

Boulder Valley School District RE-2

Boulder, Colorado

Boulder and Gilpin Counties

Comprehensive Annual Financial Report
For the fiscal year ended June 30, 1999



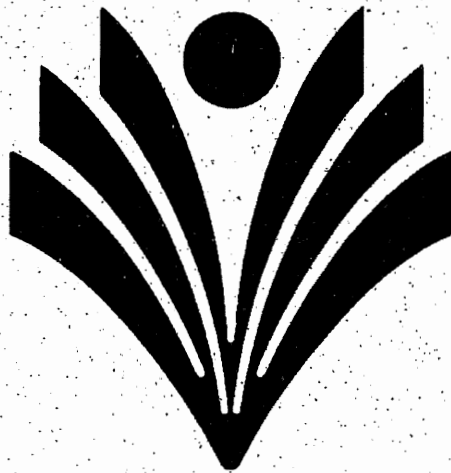
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Assistant Superintendent for
Business and Operations

Boulder Valley School District RE-2

Comprehensive Annual Financial Report

For the fiscal year ending June 30, 1999



**Boulder, Colorado
Boulder and Gilpin Counties**

BOULDER VALLEY SCHOOL DISTRICT RE-2
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended June 30, 1999

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Boulder Valley Public Schools

Business Services Division

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December 16, 1999

Members of the Board of Education

Thomas G. Seigel, Superintendent of Schools
Boulder Valley School District RE-2
6500 East Arapahoe
Boulder, CO 80301

It is a pleasure to submit the Comprehensive Annual Financial Report of the Boulder Valley School District RE-2, Boulder and Gilpin Counties, Colorado (the District), for the 1998-99 fiscal year, July 1, 1998 – June 30, 1999. This report presents to the Board of Education, the District taxpayers, citizens, students, employees and investors, comprehensive financial information about the District. The report includes all District funds, account groups, and activities for which the Board of Education is responsible.

This report was prepared by the District's Finance and Accounting Department and to the best of our knowledge, the data is accurate, complete and fairly reported. The District's financial position and results of operations of the various funds and account groups of the District are provided. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included. The report has been audited by an independent certified public accounting firm, Clifton Gunderson L.L.C.

The Comprehensive Annual Financial Report is presented in four sections: introductory, financial, statistical, and single audit.

1. The introductory section includes this transmittal letter, the 1998 Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting, a list of the Board of Education members, the District's organizational chart, the list of principal officials, the mission statement and goals of the District.
2. The financial section includes the general-purpose financial statements and the combined and individual fund and account group financial statements and schedules, as well as the auditor's report on the financial statements and schedules. Also included are the required Colorado state reports.

3. The statistical section includes selected financial and demographic information, presented on a multi-year basis.
4. The single audit section includes the schedule of expenditures of federal awards, notes, independent accountant's reports and schedule of findings and questioned costs in compliance with the provisions of the Single Audit Act of 1984 and U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations."

This transmittal letter will include introductory remarks, economic conditions and outlook, major initiatives, financial information, other information, and recognition for financial reporting.

INTRODUCTORY REMARKS

The Reporting Entity

The reporting entity of the District encompasses those activities and functions over which the District's elected officials exercise financial accountability or control. The District is governed by a seven member Board of Education elected by the citizens of Boulder and Gilpin Counties. The funds and account groups presented in this report are within the financial accountability of the Board. There are no component units of the District nor is the District a component unit of any other entity, as defined in the Governmental Accounting Standard No. 14, *The Financial Reporting Entity*. There are no other entities that share the same name or geographical representation as the Boulder Valley School District.

The District

The District is a school district, political subdivision and body corporate, duly organized and existing under the School District Organization Act of 1965, Article 30, Title 22, Colorado Revised Statutes. It was originally organized in 1860 and was reorganized in 1961 to include numerous smaller districts. Its purpose is to operate and maintain an educational program for those persons residing within its boundaries.

The District has all rights and powers delegated under the State for exercise by school districts, including the right to hold property for any purpose authorized by law. State statutes grant to the Board of Education the power to govern the District. General duties which the Board is empowered to perform include the following: to adopt policies and prescribe rules and regulations necessary and proper for the administration of the District; to carry out the educational programs of the District; to fix and pay personnel compensation; to prescribe the textbooks for any course of instruction or study in such programs; to adopt written policies, rules and regulations relating to study, discipline, conduct, safety and welfare of all pupils; and to comply with all the rules and regulations adopted by the State Board of Education.

ECONOMIC CONDITIONS AND OUTLOOK

The District, which encompasses approximately 500 square miles, is located in Boulder and Gilpin Counties, Colorado approximately 30 miles northwest of the City and County of Denver, Colorado. As of 1999, it has an estimated population of 204,000 and its most recent assessed valuation (December 1998) is \$2,395,324,350. Approximately 85% of the District's total geographical area, 99% of its total population and 99.2% of its total assessed valuation are located in Boulder County.

A significant portion of Boulder County's economy consists of high technology manufacturers and educational institutions. Over the past ten years, the per capita income of residents of Boulder County has been higher than that of residents of the state as a whole. In addition, over the past several years, the unemployment rate for Boulder County has been lower than that for the state as a whole. The economic condition of Boulder County is very strong. In 1999, Boulder County's unemployment rate of 2.5% was significantly less than the state's 3.1%. The county's estimated \$36,000 per capita income is higher than the state's average of almost \$29,000 and is one of the highest in the nation.

The state economic picture is also important to the Boulder Valley School District because a major source of funding for the District's General Fund operations is received through the State's School Finance Act established by the state legislature.

US Bank's 2000 Economic Forecast reports, "As the 21st century begins, Colorado looks forward to an economy dominated by telecommunications, advanced technology and services. This will add stability to the state's economy. People continue to move to the state to fill the good jobs these industries create, fueling commercial and residential construction and the expansion of the existing infrastructure. Colorado's young, well educated population is well suited to the challenges and opportunities of the global economy of the new era."

Through June of 1999, employment expanded by 2.7%, after 3.6% growth in 1998. The unemployment rate was a low 3.1%, well below the 3.8% average of last year. The labor shortage was acute among both skilled and unskilled workers.

Retail sales growth averaged 3.5% through May, after increasing 7% to \$85 billion in 1998. Prices rose 2.4% in the Denver metro area in 1998, then another 2.9% in the first half of 1999, continuing to outpace inflation nationally.

Total personal income in the state rose 8.2% last year, boosting per capita income to \$28,657, one of the highest in the nation. Real (or inflation adjusted) per capita income, a proxy for the change in the standard of living, increased a very strong 4%.

Net migration added almost 49,000 people to Colorado in 1998, the fifth consecutive year of fewer net in-migrants. Colorado's population passed 4 million, although the growth rate slowed to 2.0%, and approached 4.1 million by mid-1999.

Housing permits rose 18.8% in 1998, to more than 51,000 units. Single-family increased 13%, while multifamily soared 35.4%. The value of nonresidential contracts fell 22% last year, with declines in most sectors. Office contracts rose 9%, along with increases in health facilities, government administration and religious building.

Colorado ends the 20th century with a strong economy, rapid population growth, new industries, and infrastructure construction. It is the close of a decade of 2.3% population growth, advanced technology companies, the Qwest-US West merger and the widening and upgrading of roads and highways.

The District administration continues to monitor and assess state and local economic conditions to determine the impact upon funding levels for the District.

MAJOR INITIATIVES

Current Year Projects

There were several major initiatives in the Boulder Valley School District during 1998-99. The state goals of improving attendance rates, graduation rates and student achievement have been addressed by establishing District goals which are at, or exceed, state goal levels. Individual school and department goals have been established in accordance with the District goals.

The Board established four major goals for the District in 1998-99. Boulder Valley is pleased to report that progress was made on each of the goals.

- Goal 1: Beginning with first grade, students will read at or above grade level each academic year.
- Goal 2: The Boulder Valley School District will ensure accountability for high academic achievement through a variety of mechanisms including tests and assessments.
- Goal 3: Boulder Valley School District curriculum renewal will support the achievement of high academic standards.
- Goal 4: The Boulder Valley School District will continue to work to eliminate racism and to promote cultural plurality in order to unify the district.

Future Projects

Future areas of focus for 1999-2000 and beyond include: K-3 literacy efforts, accountability in all programs and all classrooms, continued strengthening of the sense of District unity while respecting diversity, continued curriculum renewal efforts to support the achievement of high academic standards, continued support of educational choices, continued encouragement of community involvement,

increased emphasis on communication and the ongoing challenges of providing quality public education with diminished resources.

Department (Area) Focus

Each year the Comprehensive Annual Financial Report includes a section to report special accomplishments or to focus on areas of interest in the District. For the 1998-99 report, the focus of Boulder Valley School District was its Academic Achievement.

Academic achievement has long been a hallmark of Boulder Valley School District. The 1998-99 school year showed continued trends of quality performance in all academic areas.

- * Seniors exceeded state and national averages on the American College Test and the Scholastic Aptitude Test – the two primary college entrance exams that test both verbal and mathematical skills.
- * Boulder Valley School District third and fourth graders had some of the state's highest scores on the Colorado Standards Assessment Program tests in reading and writing.
- * The annual dropout rate – an indicator of our success with our most at-risk population – again fell slightly from 1997-98.
- * Fifth and 10th graders who took the Comprehensive Test of Basic Skills, a standardized achievement test, not only exceeded the national median but, on average, scored above anticipated levels of achievement.

In its September 3, 1999, relocation guide to Colorado, the Denver Business Journal named Boulder Valley School District the top district in the metro area.

"Students from the Boulder Valley School District had high Scholastic Aptitude Test and American College Testing scores...with more than 27,000 students, the district has a high graduation rate:...Nearly 80 percent of third graders at the 32 elementary schools in the District are proficient or advanced readers, according to their 1999 test scores," the magazine wrote.

The Journal looked at achievement trends from college entrance exams, standardized achievement scores, and graduation rates. Its analysis used data reported to the Colorado Department of Education.

Boulder Valley School District, however, continues to face challenges in closing a historic achievement gap between white students and some groups of students of color. Early indications from literacy efforts, especially the summer literacy academies, indicate that progress is being made with students of color as well as all student groups.

Improving the annual graduation rate for all students continues to be a focus and an acknowledged area that needs improvement.

FINANCIAL INFORMATION

The financial information section will describe controls, general school district functions related to summary financial information, proprietary operations, fiduciary operations, debt administration, cash management, and risk management.

Internal Control

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse. Adequate accounting data must also be compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

Single Audit

As a recipient of federal, state and local financial assistance, the District is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by District management.

As a part of the District's single audit, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations, contracts and grants. The results of the District's single audit for the fiscal year ended June 30, 1999, shows no instances of material weaknesses.

Budgeting Controls

The District is required by state law to formulate a budget annually and to hold public hearings prior to the determination of the amounts to be financed in whole or in part by ad valorem property taxes, funds on hand or the estimated revenues from other sources. The budget must specify: the amounts budgeted by fund for proposed expenditures; the corresponding amounts budgeted by fund that were actually expended during the last completed fiscal year and anticipated to be expended during the current fiscal year; all revenue anticipated for the ensuing fiscal year, classified as to funds and sources of income and the fund balance at the end of the fiscal year. By state law, the District's fiscal year begins on July 1 and ends on June 30.

No later than June 30, after conducting public hearings on the budget proposal, the Board adopts a final budget for the succeeding fiscal year. The Board adopts an appropriation resolution specifying the amount of money appropriated to each fund, and certifies to the Boards of County Commissioners of Boulder County and of Gilpin County the separate amounts necessary to be raised from levies against the assessed valuation of all taxable property located within the District for its General Fund and Bond Redemption Fund. State law provides that after adoption of the budget, the Board may review and change the budget, with respect to both revenues and expenditures, at any time prior to September 30 of the fiscal year for which the budget was adopted. The Board cannot expend any monies in excess of the amount appropriated by resolution for a particular fund.

