + 48 Hours	375	381	395	387
Doctorate	46	49	43	40
Other	4	4	5	4
Total	1,936	1,977	1,991	1,925
Average Teacher Pay by Education Level				
Bachelor's Degree	35,194	39,517	35,858	36,587
Bachelor's Degree + 12 Hours	37,886	42,872	38,946	44,281
Bachelor's Degree + 24 Hours	44,155	46,876	43,058	44,500
Bachelor's Degree + 36 Hours	45,156	49,058	44,033	48,101
Bachelor's Degree + 48 Hours	49,480	55,005	52,484	55,448
Master's Degree	45,738	51,828	47,307	51,033
Master's Degree + 12 Hours	51,169	58,454	50,784	54,896
Master's Degree + 24 Hours	56,258	61,068	55,917	59,145
Master's Degree + 36 Hours	57,464	65,306	56,713	62,768
Master's Degree + 48 Hours	61,999	68,787	65,072	70,096
Doctorate	61,776	68,954	63,710	65,547
Other	59,936	60,975	64,609	63,248

* Amounts Prior to 2007 are not available

**Licensed staff less than .5 FTE are now paid \$40,000, prorated by FTE.

Previous to 2013, they were included in the licensed salary schedule.

Source: Boulder Valley School District RE-2

Table 17

2011	2012	2013
144	137	132
63	70	63
56	53	55
52	44	47
217	216	201
450	467	459
198	207	202
142	151	152
132	154	152
413	411	409
42	45	38
4	3	15
1,913	1,958	1,925
37,280	38,096	42,338
42,411	42,170	47,234
44,701	47,842	49,315
46,883	46,682	51,771
56,109	56,472	60,979
51,143	50,470	55,473
54,988	56,963	63,676
61,192	60,165	65,841
61,602	61,704	66,512
69,845	69,924	73,997
68,594	68,211	74,199
63,248	62,089	43,269 **

Boulder Valley School District RE-2

MISCELLANEOUS STATISTICAL DATA

Last 10 School Years

(Unaudited)

	2004	2005	2006	2007
Student Teacher Ratio*				
Elementary	22.60	22.27	22.19	22.29
Middle	20.33	20.54	20.52	20.66
Senior	22.83	23.21	23.31	22.91
Governmental Activities Expenses	\$ 227,311,141	\$ 233,942,454	\$ 242,710,503	\$ 257,223,290
Cost Per Student	\$ 8,159	\$ 8,378	\$ 8,692	\$ 9,123
Enrollment Data				
Student Full Time Equivalent				
Elementary	10,888.5	10,950.0	10,921.5	11,147.0
Middle	6,731.0	6,528.5	6,420.5	6,324.0
Senior	8,811.0	9,102.5	9,146.0	9,155.5
Other	213.0	208.5	252.5	288.0
Total	26,643.5	26,789.5	26,740.5	26,914.5
Total Enrollment				
K-12 Enrollment	27,604.0	27,651.0	27,593.0	27,798.0
Pre-K Enrollment	256.0	271.0	329.0	398.0
Total	27,860.0	27,922.0	27,922.0	28,196.0
Number of Students Eligible to Receive School Lunches Free Or At Reduced Cost				
Elementary	2,213	2,249	2,460	2,498
Combination	201	204	224	221
Middle	805	818	895	877
Senior	804	818	895	777
Total	4,023	4,089	4,474	4,373
Percent of Students Receiving Free or Reduced Cost Meals	14.44%	14.64%	16.02%	15.51%

* Budget amounts are used prior to 2010 and submitted amounts from the October count thereafter.