Budgetary controls include expenditure control and position control. Spending authorities (school principals and department heads) are responsible for spending within budgeted levels.

Position control requires that all transfers, hires, and personnel actions are reviewed by the budget office to ensure compliance with Board approved positions.

Financial Overview

The General Fund is the major operating fund of the District, providing the majority of resources for the District's educational and support programs. Total revenues for the fiscal year ended June 30, 1999, for the General Fund were \$156,136,906, while expenditures and other financing services (uses) totaled \$146,462,647.

REVENUES	AMOUNT	PERCENT OF TOTAL
Local	\$122,949,969	78.75%
State	33,169,851	21.24%
Federal	17,086	.01%
Total Revenues	\$156,136,906	100.000%

EXPENDITURES	AMOUNT	PERCENT OF TOTAL
Regular Instruction	\$70,046,988	47.82%
Special Programs	24,781,211	16.92%
Student Support Services	3,333,077	2.27%
Instructional Staff Support	4,874,521	3.33%
General Administrative Support	1,923,201	1.31%
School Administrative Support	11,167,773	7.62%
Business Services	1,476,452	1.01%
Operation and Maintenance	11,473,734	7.83%
Student Transportation	4,619,472	3.15%
Central Support Services	3,500,910	2.39%
Other Support Services	43,920	0.03%
Enterprise Operations	58,564	0.04%
Community Services	2,202,873	1.50%
Adult Education	35,267	0.02%

Debt Services	1,264,129	0.86%
Insurance Reserve	<u>1,951,362</u>	<u>1.33%</u>
Total Expenditures	\$142,753,454	97.43%
Other Financing (Sources) Uses		
Proceeds from the sale of fixed assets	(31,743)	(0.02%)
Operating transfers out	<u>3,795,794</u>	<u>2.59%</u>
Total Other Financing (Sources) Uses	<u>3,764,051</u>	<u>2.57%</u>
Total Expenditures and Other Financing (Sources) Uses	<u>\$146,517,505</u>	<u>100.00%</u>

Effects of Revenue Limitations

On November 3, 1992, Colorado voters approved an amendment to the Colorado Constitution which is commonly referred to as the Taxpayer's Bill of Rights, or Amendment One, and now constitutes Section 20 of Article X of the Colorado Constitution. Amendment One imposes various limits and new requirements on the State of Colorado and all Colorado local governments. According to Moody's Municipal Credit Report, this tax limitation constitutional amendment generally: "Limits yearly increases in state and local government expenditures and property tax revenues to the annual percentage change in the Bureau of Labor Statistic's consumer price index for the Denver-Boulder area, . . . and for school districts, the yearly percentage change in student enrollment.

"The amendment enables voters to override taxation and expenditure limits, and approve debt issues, in a statewide general election, biennial local election, or in November of odd-numbered years. Revenue collected, kept or spent in violation of the provisions of Amendment One must be refunded, with interest. Amendment One requires governmental units to create an emergency reserve of 3% of its fiscal year spending in 1995 and subsequent years. 1992-93 served as the base year for calculations for revenue, spending, and tax limitation for future years."

The District's Schedule of Computations required under Article X, Section 20 is included in the Supplementary Information section of the Financial Section of this report.

Governmental Fund Types

Combined, Individual Fund and Account Group Statements and Schedules

The combined financial statements present a summary of the financial position and operating results of all the funds of a given fund type. The individual fund and account group statements are presented to provide detailed information for analytical purposes.

General Fund

The General Fund is used to account for all ordinary operations and transactions within the District which are not accounted for in another fund. It provides for the basic day-to-day operational activities of the District financed from property taxes and other general revenue and in addition, includes charter schools, athletics, summer school, and community school program activities.

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes. The Special Revenue Funds consist of the Governmental Designated Special Purpose Grants Funds and the Tuition Based Preschool Fund.

Governmental Designated Special Purpose Grant Fund

The Governmental Designated Special Purpose Grant Fund is used to account for monies received from various federal, state, and local grant programs.

Tuition Based Preschool Fund

The Tuition Based Preschool Fund is used to account for monies received from the District's tuition based preschool program.

Debt Service – Bond Redemption Fund

The Debt Service – Bond Redemption Fund is used to account for the accumulation of resources and for payment of general obligation bond principal and interest and associated costs.

Capital Projects Funds

Capital Projects Funds are used to account for the financial resources used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). The Capital Projects Funds consist of the Capital Reserve Fund, the Energy Conservation Fund, and the 1994 and 1999 Building Funds.

Capital Reserve Fund

The Capital Reserve Fund is used for the maintenance and improvements of existing facilities and for the purchase of capital assets subject to guidelines contained in the Colorado Revised Statutes.

Energy Conservation Fund

The Energy Conservation Fund is used for district-wide lighting modernizations, mechanical and thermal improvements, water conservation investigation, and other measures to reduce energy consumption in the District and to improve the classroom environment.

Building Funds

The 1994 and 1999 Building Funds are used to account for the proceeds of bond sales, revenues from interest, capital outlay expenditures for land or existing buildings, improvements of grounds, construction of buildings, additions and

remodeling of buildings and additions and replacement of equipment as authorized by the Board of Education.

Proprietary Funds

Proprietary funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the cost of providing goods or services to the general public is financed or recovered primarily by user charges. The Proprietary Funds consist of the Enterprise - Food Service Fund and the Internal Service - Insurance Reserve Fund.

Enterprise – Food Service Fund

This fund is used to account for the financial activities associated with the District's school lunch program.

Internal Service – Insurance Reserve Fund

The Internal Service Fund is used to account for the financing of goods or services by one department to another department of the District, on a cost reimbursement basis. The District has one Internal Service Fund, the Insurance Reserve Fund. This fund provides for the District's liability, property and workers' compensation insurance needs and for the risk management program of the District.

Fiduciary Funds

Fiduciary Funds are used to account for assets held by the District in a trustee capacity for individuals, private organizations, other governmental units, and/or other funds. The Fiduciary Funds consist of the Expendable Trust Fund, Nonexpendable Trust Fund, and the Agency Fund.

Expendable Trust Fund

This fund accounts for donations that are received for specific purposes such as scholarships and awards.

Nonexpendable Trust Fund

This fund accounts for the principal amount received from the Jitsugyo High School Student Exchange Program and the Barbara Carlson Scholarship, and the related interest income. The interest portions of the Trust are used to finance the activities authorized by the Trust agreement and the Scholarship agreement.

Agency Fund

This fund is used to account for receipts and disbursements from student and District fundraising activities.

General Fixed Assets Account Group

The General Fixed Assets Account Group records changes in the District's ownership of and investment in capital assets, not reported in proprietary funds, and includes land and site improvements, buildings and improvements and equipment.

Long-Term Debt Account Group

The Long-Term Debt Account Group is used to account for retirement of the District's bonds and to account for other long-term liabilities.

Pension Operations

The District participates in the State Public Employees' Retirement Association (PERA) system. In 1998-99, this program required a contribution rate of 11.4% of covered salary from school district employers and 8.0% from employee members. The State PERA system is actuarially sound.

Enterprise Operations

Students are provided options for meals at breakfast and lunchtime designed to promote healthy eating. Approximately 8,000 meals and 5,500 a la carte items are served on a daily basis.

Food Service operations are in place at 21 preparation/serving kitchens serving 47 schools. Food from the preparation kitchens is distributed on a daily basis to the serving kitchens. Meal prices for the 1998-99 school year were \$1.50 at the elementary level and \$1.75 at the secondary level. The Food Service program operates within the guidelines established by the United States Department of Agriculture and the Colorado Department of Education.

Debt Administration

The District issued \$63,655,000 in general obligation bonds on February 15, 1999. Proceeds will be used to pay the costs of constructing, furnishing and equipping two new K-8 schools and an addition to an existing K-8 school, improving, repairing or expanding and equipping 18 school buildings for additional education space, improving District buildings by renovating, repairing and/or replacing mechanical systems, roofs and site conditions, improving building and site accessibility to comply with the Americans With Disabilities Act, improving and equipping the Boulder Valley Technical Education Center for vocational and pretechnical programs, and improving District buildings by installing infrastructure to deliver data, voice and video network capabilities and purchasing telecommunications equipment. The District received an "Aa3" rating from Moody's Investors Service, an "AA" rating from Standard & Poor's and an "AA" rating from Fitch IBCA for the issuance of the 1999 general obligation bonds.

On October 1, 1997, the District issued \$68,810,000 in Series 1997 general obligation refunding bonds to refund a portion of the Series 1994A bonds, constituting the 1999, 2000, and 2005 through 2014 maturities. Standard and Poor's and Fitch both rated these 1997 bonds at an "AAA," while Moody's rated them at an "Aaa."

The District issued \$89,000,000 in general obligation bonds on October 25, 1994, at a net interest cost of 6.13%. Proceeds of the Series 1994A bonds (\$77,170,000) are being used to finance new buildings, additions to and renovations of existing buildings. Proceeds of the Series 1994B bonds (\$11,830,000) are being used to finance equipment and instructional and information technology systems.

The State of Colorado limits the total bonded indebtedness of the District to 20% of the latest valuation for assessment of the taxable property in the District, as certified by the County Assessor, or 25% if enrollment has increased by 3% or more over each preceding year in the last three years or six percent of actual value. Based upon the District's 1998 assessed valuation of \$2,395,324,350, the District's debt limitation is \$479,064,870. As of June 30, 1999, the total outstanding indebtedness of the District consisted of its General Obligation Bonds, Series 1999, General Obligation Refunding Bonds, Series 1997A, General Obligation Bonds, Series 1994A and 1994B, and General Obligation Refunding Bonds Series 1992A, which were outstanding in the aggregate principal amount of \$176,270,000.

The District issued \$8,370,000 of fixed rate Certificates of Participation (COPs) dated April 1, 1992, through the Colorado Association of School Boards' Lease Purchase Finance Program and \$4,040,000 of fixed rate Certificates of Participation dated October 1, 1995. These certificates provide the funding for the Energy Conservation Program. The fifteen year certificate repayment for the first COPs and eleven year certificate repayment for the second COPs are from the savings generated through the completion of the energy conservation measures.

Cash Management

The cash management and investment practices of the Boulder Valley School District follow the Board of Education Investment Policy and the Colorado Revised Statutes which apply to all financial assets and all funds of the District.

All District funds allocated, but temporarily not needed, are invested in accordance with state law. The District's investment portfolio is managed in a manner which optimizes the return on investments within the constraints of safety and liquidity while preserving the capital and protecting the investment principal of the overall portfolio. The District seeks competitive quotes on all investments.

Marketable investment securities owned by the District are held in a third-party safekeeping account at a custodian bank.

The District diversifies the use of investment instruments in the investment portfolio to avoid incurring unreasonable risks inherent in over-investing in specific instruments, individual financial institutions or maturities. The District's portfolio will be diversified to include not less than 50% collateralized securities as defined by Governmental Accounting Standards Board (GASB) Statement No. 3.

The Assistant Superintendent for Business and Operations has the responsibility and authority for the cash management and investments program. The District's Director of Finance and Accounting and the Supervisor of Accounting are responsible for carrying out investment decisions and activities to effectively achieve the cash management and investment objectives.

The District's investment decisions are guided by the "prudent investor" rule which states the "investments shall be made with judgment and care, under circumstances

then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.” (Investing Public Funds, p. 28 by Girard Miller, Government Finance Officers Association)

The Board of Education receives a quarterly investment portfolio report as a part of the regular quarterly financial reports.

Risk Management

The District participates in two self-insurance pools, one for property/liability insurance and one for workers’ compensation. The property/liability insurance for the District is provided through the Colorado School Districts Self-Insurance Pool which is comprised of approximately 100 school districts. The workers’ compensation coverage for the District is provided through the Joint School Districts Pool for Workers’ Compensation. This pool is comprised of four large Denver-metro school districts: Aurora, Boulder Valley, Cherry Creek, and Littleton. The pools rely upon actuarial reviews to determine appropriate funding and reserve levels. Excess insurance is in place for amounts above the retention. Detailed insurance in force information is provided in the Statistical Section, Table XVI.

OTHER INFORMATION

Independent Audit

Government statutes require an annual audit by independent certified public accountants. The accounting firm of Clifton, Gunderson L.L.C. was appointed by the District’s Board of Education to perform the June 30, 1999, fiscal year audit. In addition to meeting the requirements set forth in state statutes, the audit is also designed to meet the requirements of the Single Audit Act of 1984 and related OMB Circular A-133. The auditor’s report on the general purpose financial statements and combined and individual fund statements and schedules is included in the Financial Section of this report. The auditor’s reports related specifically to the single audit are included in the Single Audit Section.

RECOGNITION FOR FINANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Boulder Valley School District RE-2 for its Comprehensive Annual Financial Report for fiscal year ended June 30, 1998. The Certificate of Achievement is the highest form of recognition for excellence in state and local government reporting.

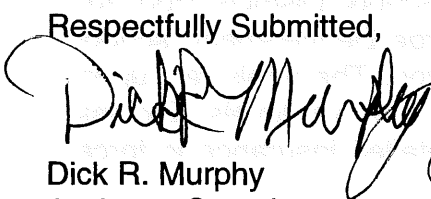
In order to be awarded a Certificate of Achievement, the District must publish an easily readable and efficiently organized comprehensive annual financial report. The Financial Report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The Boulder Valley School District has received a Certificate of Achievement for the previous eight reports. We believe this current report continues to conform to the Certificate of Achievement program requirements, and are submitting it to the GFOA for review.

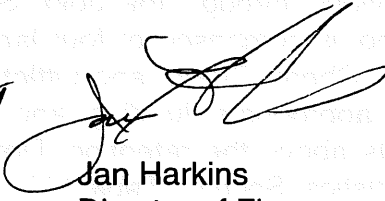
Acknowledgments

The publication of this document was made possible by the dedicated service of the entire staff of the Finance and Accounting Department and the Budget Department. Special appreciation is expressed to Leslie Stafford, CPA, Senior Accountant, Bill Sutter, Accountant, and Jason Carroll, CPA, of Clifton Gunderson L.L.C. for their work in preparation of the Comprehensive Annual Financial Report. We would also like to thank Superintendent Tom Seigel and the Board of Education for their interest in and support of the financial and business operations of the Boulder Valley School District.

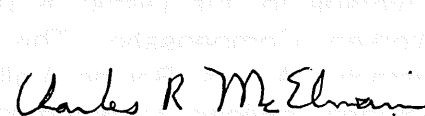
Respectfully Submitted,



Dick R. Murphy
Assistant Superintendent
for Business and Operations



Jan Harkins
Director of Finance
and Accounting



Charles R. McElwain, CPA
Supervisor of Accounting

se/2162

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, 1998

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



Cary Bruck
President
Jeffrey L. Esser
Executive Director

BOULDER VALLEY SCHOOL DISTRICT RE-2

BOARD OF EDUCATION MEMBERS

The registered electors of the District elect the seven members of the Board at successive biennial elections to staggered four-year terms of office. The Board is a policy-making body whose primary functions are to establish policies for the District; provide for the general operation and personnel of the District; and oversee the property, facilities, and financial affairs of the District. Members of the Board serve without compensation. The present Board members, their offices on the Board, lengths of service, and terms of office are as follows:

<u>Name</u>	<u>Office</u>	<u>Years of Service</u>	<u>Term Expires</u>
Linda Shoemaker	President	4	1999
Bill De La Cruz	Vice President	2	1999
Stan Garnett	Treasurer	2	2001
Janusz Okolowicz	Director	4	1999
Julie Phillips	Director	2	2001
Jean Bonelli	Director	2	2001
Don Shonkwiler	Director	4	1999



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graph TD
    BOE[BOARD OF EDUCATION] --> SOT[SUPERINTENDENT OF SCHOOLS  
Tom Seigel - 5114/6039]
    SOT --> OC[OFFICE OF COMMUNICATIONS  
DIRECTOR Barbara Taylor 5041]
    SOT --> OLE[OFFICE OF LEGISLATIVE AND COMMUNITY AFFAIRS  
DIRECTOR Mike Thompson 5196]
    SOT --> ODE[DEPT. OF RESEARCH AND EVALUATION  
DIRECTOR George Kretke 5112/5104]
    SOT --> OES[OFFICE OF EQUITY & MULTICULTURAL EDUC.  
DIRECTOR Name XXXX]
    SOT --> AS[ASSISTANT SUPERINTENDENT FOR BUSINESS AND OPERATIONS  
Dick Murphy - 5019/5181]
    SOT --> DES[DEPUTY SUPERINTENDENT FOR EDUCATIONAL PROGRAMS  
Mack Clark - 5111/6701]
    AS --> DOPS[DIVISION OF OPERATIONAL SERVICES  
EXECUTIVE DIRECTOR Barbara Davis 5052/6078]
    AS --> DOP[DIVISION OF PLANNING  
DIRECTOR Don Orr 5062]
    AS --> DBS[DIVISION OF BUSINESS SERVICES  
BUDGET DIRECTOR Pam Rifkin 5193  
COMMUNITY SCHOOLS DIRECTOR Gail Casella 5265  
FINANCE & ACCOUNTING DIRECTOR Jan Harkins 5002  
MANAGEMENT INFORMATION SERVICES DIRECTOR Richard Anderson 5035  
PURCHASING DIRECTOR Nancy Paluh 5042  
RISK MANAGEMENT DIRECTOR Pat Sandham 5120  
DISTRIBUTION CENTER DIRECTOR John Gamble 6008]
    DES --> DE[DIVISION OF ELEMENTARY EDUCATION  
EXECUTIVE DIRECTOR Veronica Benavidez 5086/5130]
    DES --> DS[DIVISION OF SECONDARY EDUCATION  
EXECUTIVE DIRECTOR Marilyn Marinelli 5089/5100]
    DES --> DLS[DIVISION OF LEARNING SERVICES  
EXECUTIVE DIRECTOR Barbara Conroy 5088/5070]
    DES --> DHR[DIVISION OF HUMAN RESOURCES  
EXECUTIVE DIRECTOR Steve Muller 5037/6502]
    DES --> DSL[DEPARTMENT OF SPECIAL EDUCATION  
DIRECTOR Jean Riordan 5152/5144]
    DES --> DLI[DEPARTMENT OF LITERACY AND LANGUAGE  
DIRECTOR Nancy Commins 6062]
    DES --> DTE[DIRECTOR OF TECHNICAL, EQUITY & MULTICULTURAL EDUC.  
Name XXXX]
    DES --> DCA[DIRECTOR OF CAREER & TECH EDUC.  
Michael Rask 5232]
    DES --> DPA[DIRECTOR OF PLANNING AND ADMINISTRATION  
Name XXXX]
    DES --> DCS[DIRECTOR OF CURRICULUM  
Charles Semis 5270]
    DES --> DRS[DIRECTOR OF READING SERVICES  
Judy Skupa 5182]
    DES --> DAS[DIRECTOR OF ASSESSMENT  
Jonathan Dings 5147]
    DES --> EPS[ELEMENTARY PRINCIPALS AND SCHOOLS]
    DES --> SPS[SECONDARY PRINCIPALS AND SCHOOLS]
  
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BOULDER VALLEY SCHOOL DISTRICT RE-2

LIST OF PRINCIPAL OFFICIALS

The Board is empowered to employ a chief executive officer, the Superintendent, who is responsible to the Board for the daily operations of the District. Other principal administrative officers of the District include a Deputy Superintendent for Educational Programs and an Assistant Superintendent for Business and Operations. In the absence of the Superintendent, the Deputy Superintendent serves as the Superintendent. The Deputy Superintendent directs all educational programs of the District. The Assistant Superintendent directs the business and operations division and function as the Chief Financial Officer of the District.

THOMAS G. SEIGEL, Superintendent

Mr. Seigel began his duties as Superintendent of the Boulder Valley School District in July 1997, following a 25-year career in the United States Navy, where he distinguished himself as a leader and effective manager. His military career included carrying out the most complex overhaul of a nuclear-powered aircraft carrier in history, managing a \$7 million budget without discrepancy and two million man hours of work without injury, and leading Joint Space Support Team deployments to Korea, Thailand, Germany, Spain and Italy. Mr. Seigel holds three master's degrees and is a Ph.D. candidate in public Administration in the Graduate School of Public Affairs at the University of Colorado at Denver.

H. MACK CLARK, Ed.D., Deputy Superintendent

Dr. Clark is starting his third year in the Boulder Valley as Deputy Superintendent for Educational Programs after serving in assistant superintendent positions in Bearverton, Oregon, and Colorado Springs, Colorado. Dr. Clark received a Doctorate of Education from the University of Northern Colorado, Greeley, Colorado, in June 1978 with a major in curriculum and instruction and a minor in social studies. Dr. Clark received his Master of Education in May 1972 from Central Missouri State University, Warrensburg, Missouri, with a major in social studies and a minor in educational administration.

DICK R. MURPHY, Ph.D., Assistant Superintendent

Dr. Murphy has a broad base of financial expertise in large dollar public and private enterprises. Performing a wide variety of roles ranging from investment management to financial forensic analysis, his communication and analytic abilities are a proven asset for insuring proper exercise of fiduciary obligations. Dr. Murphy received his Ph.D. in economics from Iowa State University in 1974. He serves as a school finance consultant for the State of Colorado from 1974-1976; chief investment officer, Deputy Treasurer, Colorado State Treasury, 1976-1980; general partner in charge of taxable fixed income, Boettcher & Co., 1980-1988; Sr. Vice President, taxable fixed income, Dain Bosworth, 1988-1991; and President, Dick R. Murphy & Co., Inc., 1991 to the present.

Mission Statement of the Boulder Valley School District

The Boulder Valley School District challenges students to achieve their academic, creative and physical potential in order to become responsible, contributing citizens.

Board of Education 1998-99 Funding Priorities

Required Expenditures because of legislation, contractual commitments or fixed costs:

- 2.5% salary increase for all employees
- Projected increased cost for utilities
- Costs associated with opening Monarch High School
- Funds transferred to charter schools and other funds
- Services to expelled students
- Increases to reserves

Priorities for expenditure of available remaining funds:

- For classroom teachers in order to maintain staffing levels
- To strengthen K-3 literacy effort

Hallmarks of the Boulder Valley School District

- High achieving students, academically, athletically and artistically
- Highly educated and involved parents
- Talented and committed teachers
- Supportive community partners
- Involvement in decision making
- Choice among neighborhood, focus, and charter schools
- Efficient use of resources
- Accountability to the community through goal setting and reporting
- Commitment to diversity and safety
- Teacher-led improvements in curriculum and content standards.

Areas of Emphasis

1. Support high academic standards and improved student achievement.
2. Support educational choices, including neighborhood schools, focus schools and strands, and charter schools.
3. Ensure a safe and orderly learning environment.
4. Ensure efficient and effective use of all facilities and resources.
5. Encourage community involvement and business partnerships with the schools.
6. Adopt and disseminate standards, then align and revise curriculum.
7. Support educators and professional development.
8. Strengthen the sense of District unity while respecting diversity.
9. Emphasize better internal and external communication.
10. Ensure accountability in all programs and all classrooms.