Source: Boulder Valley School District RE-2

Table 18

2008	2009	2010	2011	2012	2013
22.32	22.29	22.35	22.54	23.22	23.52
20.64	20.53	20.86	20.93	22.34	22.16
22.57	22.50	22.88	24.30	23.63	23.77
\$ 278,784,336	\$ 289,549,755	\$ 294,156,553	\$ 306,813,347	\$ -	\$ 319,005,007
\$ 9,742	\$ 10,118	\$ 10,200	\$ 10,464	\$ -	\$ 10,734
11,331.0	11,658.2	11,716.8	12,029.8	12,055.5	12,097.3
6,385.5	6,356.0	6,576.0	6,536.0	6,671.0	6,681.5
9,204.0	9,142.0	9,128.0	9,324.5	9,305.0	9,480.0
302.0	299.0	252.5	258.5	286.0	279.5
27,222.5	27,455.2	27,673.3	28,148.8	28,317.5	28,538.3
28,173.0	28,171.00	28,344.00	28,815.00	28,986.00	29,181.00
445.0	445.00	494.00	505.00	558.00	537.00
28,618.0	28,616.0	28,838.0	29,320.0	29,544.0	29,718.0
2,544	2,529	2,473	2,646	2,714	2,740
191	207	256	317	342	336
900	864	893	946	1,033	1,033
963	1,101	1,025	1,177	1,223	1,247
4,598	4,701	4,647	5,086	5,312	5,356
16.07%	16.43%	16.11%	17.35%	17.98%	18.02%



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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, 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, 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, 2013, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Boulder Valley School District RE-2, and have issued our report thereon dated November 18, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Boulder Valley School District RE-2's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances 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. 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 deficiency in internal control 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 and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Boulder Valley School District RE-2's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the Boulder Valley School District RE-2's internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Boulder Valley School District RE-2's financial statements are free from 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Boulder Valley School District RE-2's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Boulder Valley School District RE-2's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



November 18, 2013



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

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM, INTERNAL CONTROL OVER COMPLIANCE,
AND THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY OMB CIRCULAR A-133**

Report on Compliance for Each Major Federal Program

We have audited the Boulder Valley School District RE-2's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Boulder Valley School District RE-2's major federal programs for the year ended June 30, 2013. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Boulder Valley School District RE-2's major federal programs based on our audit of the types of compliance requirements referred to above. 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the Boulder Valley School District RE-2's compliance.

Opinion on Each Major Federal Program

In our opinion, the Boulder Valley School District RE-2 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of the Boulder Valley School District RE-2 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Boulder Valley School District RE-2's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the Boulder Valley School District RE-2's internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

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, 2013, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Boulder Valley School District RE-2. We issued our report thereon dated November 18, 2013, which contained unmodified opinions on those financial statements. 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling the information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Swanlund & Company, LLC

November 18, 2013

BOULDER VALLEY SCHOOL DISTRICT RE-2
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2013

Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted?

_____ yes x no

Federal Awards

Internal control over major programs:

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

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

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

_____ yes x no

Identification of major programs:

84.027 Special Education
84.173 Special Education Preschool
84.413 Race to the Top

Dollar threshold used to distinguish between type A and type B programs: \$401,691

Auditee qualified as low-risk auditee?

 x 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, 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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Boulder Valley School District RE-2
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2013