RELATIONSHIP OF DISTRICT GOALS TO 1998-99 BUDGET

GOAL 1: Beginning with first grade, students will read at or above grade level each academic year.

Efforts to ensure that students will read at or above grade level each academic year, beginning with first grade, are supported through the budgets in the Division of Learning Services, K-3 Literacy program funds, Literacy and Language, Research and Evaluation, and the schools.

GOAL 2: The Boulder Valley School District will ensure accountability for high academic achievement through a variety of mechanisms including tests and assessments.

Efforts to ensure accountability are supported by Staff Development, the Division of Learning Services, Research and Evaluation, and the District Accountability Advisory Committee budgets.

GOAL 3: Boulder Valley School District curriculum renewal will support the achievement of high academic standards.

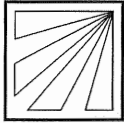
Efforts to ensure that curriculum renewal will foster achievement of high academic standards are supported by budgets for the Division of Learning Services and the schools.

GOAL 4: The Boulder Valley School District will continue to work to eliminate racism and to promote cultural plurality in order to unify the district.

Efforts to focus attention and resources toward eliminating racism and developing an appreciation for cultural diversity while strengthening a sense of unity are supported through the budgets for the schools, District-Wide Instructional Support, and the Multicultural Curriculum Specialist.

gk/2000

FINANCIAL
SECTION



**Clifton
Gunderson L.L.C.**
Certified Public Accountants & Consultants

**Independent Auditor's Report on General-Purpose Financial Statements
and Supplementary Schedule of Expenditures of Federal Awards**

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

We have audited the accompanying general-purpose financial statements of Boulder Valley School District RE-2, as of and for the year ended June 30, 1999 as listed in the table of contents. These general-purpose financial statements are the responsibility of Boulder Valley School District RE-2's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

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

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of Boulder Valley School District RE-2, as of June 30, 1999, and the results of its operations and the cash flows of its proprietary fund types and nonexpendable trust fund for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 22, 1999 on our consideration of Boulder Valley School District RE-2's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements of Boulder Valley School District RE-2, taken as a whole. The accompanying combining individual fund and account group statements and schedules, Colorado School

District/BOCES Auditor's Electronic Financial Data Integrity Check Figures Report, Schedule of Computations of Fiscal Year Spending under Section 20 of Article X of the State Constitution and the schedule of expenditures of federal awards required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* are presented for purposes of additional analysis and are not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

The introductory and statistical sections included in the comprehensive annual financial report were not audited by us and, accordingly, we do not express an opinion on them.

The Year-2000 supplemental information on page 40 is not a required part of the general-purpose financial statements but is supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplemental information. However, we did not audit the information and do not express an opinion on it. In addition, we do not provide assurance that the District is or will become Year-2000 compliant, the District's Year-2000 remediation efforts will be successful in whole or in part, or that parties with which the District does business are or will become Year-2000 compliant.

Clifton Sunderson L.L.C.

Denver, Colorado

October 22, 1999, except for Note 16,

as to which the date is November 2, 1999



COMBINED FINANCIAL STATEMENTS

The combined financial statements provide a financial overview of the District's operation. These financial statements present the financial position of all funds and account groups, operating results of all funds, and changes in cash flows of the proprietary funds and similar trust funds.

BOULDER VALLEY SCHOOL DISTRICT RE-2
Combined Balance Sheet - All Fund Types and Account Groups
June 30, 1999
(With Comparative Totals for June 30, 1998)

ASSETS AND OTHER DEBITS

	<u>Governmental Fund Types</u>			
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
ASSETS				
Equity in pooled cash and temporary cash investments	\$ 23,244,305	\$ 106,728	\$ 14,063,361	\$ 73,809,490
Restricted cash in escrow	198,645	-	-	-
Cash held by County Treasurer	2,075,845	-	165,468	-
Investments	-	-	-	1,230,237
Property taxes receivable, net	3,235,918	-	390,554	-
Accounts receivable	318,672	934,233	-	89,332
Accrued interest receivable	-	-	-	10,773
Due from other funds	328,424	-	-	-
Deposit in workers' compensation pool	-	-	-	-
Inventories	383,930	-	-	-
Prepaid assets	18,516	-	-	-
Land, buildings, and equipment (net, where applicable, of accumulated depreciation)	-	-	-	-
OTHER DEBITS				
Amounts available in debt service fund	-	-	-	-
Amounts to be provided for capital leases, retirement of bonds, certificates of participation, compensated absences, and early retirement	-	-	-	-
TOTAL ASSETS AND OTHER DEBITS	<u>\$ 29,804,255</u>	<u>\$ 1,040,961</u>	<u>\$ 14,619,383</u>	<u>\$ 75,139,832</u>

EXHIBIT 1
(continued)

Proprietary Fund Type		Fiduciary Fund Type	Account Groups		Totals (Memorandum Only)	
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Debt	1999	1998
\$ 925,039	\$ -	\$ 1,852,041	\$ -	\$ -	\$ 114,000,964	\$ 31,166,057
-	-	-	-	-	198,645	2,499,061
-	-	-	-	-	2,241,313	1,653,135
-	-	-	-	-	1,230,237	19,659,845
-	-	-	-	-	3,626,472	3,096,171
518	-	-	-	-	1,342,755	2,121,757
-	-	-	-	-	10,773	788
-	-	-	-	-	328,424	652,452
-	280,754	-	-	-	280,754	280,754
215,583	-	-	-	-	599,513	620,425
-	729,970	-	-	-	748,486	712,363
391,267	-	-	250,448,405	-	250,839,672	243,014,004
-	-	-	-	14,467,115	14,467,115	13,211,548
-	-	-	-	172,131,790	172,131,790	117,133,006
<u>\$ 1,532,407</u>	<u>\$ 1,010,724</u>	<u>\$ 1,852,041</u>	<u>\$ 250,448,405</u>	<u>\$ 186,598,905</u>	<u>\$ 562,046,913</u>	<u>\$ 435,821,366</u>

BOULDER VALLEY SCHOOL DISTRICT RE-2
Combined Balance Sheet - All Fund Types and Account Groups
June 30, 1999
(With Comparative Totals for June 30, 1998)

LIABILITIES, EQUITY AND OTHER CREDITS

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
LIABILITIES				
Accounts payable	\$ 1,709,566	\$ 88,010	\$ 856	\$ 1,461,530
Accrued salaries and benefits	18,891,315	552,182	-	3,034
Arbitrage payable	-	-	-	2,487,726
Retainage payable	-	-	-	187,419
Due to other funds	-	-	-	267,039
Due to student groups	-	-	-	-
Deferred property tax revenue	1,478,662	-	151,412	-
Deferred revenue	84,643	343,447	-	-
General obligation bonds	-	-	-	-
Certificates of participation	-	-	-	-
Compensated absences	-	-	-	-
Early retirement	-	-	-	-
Capital lease obligations	-	-	-	-
Total liabilities	<u>22,164,186</u>	<u>983,639</u>	<u>152,268</u>	<u>4,406,748</u>
EQUITY AND OTHER CREDITS				
Contributed capital	-	-	-	-
Investment in general fixed assets	-	-	-	-
Retained earnings				
Reserved for emergencies	-	-	-	-
Unreserved	-	-	-	-
Fund balances (deficits)				
Reserved for				
Inventories	415,000	-	-	-
Multi-year contractual obligations	-	-	-	-
Debt service	-	-	14,467,115	-
Construction	-	-	-	67,935,345
Endowment	-	-	-	-
Emergencies	4,520,923	-	-	162,007
Unreserved				
Designated for subsequent expenditures	2,704,146	-	-	2,635,732
Undesignated	-	57,322	-	-
Total equity and other credits	<u>7,640,069</u>	<u>57,322</u>	<u>14,467,115</u>	<u>70,733,084</u>
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	<u>\$ 29,804,255</u>	<u>\$ 1,040,961</u>	<u>\$ 14,619,383</u>	<u>\$ 75,139,832</u>

EXHIBIT 1
(continued)

Proprietary Fund Types		Fiduciary Fund Type	Account Groups		Totals (Memorandum Only)	
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Debt	1999	1998
\$ 49,048	\$ 5,692	\$ -	\$ -	\$ -	\$ 3,314,702	\$ 8,691,871
69,376	10,531	-	-	-	19,526,438	16,985,542
-	-	-	-	-	2,487,726	2,384,461
-	-	-	-	-	187,419	1,621,320
-	61,385	-	-	-	328,424	652,452
-	-	1,665,624	-	-	1,665,624	1,384,938
-	-	-	-	-	1,630,074	1,499,947
95,139	-	-	-	-	523,229	520,912
-	-	-	-	176,270,000	176,270,000	119,015,000
-	-	-	-	8,695,000	8,695,000	9,425,000
-	-	-	-	1,026,923	1,026,923	927,826
-	-	-	-	75,063	75,063	330,088
-	-	-	-	531,919	531,919	646,640
<u>213,563</u>	<u>77,608</u>	<u>1,665,624</u>	<u>-</u>	<u>186,598,905</u>	<u>216,262,541</u>	<u>164,085,997</u>
834,417	-	-	-	-	834,417	927,030
-	-	-	250,448,405	-	250,448,405	242,555,121
122,953	75,458	-	-	-	198,411	178,157
361,474	857,658	-	-	-	1,219,132	1,122,412
-	-	-	-	-	415,000	415,000
-	-	-	-	-	-	110,000
-	-	-	-	-	14,467,115	13,211,548
-	-	-	-	-	67,935,345	12,787,657
-	-	142,773	-	-	142,773	139,401
-	-	-	-	-	4,682,930	4,064,269
-	-	-	-	-	5,339,878	2,533,415
-	-	43,644	-	-	100,966	(6,308,641)
<u>1,318,844</u>	<u>933,116</u>	<u>186,417</u>	<u>250,448,405</u>	<u>-</u>	<u>345,784,372</u>	<u>271,735,369</u>
<u>\$ 1,532,407</u>	<u>\$ 1,010,724</u>	<u>\$ 1,852,041</u>	<u>\$ 250,448,405</u>	<u>\$ 186,598,905</u>	<u>\$ 562,046,913</u>	<u>\$ 435,821,366</u>

These financial statements should be read only in connection with
the accompanying notes to financial statements.

BOULDER VALLEY SCHOOL DISTRICT RE-2
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (DEFICIT) - GOVERNMENTAL
FUND TYPES AND EXPENDABLE TRUST FUND

Year Ended June 30, 1999

(With Comparative Totals for the Year Ended June 30, 1998)

	Governmental Fund Type			
	General Fund	Special Revenue	Debt Service	Capital Projects
REVENUES				
Local sources	\$ 122,949,969	\$ 384,345	\$ 14,721,421	\$ 1,741,593
State sources	33,169,851	132,833	-	-
Federal sources	17,086	4,300,278	-	-
Total revenues	156,136,906	4,817,456	14,721,421	1,741,593
EXPENDITURES				
Current				
Instruction - regular programs	70,046,988	2,012,537	-	-
Instruction - special programs	24,781,211	1,330,669	-	-
Student support services	3,333,077	597,550	-	-
Instructional staff services	4,874,521	323,172	-	-
General administration	1,923,201	9,974	6,580	-
School administration	11,167,773	281,450	-	-
Business services	1,476,452	-	-	-
Operations and maintenance	11,473,734	420	-	-
Pupil transportation	4,619,472	-	-	-
Central support services	3,500,910	1,398	-	-
Other support services	43,920	-	-	-
Enterprise operations	58,564	-	-	-
Community services	2,202,873	253,802	-	-
Adult education	35,267	-	-	-
Insurance reserve	1,951,362	-	-	-
Capital outlay	-	-	-	14,301,645
Scholarships and awards	-	-	-	-
Bond issuance costs	-	-	-	-
Debt service	1,264,129	-	13,459,274	-
Total expenditures	142,753,454	4,810,972	13,465,854	14,301,645
Revenues over (under) expenditures	13,383,452	6,484	1,255,567	(12,560,052)
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of fixed assets	31,743	-	-	171,541
Payment to refunded bond escrow	-	-	-	-
Proceeds from sale of bonds	-	-	-	63,836,755
Operating transfers in	-	-	-	3,795,794
Operating transfers out	(3,795,794)	-	-	-
Proceeds of capital lease	-	-	-	-
Total other financing sources (uses)	(3,764,051)	-	-	67,804,090
Revenues and other financing sources over (under) expenditures and other financing uses	9,619,401	6,484	1,255,567	55,244,038
FUND BALANCES (DEFICIT), JULY 1	(1,979,332)	50,838	13,211,548	15,489,046
FUND BALANCES (DEFICIT), JUNE 30	\$ 7,640,069	\$ 57,322	\$ 14,467,115	\$ 70,733,084

EXHIBIT 2

Fiduciary Fund Expendable Trust	Totals (Memorandum Only)	
	1999	1998
\$ 6,621	\$ 139,803,949	\$ 121,424,749
-	33,302,684	30,307,898
-	4,317,364	4,580,720
<u>6,621</u>	<u>177,423,997</u>	<u>156,313,367</u>
-	72,059,525	68,701,845
-	26,111,880	22,355,449
-	3,930,627	3,496,064
-	5,197,693	4,449,319
-	1,939,755	1,866,290
-	11,449,223	9,716,871
-	1,476,452	1,422,046
-	11,474,154	10,715,296
-	4,619,472	4,325,552
-	3,502,308	3,138,181
-	43,920	88,097
-	58,564	114,840
-	2,456,675	3,067,927
-	35,267	64,997
-	1,951,362	1,405,254
-	14,301,645	27,674,914
4,125	4,125	6,058
-	-	527,937
-	14,723,403	12,026,301
<u>4,125</u>	<u>175,336,050</u>	<u>175,163,238</u>
<u>2,496</u>	<u>2,087,947</u>	<u>(18,849,871)</u>
-	203,284	29,064
-	-	(70,063,903)
-	63,836,755	69,105,644
-	3,795,794	4,178,901
-	(3,795,794)	(4,178,901)
-	-	625,000
<u>-</u>	<u>64,040,039</u>	<u>(304,195)</u>
2,496	66,127,986	(19,154,066)
<u>41,148</u>	<u>26,813,248</u>	<u>45,967,314</u>
<u>\$ 43,644</u>	<u>\$ 92,941,234</u>	<u>\$ 26,813,248</u>

These financial statements should be read only in connection with the accompanying notes to financial statements.

BOULDER VALLEY SCHOOL DISTRICT RE-2
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (DEFICITS), BUDGET AND ACTUAL - GOVERNMENTAL
FUND TYPES AND EXPENDABLE TRUST FUND (BUDGET BASIS)
Year Ended June 30, 1999

	General Fund			Special Revenue Fund		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
REVENUES						
Local sources	\$ 119,747,071	\$ 122,949,969	\$ 3,202,898	\$ 1,287,521	\$ 384,345	\$ (903,176)
State sources	33,735,431	33,169,851	(565,580)	1,115,000	132,833	(982,167)
Federal sources	-	17,086	17,086	4,269,690	3,778,364	(491,326)
Total revenues	153,482,502	156,136,906	2,654,404	6,672,211	4,295,542	(2,376,669)
EXPENDITURES						
Current						
Instruction - regular programs	74,056,513	69,093,703	4,962,810	1,918,247	1,995,274	(77,027)
Instruction - special programs	23,227,884	24,325,039	(1,097,155)	2,216,944	1,304,479	912,465
Student support services	3,240,372	3,485,086	(244,714)	205,920	559,970	(354,050)
Instructional staff services	4,503,211	4,766,825	(263,614)	208,257	314,363	(106,106)
General administration	1,870,902	1,923,201	(52,299)	-	9,974	(9,974)
School administration	11,058,530	11,087,067	(28,537)	147,251	261,712	(114,461)
Business services	1,594,068	1,476,452	117,616	-	-	-
Operations and maintenance	12,056,424	11,473,734	582,690	11,430	420	11,010
Pupil transportation	3,949,008	4,619,472	(670,464)	-	-	-
Central support services	3,678,109	3,510,282	167,827	2,097	1,398	699
Other support services	43,674	43,920	(246)	-	-	-
Enterprise operations	5,560	58,564	(53,004)	-	-	-
Community services	2,686,278	2,202,873	483,405	331,957	242,323	89,634
Adult education	33,611	35,267	(1,656)	-	-	-
Committed Reserves	-	-	-	-	-	-
Reserves	14,409,035	-	14,409,035	1,695,092	-	1,695,092
Capital outlay	-	-	-	-	-	-
Scholarships and awards	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-
Debt service	1,256,303	1,264,129	(7,826)	-	-	-
Total expenditures	157,669,482	139,365,614	18,303,868	6,737,195	4,689,913	2,047,282
Revenues over (under) expenditures	(4,186,980)	16,771,292	20,958,272	(64,984)	(394,371)	(329,387)
Other financing sources (uses)						
Proceeds from sale of fixed assets	35,000	31,743	(3,257)	-	-	-
Operating transfers in	-	-	-	-	-	-
Operating transfers out	(6,099,565)	(5,747,156)	352,409	-	-	-
Proceeds from sale of bonds	-	-	-	-	-	-
Total other financing sources (uses)	(6,064,565)	(5,715,413)	349,152	-	-	-
REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)	<u>\$ (10,251,545)</u>	<u>11,055,879</u>	<u>\$ 21,307,424</u>	<u>\$ (64,984)</u>	<u>(394,371)</u>	<u>\$ (329,387)</u>
Salaries and benefits earned but unpaid						
July 1, 1997		12,255,384			400,855	
June 30, 1998		(13,691,862)			(521,914)	
Revenues accrued due to salaries and benefits earned but unpaid		-			521,914	
FUND BALANCES (DEFICITS), JULY 1		<u>(1,979,332)</u>			<u>50,838</u>	
FUND BALANCES (DEFICITS), JUNE 30		<u>\$ 7,640,069</u>			<u>\$ 57,322</u>	

EXHIBIT 3

[illegible]

These financial statements should be read only in connection with the accompanying notes to financial statements.



BOULDER VALLEY SCHOOL DISTRICT RE-2
COMBINED STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN RETAINED EARNINGS/FUND BALANCE
ALL PROPRIETARY FUND TYPES AND NONEXPENDABLE TRUST FUND
Year Ended June 30, 1999
(With Comparative Totals for Year Ended June 30, 1998)

	Proprietary Fund Types		Fiduciary Fund Type	Totals (Memorandum Only)	
	Enterprise	Internal Service	Nonexpendable Trust	1999	1998
OPERATING REVENUES					
Food sales	\$ 2,929,692	\$ -	\$ -	\$ 2,929,692	\$ 2,696,507
Premiums and services	-	1,951,362	-	1,951,362	1,405,254
Interest on investments	-	-	6,777	6,777	6,712
Other revenue	62,930	195,274	10,122	268,326	261,701
Total operating revenues	<u>2,992,622</u>	<u>2,146,636</u>	<u>16,899</u>	<u>5,156,157</u>	<u>4,370,174</u>
OPERATING EXPENSES					
Salaries	1,481,176	529,531	-	2,010,707	1,721,866
Benefits	304,200	117,970	-	422,170	359,646
Other expenses	-	321,866	-	321,866	124,809
Insurance premiums and claims	-	553,866	-	553,866	529,485
Workers compensation insurance	-	517,138	-	517,138	635,830
Purchased food	1,630,449	-	-	1,630,449	1,505,031
USDA donated commodities	224,146	-	-	224,146	230,082
Nonfood supplies	188,687	-	-	188,687	167,231
Capital outlay	-	12,042	-	12,042	3,720
Contingency reserve	-	152,307	-	152,307	-
Purchased services	155,061	-	13,527	168,588	166,536
Depreciation	50,000	-	-	50,000	50,000
Total operating expenses	<u>4,033,719</u>	<u>2,204,720</u>	<u>13,527</u>	<u>6,251,966</u>	<u>5,494,236</u>
Net income (loss) from operations	<u>(1,041,097)</u>	<u>(58,084)</u>	<u>3,372</u>	<u>(1,095,809)</u>	<u>(1,124,062)</u>
NONOPERATING REVENUES					
USDA donated commodities	224,787	-	-	224,787	228,373
State reimbursement	991,368	-	-	991,368	974,059
Total nonoperating revenues	<u>1,216,155</u>	<u>-</u>	<u>-</u>	<u>1,216,155</u>	<u>1,202,432</u>
Net income (loss)	175,058	(58,084)	3,372	120,346	78,370
RETAINED EARNINGS/ FUND BALANCE, JULY 1	<u>309,369</u>	<u>991,200</u>	<u>139,401</u>	<u>1,439,970</u>	<u>1,361,600</u>
RETAINED EARNINGS/ FUND BALANCE, JUNE 30	<u>\$ 484,427</u>	<u>\$ 933,116</u>	<u>\$ 142,773</u>	<u>\$ 1,560,316</u>	<u>\$ 1,439,970</u>

These financial statements should be read only in connection with
the accompanying notes to financial statements.

BOULDER VALLEY SCHOOL DISTRICT RE-2
COMBINED STATEMENTS OF CASH FLOWS
ALL PROPRIETARY FUND TYPES AND NONEXPENDABLE TRUST FUND
Year Ended June 30, 1999
(With Comparative Totals for Year Ended June 30, 1998)

	Proprietary Fund Types		Fiduciary Fund Type	Totals (Memorandum Only)	
	Enterprise	Internal Service	Nonexpendable Trust	1999	1998
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from food program participants	\$ 2,930,853	\$ -	\$ -	\$ 2,930,853	\$ 2,870,350
Contributions	-	-	10,122	10,122	-
Receipts from premiums	-	2,316,751	-	2,316,751	1,304,194
Cash payments to employees for services	(1,777,624)	-	-	(1,777,624)	(1,671,430)
Cash payments for premiums and claims	-	(1,870,965)	-	(1,870,965)	(1,164,976)
Cash payments to suppliers for goods and services	(1,933,513)	(668,409)	(16,323)	(2,618,245)	(2,371,080)
Other operating receipts	62,930	195,497	-	258,427	261,701
Net cash provided (used) by operating activities	(717,354)	(27,126)	(6,201)	(750,681)	(771,241)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
State reimbursement grant received	991,368	-	-	991,368	974,059
CASH FLOWS FROM CAPITAL AND RELATED FINANCIAL ACTIVITIES					
Acquisition of capital assets	(74,997)	-	-	(74,997)	(36,234)
Net cash provided (used) by capital and related financial activities	(74,997)	-	-	(74,997)	(36,234)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	-	-	6,777	6,777	6,712
Net increase (decrease) in cash and cash equivalents	199,017	(27,126)	576	172,467	173,296
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	726,022	27,126	142,197	895,345	722,049
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 925,039</u>	<u>\$ -</u>	<u>\$ 142,773</u>	<u>\$ 1,067,812</u>	<u>\$ 895,345</u>

	Proprietary Fund Types		Fiduciary Fund Type	Totals (Memorandum Only)	
	Enterprise	Internal Service	Nonexpendable Trust	1999	1998
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES - OPERATING INCOME (LOSS)	\$ (1,041,097)	\$ (58,084)	\$ 3,372	\$ (1,095,809)	\$ (1,124,062)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities					
Depreciation	50,000	-	-	50,000	50,000
USDA donated commodities	224,787	-	-	224,787	228,373
Changes in assets and liabilities					
Accounts receivable	1,161	224	-	1,385	173,619
Deferred revenue	(9,847)	-	-	(9,847)	(7,970)
Inventory	38,101	-	-	38,101	(26,160)
Prepaid assets	-	(29,134)	-	(29,134)	(100,836)
Accounts payable	11,789	(8,867)	(1,382)	1,540	38,808
Accrued vacation payable	7,296	7,350	-	14,646	6,334
Accrued payroll	456	-	-	456	(4,049)
Due to other funds	-	61,385	(1,414)	59,971	1,414
Interest reported as operating income	-	-	(6,777)	(6,777)	(6,712)
Total adjustments	323,743	30,958	(9,573)	345,128	352,821
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (717,354)	\$ (27,126)	\$ (6,201)	\$ (750,681)	\$ (771,241)
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES					
USDA donated commodities	\$ 234,634	\$ -	\$ -	\$ 234,634	\$ 220,403
Acquisition of food commodities through food donation	(224,787)	-	-	(224,787)	(228,373)
NET EFFECT OF NONCASH TRANSACTIONS	\$ 9,847	\$ -	\$ -	\$ 9,847	\$ (7,970)

These financial statements should be read only in connection with
the accompanying notes to financial statements.