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass- Through Entity Grant Code	Accrued (Deferred) Revenue 6/30/2012	Receipts	Disbursements	Accrued (Deferred) Revenue 6/30/2013
U.S. Department of Education						
Direct Programs						
Indian Education	84.060		\$ 7,601	\$ 28,565	\$ 25,026	\$ 4,062
Passed Through State Department of Education						
Adult Education	84.002	5002	7,139	99,483	100,071	7,727
Title I	84.010	4010/5010	778,160	3,023,213	2,854,471	609,418
Special Education	84.027	4027	474,431	3,958,662	4,916,805	1,432,574
Special Education Preschool	84.173	4173	26,916	99,645	106,450	33,721
Education for Homeless Children and Youth	84.196	5196	7,682	31,924	28,565	4,323
21st Century Community Learning Centers	84.287	5287	180,498	860,706	921,275	241,067
Education Technology	84.318	4318	5,063	7,837	2,774	-
Special Education-State Personnel Development	84.323A	6323	-	-	3,000	3,000
Advanced Placement Program	84.330	5330	-	17,158	17,158	-
English Language Acquisition	84.365	4365/7365	125,215	282,838	277,087	119,464
Improving Teacher Quality	84.367	4367	97,383	823,160	840,426	114,649
Race to the Top	84.413	4413	-	90,277	142,980	52,703
Passed Through State Department of Human Services						
Vocational Rehabilitation	84.126		67,978	193,179	200,435	75,234
Passed Through State Community College System						
Career and Technical Education	84.048		24,557	134,039	152,513	43,031
TOTAL U.S. DEPARTMENT OF EDUCATION			<u>1,802,623</u>	<u>9,650,686</u>	<u>10,589,036</u>	<u>2,740,973</u>
U.S. Department of Agriculture						
Passed Through State Department of Human Services						
Donated Commodities	10.555		-	299,309	299,309	-
Passed Through State Department of Public Health and Environment						
Child and Adult Care Food Program	10.558		-	32,067	40,209	8,142
Passed Through State Department of Education						
Team Nutrition Grant	10.574	4574	9,691	6,742	-	2,949
National School Lunch Program	10.555	4555	183,826	1,907,437	1,913,149	189,538
School Breakfast Program	10.553	4553	56,566	512,252	509,613	53,927
Summer Food Service Program for Children	10.559	4559	22,456	36,968	20,955	6,443
TOTAL U.S. DEPARTMENT OF AGRICULTURE			<u>272,539</u>	<u>2,794,775</u>	<u>2,783,235</u>	<u>260,999</u>
U.S. Department of Transportation						
Passed Through State Department of Transportation						
Highway Planning and Construction	20.205		7,152	15,783	17,426	8,795
TOTAL FEDERAL FINANCIAL ASSISTANCE			<u>\$ 2,082,314</u>	<u>\$ 12,461,244</u>	<u>\$ 13,389,697</u>	<u>\$ 3,010,767</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, 2013

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*, using the accrual basis of accounting. Therefore, some amounts presented in this schedule may differ from amounts presented in the financial statements.

STATE COMPLIANCE



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Colorado Department of Education
Auditors Integrity Report
District 0480 – BOULDER VALLEY RE 2
Fiscal Year 2012-13
Colorado School District/BOCES

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
Governmental					
10 General Fund	27,634,230		237,097,692	236,614,900	28,316,942
18 Risk Mgmt Sub-Fund of General Fund	104,944		2,975,394	2,890,378	181,960
19 Colorado Preschool Program Fund	69,942		1,034,340	1,070,568	33,714
Sub-Total	27,809,115		241,107,426	240,583,925	28,332,616
11 Charter School Fund	7,534,907		25,783,585	25,418,497	7,899,995
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		11,413,426	11,413,426	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	368,777		13,078,643	12,553,336	894,884
31 Bond Redemption Fund	24,457,080		28,167,785	28,132,202	24,492,573
39 Non-Voter Approved Debt Service Fund	0		0	0	0
41 Building Fund	5,480,879		392,799	3,126,639	2,747,039
42 Special Building Fund	0		0	0	0
43 Capital Reserve Capital Projects Fund	7,211,885		3,857,454	9,134,326	1,935,013
Totals	72,862,945		323,803,117	330,363,640	66,302,121
Proprietary					
51 Food Service Fund	175,308		6,362,432	6,350,638	187,102
59 Other Enterprise Funds	0		0	0	0
64 (63) Risk-Related Activity Fund	0		0	0	0
60.65 69 Other Internal Service Funds	7,979,482		364,426	2,185,443	6,158,465
Totals	8,154,791		6,726,847	8,536,071	6,345,567
Fiduciary					
70 Other Trust and Agency Funds	0		0	0	0
72 Private Purpose Trust Fund	273,894		888,721	7,849	1,155,766
73 Agency Fund	0		0	0	0
74 Pupil Activity Agency Fund	3,696,435		11,964,779	11,930,987	3,722,227
79 GASB 34-Permanent Fund	0		0	0	0
85 Foundations	0		0	0	0
Totals	3,970,330		12,854,500	11,946,836	4,877,993
FINAL					

*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.

11/25/13

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