BOULDER VALLEY SCHOOL DISTRICT RE-2
NOTES TO FINANCIAL STATEMENTS
June 30, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Boulder Valley School District RE-2 (the District) have been prepared in conformity with generally accepted accounting principles (GAAP) and standards adopted by the Governmental Accounting Standards Board (GASB). A summary of the District's significant accounting policies applied in the preparation of these financial statements follows.

REPORTING ENTITY

The District is the level of government which has financial accountability and control over all activities related to public school education in Boulder Valley School District RE-2. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities. However, the District is not included in any other governmental "reporting entity" as defined in the Governmental Accounting Standard No. 14, *The Financial Reporting Entity*. The Board of Education members are elected by the public and have decision-making authority, the power to designate management, the ability to significantly influence operations, and primary accountability for fiscal matters.

As required by generally accepted accounting principles, these financial statements present the District (the primary government). There are no component units.

The Foundation for Boulder Valley Schools (Foundation) is a non-profit, tax-exempt corporation established for the purpose of attracting funding from business, industry, and individuals to enhance educational programs and activities for students. The Foundation for Boulder Valley Schools is not considered to be part of the reporting entity for financial reporting purposes because the Board of Education of the District does not have a fiscal or financial responsibility or accountability over the Foundation.

FUND ACCOUNTING

The accounts of the District are organized on the basis of funds and account groups, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate.

Resources are allocated to and accounted for individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped in the financial statements into seven generic fund types and three broad fund categories as follows:

BOULDER VALLEY SCHOOL DISTRICT RE-2
NOTES TO FINANCIAL STATEMENTS
June 30, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Funds

General Fund - The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund includes the activities relating to charter schools, athletics, summer school and community school programs.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes. The Special Revenue Funds consist of the Governmental Designated Special Purpose Grants Fund and the Tuition Based Preschool Fund.

Debt Service - Bond Redemption Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Capital Projects Funds - Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities and equipment (other than those financed by proprietary funds). The Capital Projects Funds consist of the Capital Reserve Fund, Building Fund 1994, Building Fund 1999, and the Energy Conservation Fund.

Proprietary Funds

Enterprise - Food Service Fund - The Enterprise Fund is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing services on a continuing basis be financed or recovered primarily through user charges.

Internal Service - Insurance Reserve Fund - The Internal Service Fund is used to account for the financing of goods or services by one department to other departments of the District, on a cost reimbursement basis.

Fiduciary Funds

Trust and Agency Funds - Trust and Agency Funds are used to account for assets held by the District in a trustee capacity for individuals, private organizations, other governmental units, and/or other funds. When these assets are held under the terms of a formal trust agreement, either a nonexpendable trust fund or an expendable trust fund is used. The terms "nonexpendable" and "expendable" refer to whether or not the government is under obligation to maintain the trust principal. Agency funds are generally held to account for assets that the government holds on behalf of others as their agent. The Fiduciary Funds consist of the Expendable Trust Fund, Nonexpendable Trust Fund, and the Agency Fund.

BOULDER VALLEY SCHOOL DISTRICT RE-2
NOTES TO FINANCIAL STATEMENTS
June 30, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FIXED ASSETS AND LONG-TERM LIABILITIES

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Governmental fund operating statements present increases (revenue and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in the governmental funds. All fixed assets are assigned either at original cost or an estimated historical cost in the case of older assets for which actual cost was not determinable. Donated assets have been recorded at their estimated fair market value at the date of receipt. No depreciation has been provided for the general fixed assets of the District.

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group, not in the governmental funds. The general obligation bonds reflected in the General Long-Term Debt Account Group are serviced from property taxes and other revenue of the Bond Redemption Fund. Capital leases are serviced from property taxes and other revenue of the Capital Reserve Fund. Certificates of participation are paid from General Fund sources. The long-term accumulated unpaid vacation and early retirement benefits are serviced from property taxes and other revenue by respective fund type from future appropriations.

The two account groups are not "funds". They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

Because of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the General Long-Term Debt Account Group.

BOULDER VALLEY SCHOOL DISTRICT RE-2
NOTES TO FINANCIAL STATEMENTS
June 30, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

All Proprietary Funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (revenue) and decreases (expenses) in total net assets.

Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided for, in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives, on a straight-line basis. The estimated lives used in determining depreciation for fixed assets is 12 years.

BASIS OF ACCOUNTING

Basis of accounting refers to when revenue and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

- All governmental fund types, the expendable trust fund, and the agency fund are accounted for on the modified accrual basis of accounting. Revenue is recognized when it becomes measurable and available as net current assets. Property taxes are reported as revenue in the year collected and as a receivable and deferred revenue to the extent that the amounts levied are not collected in the fiscal year levied. Grant and entitlement revenue is recognized to the extent of related expenditures or when compliance with matching requirements are met. A receivable is established when the related expenditures exceeds revenue receipts and a deferred revenue account is established when receipts exceed the related expenditures. Expenditures are recorded when the related fund liability is incurred with the exception of general obligation and capital lease debt service and sick pay, which are accounted for as expenditures when paid.
- The proprietary fund types and the nonexpendable trust fund are accounted for on the accrual basis of accounting. Revenue is recognized when earned, and expenses are recognized when incurred. The measurement focus in these funds is on income determination, and expenses rather than expenditures are recorded in the statement of revenue and expenses. The District has elected to apply all applicable Governmental Accounting Standards Board (GASB) pronouncements as well as all applicable Financial Accounting Standards Board (FASB) pronouncements in accounting and reporting issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

BOULDER VALLEY SCHOOL DISTRICT RE-2
NOTES TO FINANCIAL STATEMENTS
June 30, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BUDGETS AND LEGAL COMPLIANCE

For the year ended June 30, 1999, the District followed these procedures in establishing the budgetary data reflected in the financial statements:

1. On March 5, 1998, the Superintendent submitted to the Board of Education a preliminary proposed budget for the period commencing July 1, 1998. The budget included proposed expenditures and the means of financing them.
2. Public hearings were conducted at regular Board of Education meetings to obtain taxpayer comments.
3. On June 25, 1998, the budget was legally adopted by the Board of Education.
4. On September 24, 1998, the revised budget was legally adopted by the Board of Education.
5. The budget was used in the integrated financial management system as a management control device for all funds.

Budgets for all funds were adopted on a basis consistent with GAAP except as follows:

- Revenues and expenditures for budgetary purposes exclude amounts for salaries and benefits earned but unpaid.
- Payments from the General Fund to the Insurance Reserve Fund are treated as a transfer for budgetary purposes and as an expenditure and revenue for GAAP purposes.

Colorado Budget Law requires that all funds have legally adopted budgets and appropriations. 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 of Schools. Revisions and/or supplemental appropriations that alter the total expenditures of any fund must be approved by the Board of Education no later than September 30 of the current budget year.

Generally accepted accounting principles do not require budgetary accounting for agency funds. However, Colorado Local Government Uniform Accounting and Budget Laws require that a budget be adopted and reported for these funds.

BOULDER VALLEY SCHOOL DISTRICT RE-2
NOTES TO FINANCIAL STATEMENTS
June 30, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgetary amounts reported in the accompanying financial statements are as adopted in the revised budget by the Board of Education. Individual amendments in the General Fund were not material in relation to the original appropriations. The budget for the Governmental Designated Special Purpose Grants Fund is based upon the individual grant budgets as approved by the Board of Education.

ENCUMBRANCES

Encumbrances outstanding at year-end are considered immaterial and thus are not recorded as reservations of fund balances.

FUND EQUITY

The District designates a portion of the ending fund equity for the subsequent year's expenditures in amounts as determined by the Board of Education. The amounts designated as of June 30, 1999 are as follows:

<u>Fund</u>	<u>Designated Fund Equity</u>
Capital Projects	
Capital Reserve	\$ 1,279,313
Energy Conservation	<u>1,356,419</u>
Total	<u>\$ 2,635,732</u>

The District reserves amounts which are legally restricted resources for specific future use or to indicate that the portion of the fund equity represented by certain assets does not represent available spendable resources.

BOULDER VALLEY SCHOOL DISTRICT RE-2
NOTES TO FINANCIAL STATEMENTS
June 30, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The amounts reserved as of June 30, 1999 are as follows:

<u>Fund</u>	<u>Reserved Fund Equity</u>
General Fund:	
Inventories	\$ 415,000
Emergencies	4,520,923
Bond Redemption - debt service	14,467,115
Capital Reserve - emergencies	157,110
Energy Conservation - emergencies	4,897
Building Fund 1994- construction	6,184,824
Building Fund 1999 - construction	61,750,521
Food Service - emergencies	122,953
Insurance Reserve - emergencies	75,458
Nonexpendable Trust - endowment	142,773

The Board has reserved \$415,000 for inventory purposes. This amount consists of the following:

Inventory on hand	\$ 383,930
Reserved for additional inventory expenditures	31,070
Total reserved	<u>\$ 415,000</u>

PROPERTY TAXES

Under Colorado law, all property taxes become due and payable in the year following that in which they are levied. Property taxes are recognized as revenue when received by the County Treasurer. The 1999 fiscal year property tax calendar for Boulder County and Gilpin Counties was as follows:

Levy date	December 15
Lien date	January 1
Tax bills mailed	January 1
First installment due	February 28
Second installment due	June 15
If paid in full, due	April 30
Tax sale - delinquent property taxes	September 30

BOULDER VALLEY SCHOOL DISTRICT RE-2
NOTES TO FINANCIAL STATEMENTS
June 30, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

PROPERTY TAXES RECEIVABLE

Property taxes levied in 1998 for collection in 1999 but not received as of June 30, 1999, are identified as property taxes receivable and are presented net of an allowance for uncollectible taxes of 1% of the gross amounts.

EQUITY IN POOLED CASH AND TEMPORARY CASH INVESTMENTS

The District utilizes the pooled cash concept whereby cash balances of each of the District's funds are pooled and invested by the District in short-term certificates of deposit, repurchase agreements, money market deposit accounts, government pools, and U.S. Treasury Obligations. All securities are recorded at market values. It is the intention of the investment pool to maximize interest income, and securities are selected according to their risk, marketability, and diversification.

For purposes of the statement of cash flows, the District considers all highly liquid investments with a maturity of three months or less from date of purchase to be cash and cash equivalents.

PREPAID ITEMS

Payments made to vendors for services that will benefit periods beyond June 30, 1999 are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of payment, and an expenditure/expense is reported in the year in which the services are consumed.

INVENTORIES

Materials and supplies inventories are stated at average cost.

Food Service Fund commodities inventories consist of purchased and donated commodities. Purchased inventories are stated at average cost. Donated inventories, received at no cost under a program supported by the federal government, are valued based upon the cost reported on the commodity cost sheet furnished by the federal government.

Inventory is recorded as an asset when individual inventory items are purchased and as an expenditure when consumed.

BOULDER VALLEY SCHOOL DISTRICT RE-2
NOTES TO FINANCIAL STATEMENTS
June 30, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

INTEREST INCOME

The General Fund functions as a cash pool and paying agent for all District funds except the Building Fund and certain Agency Fund accounts. The interest income from the District's investments is recorded in the General Fund as earned and is distributed quarterly from the General Fund to the other funds in amounts based upon the average investment throughout the fiscal year. Interest income from the Building Fund and certain Agency Fund accounts is recorded as earned in the related fund.

LAND, BUILDINGS, AND EQUIPMENT

General Fixed Assets

General Fixed Assets are utilized for general District purposes and are capitalized at actual historical or estimated historical cost in the General Fixed Assets Account Group. Donations of such assets are also accounted for in the General Fixed Assets Account Group and are recorded at estimated fair market value at the time of donation.

No depreciation is provided on general fixed assets. Maintenance, repairs, and minor renovations are recorded as expenditures when incurred. Major additions and improvements are capitalized. When land, buildings, or equipment are sold, the proceeds of the sale are recorded as revenue in the appropriate fund.

Proprietary Funds Equipment

Equipment included in the Food Service Fund is stated at cost or estimated historical cost if the original cost is not available. Donated equipment is stated at estimated fair market value at the time received. Depreciation is provided on a straight-line basis over the estimated useful life of the equipment. Estimated useful life of the equipment is 12 years, which is consistent with the criteria set forth by the U.S. Department of Agriculture School Food Service Financial Management Handbook for Uniform Accounting.

MEMORANDUM ONLY – TOTAL COLUMNS

Total columns on the general purpose financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or cash flows in conformity with generally accepted accounting principles; neither are such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

BOULDER VALLEY SCHOOL DISTRICT RE-2
NOTES TO FINANCIAL STATEMENTS
June 30, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

COMPARATIVE DATA/RECLASSIFICATIONS

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the District's financial position and operations. Also, certain amounts in the June 30, 1998 financial statements have been reclassified to conform with the June 30, 1999 presentations.

NOTE 2 - BUDGETARY BASIS OF ACCOUNTING

The accompanying statement of revenue, expenditures, and changes in fund balance for all governmental fund types - budget and actual - has been prepared on a legally prescribed basis of accounting which differs from GAAP.

The following Expenditure and Fund Balance Schedules identify these differences:

<u>Expenditure Schedule</u>	<u>General Fund</u>	<u>Governmental Designated- Purpose Grants Fund</u>
Expenditures reported on a GAAP basis	\$ 142,753,454	\$ 4,643,736
Effect of salaries earned but unpaid	(1,436,478)	(121,059)
Less transfers to Insurance Reserve fund	(1,951,362)	-
Expenditures reported on budget basis	<u><u>\$ 139,365,614</u></u>	<u><u>\$ 4,522,677</u></u>
<u>Fund Balance (Deficit) Schedule</u>		
Fund balance (deficit) reported on a GAAP basis	\$ 7,694,927	\$ (14,619)
Plus effect of accrued salaries and benefits	13,691,862	(400,855)
Fund balance (deficit) available on budgetary basis	<u><u>\$ 21,386,789</u></u>	<u><u>\$ (415,474)</u></u>

Salaries of teachers and certain other employees are paid over a 12-month period ending August 31; however, most salaries are earned over the school year of August through June. The District's accrued salaries and benefits as of June 30, 1999 are \$14,213,776. For salaries and benefits earned prior to June 30 but not paid until July and August of the following year, the District has consistently followed a practice of budgeting and appropriating these expenditures in the period paid.

BOULDER VALLEY SCHOOL DISTRICT RE-2
NOTES TO FINANCIAL STATEMENTS
June 30, 1999

NOTE 2 - BUDGETARY BASIS OF ACCOUNTING (CONTINUED)

Payments from the General Fund to the Insurance Reserve Fund are treated as a transfer for budgetary purposes and as an expenditure and revenue for GAAP purposes.

The budget for the Insurance Reserve Internal Service Fund has been prepared on a legally prescribed basis of accounting which differs from GAAP as follows:

<u>Revenue Schedule</u>	<u>Governmental Designated -Purpose Grants Fund</u>	<u>Internal Service Fund</u>
Revenues reported on a GAAP basis	\$ 4,643,264	\$ 2,146,636
Effect of summer salaries earned but unpaid	(521,914)	-
Premiums and services	-	(1,951,362)
Revenues reported on budget basis	\$ 4,121,350	\$ 195,274
 <u>Operating Transfers</u>		
Operating transfers from the General Fund reported on GAAP basis	\$ -	\$ -
Premiums and services	-	1,951,362
 Operating transfers from the General Fund reported on budget basis	 \$ -	 \$ 1,951,362

NOTE 3 - DEPOSITS AND INVESTMENTS

Deposits

The District's investment policies are approved by the Board of Education and governed by Colorado statute. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories; eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to the aggregate uninsured deposits. All deposits of the District are insured or collateralized with securities held by or for the District in the District's name.

BOULDER VALLEY SCHOOL DISTRICT RE-2
NOTES TO FINANCIAL STATEMENTS
June 30, 1999

NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)

At June 30, 1999, the District's cash deposits had a carrying balance of \$6,981,732 (including cash held by County Treasurer of \$2,241,313 and cash in escrow of \$198,645) and a corresponding bank balance as follows (the difference between the carrying balance and the bank balance is related to outstanding reconciling items):

Bank Balance

Cash held by County Treasurer	\$ 2,241,313
Cash in escrow	198,645
Categorized deposits:	
Deposits in the District's name covered by federal depository insurance	290,790
Deposits in the District's name collateralized in institution pools by the District's agent	<u>4,562,599</u>
Total	<u>\$ 7,293,347</u>

The cash with County Treasurer is collateralized in a depository account held by the County Treasurer.

Investments

Colorado statutes specify investments meeting defined rating and risk criteria in which local government entities may invest:

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

BOULDER VALLEY SCHOOL DISTRICT RE-2
NOTES TO FINANCIAL STATEMENTS
June 30, 1999

NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)

Investments made by the District are summarized below. Investments in local government investment pools or in money market funds are not categorized because they are not evidenced by securities that exist in physical or book entry form. The investments that are represented by specific identifiable investment securities are classified as to credit risk by the three categories described below:

- Category 1: Insured or registered, or securities held by the District or its agents in the District's name.
- Category 2: Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the District's name.
- Category 3: Uninsured and unregistered, with securities held by the counterparty or by its trust department or agent, but not in the District's name.

The District has implemented Governmental Accounting Standards Board (GASB) Statement No. 31 *Accounting and Financial Reporting for Certain Investments for External Investment Pools*. This statement essentially requires investments to be recorded at fair value.

	<u>Fair Value</u>
Category 1	
Repurchase agreements	\$ 1,230,237
Not subject to categorization -	
Colorado Local Government	
Liquid Asset Trust	
(COLOTRUST)	<u>109,459,190</u>
Total investments	<u><u>\$ 110,689,427</u></u>

The District has invested \$109,459,190 in COLOTRUST, an investment vehicle established for local government entities in Colorado to pool surplus funds. COLOTRUST operates similarly to a money market fund and each share is equal in value to \$1. Investments of COLOTRUST consist of U.S. Treasury bills, note and note strips, and repurchase agreements collateralized by U.S. Treasury securities. A designated custodial bank provides safekeeping and depository

BOULDER VALLEY SCHOOL DISTRICT RE-2
NOTES TO FINANCIAL STATEMENTS
June 30, 1999

NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)

services to COLOTRUST in connection with the direct investment and withdrawal functions of COLOTRUST. Substantially all securities owned by COLOTRUST are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by COLOTRUST.

Cash and cash equivalents for the Trust and Agency Funds consist of the following:

Expendable trust fund	\$ 43,644
Nonexpendable trust fund	142,773
Agency fund	<u>1,665,624</u>
Totals	<u><u>\$ 1,852,041</u></u>

Restricted Cash

Cash restricted in the General Fund represents cash in escrow to pay employee dental benefits in the amount at June 30, 1999 of \$198,645.

NOTE 4 - REFUNDED BONDS

The proceeds of the General Obligation Refunding Bonds Series 1985A, 1992A, and 1997A have been placed in a special escrow account and have been invested in direct obligations of the U.S. government. The maturities of these investments coincide with the principal and interest payment dates of the refunded debt and are sufficient to pay all principal and interest on the bonds when due. Therefore, the refunded debt is not reported as a liability and the escrow account is not reported as an asset as of year-end. The outstanding balance of District refunded general obligation debt at June 30, 1999 is \$66,514,907.

NOTE 5 - GENERAL OBLIGATION BONDS PAYABLE

General obligation bonds payable at June 30, 1999 are comprised of the following issues:

<u>General Obligation Bonds</u>	<u>Outstanding July 1, 1998</u>	<u>Issued</u>	<u>Payments</u>	<u>Outstanding June 30, 1999</u>
Series 1999 - semi-annually, 2018, 4.00% to 5.13%	\$ -	\$63,655,000	\$ -	\$ 63,655,000

BOULDER VALLEY SCHOOL DISTRICT RE-2
NOTES TO FINANCIAL STATEMENTS
June 30, 1999

NOTE 5 - GENERAL OBLIGATION BONDS PAYABLE (CONTINUED)

General Obligation Bonds	Outstanding July 1, 1998	Issued	Payments	Outstanding June 30, 1999
Refunding - 1992A - semi-annually, 2008, 2.90% to 6.00%	34,020,000	-	2,260,000	31,760,000
Series 1994A - semi-annually, 2014, 5.10% to 6.30%	9,720,000	-	1,630,000	8,090,000
Series 1994B - semi-annually, 2000, 5.10% to 6.00%	6,465,000	-	2,045,000	4,420,000
Refunding - 1997A - semi-annually, 2014, 3.90% to 5.50%	68,810,000	-	465,000	68,345,000
Totals	\$ 119,015,000	\$ 63,655,000	\$ 6,400,000	\$ 176,270,000

General obligation bond principal maturities and interest for future fiscal years are as follows:

June 30,	Principal	Interest	Total
2000	\$ 5,865,000	\$ 8,880,220	\$ 14,745,220
2001	5,335,000	8,589,111	13,924,111
2002	5,625,000	8,301,286	13,926,286
2003	5,935,000	7,990,945	13,925,945
2004	6,265,000	7,716,868	13,981,868
Thereafter	147,245,000	61,727,795	208,972,795
Totals	\$ 176,270,000	\$ 103,206,225	\$ 279,476,225

Payment of principal and interest for general obligation bonds is made from the Debt Service Bond Redemption Fund.

BOULDER VALLEY SCHOOL DISTRICT RE-2
NOTES TO FINANCIAL STATEMENTS
June 30, 1999

NOTE 6 - TRANSFERS

The District transfers amounts from the General Fund to other funds in accordance with the School Finance Act of 1988 to meet their operational needs. Funding for the Insurance and Capital Reserve Funds is included in equalization program funding (i.e., property tax and state aid) which is received by the General Fund. A transfer of a required amount per pupil is then made to the Insurance and Capital Reserve Funds.

Below is a summary of the transfers made from the General Fund:

School Finance Act 1988:

Capital Reserve Fund	\$ 3,795,794
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A transfer from the General Fund of \$1,951,362 to the Internal Service Insurance Reserve Fund is classified as an expenditure/revenue for GAAP purposes and classified as a transfer for budget purposes.

NOTE 7 - CAPITAL AND OPERATING LEASE OBLIGATIONS

During the year ended June 30, 1996, the District entered into a capital lease agreement for the purchase of a Kodak copier. The lease term is for five years with an interest rate of 8.195% and will terminate in 2001, after which the title to the equipment passes to the District.

During the year ended June 30, 1998, the District entered into a capital lease agreement for the purchase of computer software. The lease term is for five years with an interest rate of 4.92% and requires monthly payments of \$11,876. The lease terminates June 1, 2003 after which the title transfers to the District.

Lease obligations and transactions for the year ended June 30, 1999 are comprised of the following:

<u>Capital Leases</u>	<u>Balance July 1, 1998</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 1999</u>
SASI computer software	\$ 625,000	\$ -	\$ 107,484	\$ 517,516
Kodak copier	21,640	-	7,237	14,403
Totals	<u>\$ 646,640</u>	<u>\$ -</u>	<u>\$ 114,721</u>	<u>\$ 531,919</u>

BOULDER VALLEY SCHOOL DISTRICT RE-2
NOTES TO FINANCIAL STATEMENTS
June 30, 1999

NOTE 7 - CAPITAL AND OPERATING LEASE OBLIGATIONS (CONTINUED)

For financial reporting purposes, the District follows the requirements of Statement of Financial Accounting Standards No. 13 which states that, under certain circumstances, the present value of future minimum lease payments should be shown as a liability and that the related assets should be capitalized in the financial statements. The leases provide for the following minimum annual lease payments.

2000	\$ 151,523
2001	151,523
2002	142,508
2003	142,508
Less interest	<u>(56,143)</u>
Total	<u>\$ 531,919</u>

The District appropriated amounts in the General Fund and the Capital Reserve Fund to meet the lease payments for the school copiers and the computer software due in fiscal year ending June 30, 1999.

The District had operating lease agreements for thirteen copy machines at various schools which terminated during the year. Total rental expense for operating leases for the year ended June 30, 1999 was \$49,660.

NOTE 8 - CERTIFICATES OF PARTICIPATION

The District issued certificates of participation in 1992 and 1995 for energy conservation projects and to refinance a telecommunication lease. The terms are 15 and 12 years with interest rates from 5.9% to 6.22%. The District's obligation will terminate in 2006. Changes in certificates of participation for the year ended June 30, 1999 are as follows:

	<u>July 1, 1998</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 1999</u>
Certificates of Participation	<u>\$ 9,425,000</u>	<u>\$ -</u>	<u>\$ 730,000</u>	<u>\$ 8,695,000</u>

BOULDER VALLEY SCHOOL DISTRICT RE-2
NOTES TO FINANCIAL STATEMENTS
June 30, 1999

NOTE 8 - CERTIFICATES OF PARTICIPATION (CONTINUED)

Certificates of Participation maturities for future payments are as follows:

2000	\$ 1,257,157
2001	1,254,318
2002	1,257,773
2003	1,252,497
2004	1,252,927
Thereafter	4,865,044
Less interest	<u>(2,444,716)</u>
Total	<u>\$ 8,695,000</u>

Amounts were appropriated in the General Fund to meet the payments for the Certificates of Participation due in the fiscal year ending June 30, 1999.

NOTE 9 - INTERFUND RECEIVABLES AND PAYABLES

The following identifies the amounts due from and due to the General Fund at June 30, 1999:

<u>Fund</u>	<u>Due from</u>	<u>Due to</u>
General Fund	\$ 328,424	\$ -
Building Fund 1999	-	267,039
Insurance Reserve Fund	-	61,385
Totals	<u>\$ 328,424</u>	<u>\$ 328,424</u>

NOTE 10 - PENSION PLAN

Plan Description: The Boulder Valley School District contributes to the School Division Trust Fund, a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). The School Division Trust Fund provides retirement and disability, annual increases, and death benefits for members or their beneficiaries. All employees of Boulder Valley School District are members of the School Division Trust Fund. Title 24, Article 51 of the Colorado Revised Statutes, 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 School Division Trust Fund. That report may be obtained by writing to PERA of Colorado, 1300 Logan Street, Denver, Colorado 80203 or by calling PERA's InfoLine at 1-800-759-PERA (7372) or Denver metro at (303) 837-6250.

BOULDER VALLEY SCHOOL DISTRICT RE-2
NOTES TO FINANCIAL STATEMENTS
June 30, 1999

NOTE 10 - PENSION PLAN (CONTINUED)

Basis of Accounting for the School Division Trust Fund: The financial statements of the School Division Trust Fund are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. School Division Trust Fund plan investments are presented at fair value except for short-term investments which are recorded at cost, which approximates fair market value.

Funding Policy: Plan members and the Boulder Valley School District are required to contribute at a rate set by statute. The contribution requirements of plan members and the Boulder Valley School District are established under Title 24, Article 51, Part 4 of the CRS, as amended. The contribution rate for members is 8.0% and for the Boulder Valley School District is 11.4% of covered salary. A portion of the Boulder Valley School District's contribution (0.8% of covered salary) is allocated for the Health Care Fund (See Note 11). The Boulder Valley School District's contributions to the School Division Trust Fund for the years ending June 30, 1999, 1998, and 1997 were \$12,174,054, \$11,443,085, and \$10,744,857, respectively, equal to their required contributions for each year.

NOTE 11 – POST-EMPLOYMENT HEALTHCARE BENEFITS

Plan Description: The Boulder Valley School District contributes to the Health Care Fund (HCF), a cost-sharing multiple-employer post-employment healthcare plan administered by PERA. The HCF 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 HCF benefit provisions to the State Legislature. PERA issues a publicly available annual financial report that includes financial statements and required supplementary information for the HCF. That report may be obtained by writing to PERA of Colorado, 1300 Logan Street, Denver, Colorado 80203 or by calling PERA's InfoLine at 1-800-759-PERA (7372) or Denver metro at (303) 837-6250.

Basis of Accounting for the School Division Trust Fund: The financial statements of the HCF are prepared using the accrual basis of accounting. Plan member contributions are recognized when due and payable in accordance with the terms of the plan. HCF plan investments are presented at fair market value except for short-term investments which are recorded at cost, which approximates fair market value.

Funding Policy: The Boulder Valley School District is required to contribute at a rate of 0.8% of covered salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the Boulder Valley School District are established under Title

BOULDER VALLEY SCHOOL DISTRICT RE-2
NOTES TO FINANCIAL STATEMENTS
June 30, 1999

NOTE 11 – POST-EMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

24, Article 51, Part 4 of the CRS, as amended. The apportionment of the contribution to the Health Care Fund is established under Title 24, Article 51, Section 208 of the Colorado Revised Statutes, as amended. The Boulder Valley School District's contributions to HCF for the years ending June 30, 1999, 1998 and 1997 were \$854,393, \$804,154, and \$741,024, respectively, equal to their required contributions for each year.

NOTE 12 - ACCUMULATED SICK, PERSONAL LEAVE AND VACATION

District policy allows unlimited accumulation of sick and personal leave and accumulation of vacation to a maximum of 40 days for certain personnel classifications. Accrued vacation is paid to those eligible employees upon termination of employment. Payment for unused sick and personal leave days is made upon an employee's retirement at varying rates based upon longevity and classification. The payment of unused sick and personal leave at the time of retirement is made in a lump sum or over a period of up to five years. The amount paid for unused sick, personal leave, and early retirement incentive during the year ended June 30, 1999 was \$308,013.

The amount of early retirement payments deferred to future periods is as follows:

2000	\$ 66,707
2001	<u>8,356</u>
Total	<u><u>\$ 75,063</u></u>

The accumulated vacation pay is included in the General Long-Term Debt Account Group for the Governmental type funds and in the respective fund from the Proprietary type funds. Unused sick and personal leave has not been recorded in the respective funds since the ultimate net liability is not determinable at June 30, 1999.

A summary of changes in accumulated vacation pay is as follows:

Fund	Balance July 1, 1998	Net Additions (Reductions)	Balance June 30, 1999
General Long-Term Debt	<u>\$ 927,826</u>	<u>\$ 99,097</u>	<u>\$ 1,026,923</u>

Additions and deletions are netted and shown as net additions or reductions since the District's accounting records do not provide data to present this information separately.

BOULDER VALLEY SCHOOL DISTRICT RE-2
NOTES TO FINANCIAL STATEMENTS
June 30, 1999

NOTE 13 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; 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 Districts Workers' Compensation Self-Insurance Pool

The District, along with Aurora, Cherry Creek, and Littleton School Districts, combine to form the Joint School Districts 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 member districts' 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.

Prior to July 1, 1995, each member of the JSD Pool was responsible for the first \$50,000 of each loss. Losses between \$50,000 and \$300,000 were pooled between the member districts, and losses in excess of \$300,000 were reinsured for up to \$5,000,000 per occurrence.

Effective July 1, 1995 and forward, each member of the JSD Pool is responsible for the first \$100,000 of each loss. Losses between \$100,000 and \$300,000 are pooled between the member districts, and losses in excess \$300,000 are reinsured for up to \$5,000,000 per occurrence.

There is no current or long-term debt associated with the JSD Pool. The contributions are determined on an actuarial basis and are sufficient to provide for the estimated claims and losses as determined by the actuarial computation. There were no significant reductions in insurance coverage from coverage in the prior year. 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, 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

BOULDER VALLEY SCHOOL DISTRICT RE-2
NOTES TO FINANCIAL STATEMENTS
June 30, 1999

NOTE 13 - RISK MANAGEMENT (CONTINUED)

include the president, vice president, and executive director of the Colorado Association of School Boards (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.

NOTE 14 - FIXED ASSETS

The changes in general fixed assets for the year ended June 30, 1999 are as follows:

	Balance July 1, 1998	Additions	Deletions	Balance June 30, 1999
Land	\$ 4,587,598	\$ -	\$ 28,430	\$ 4,559,168
Buildings	137,185,879	-	86,651	137,099,228
Equipment	36,018,353	10,022,923	8,190,188	37,851,088
Construction in progress	64,763,291	6,175,630	-	70,938,921
Totals	\$242,555,121	\$ 16,198,553	\$ 8,305,269	\$ 250,448,405

	Balance July 1, 1998	Additions	Deletions	Balance June 30, 1999
Equipment	\$ 1,266,070	\$ 69,255	\$ (270,975)	\$ 1,064,350
Less accumulated depreciation	(807,187)	(50,000)	184,104	(673,083)
Totals	\$ 458,883	\$ 19,255	\$ (86,871)	\$ 391,267

BOULDER VALLEY SCHOOL DISTRICT RE-2
NOTES TO FINANCIAL STATEMENTS
June 30, 1999

NOTE 15 - DEFICIT IN FUND BALANCES

The deficit fund balance in the Governmental Designated-Purpose Grants Fund of \$14,619 differs from the budgetary basis deficit fund balance of \$415,474. The difference is due to the accounting treatment accorded salaries and benefits earned but unpaid as of June 30, 1999.

NOTE 16 - COMMITMENTS AND CONTINGENCIES

Several claims are presently pending against the District, but District management believes the final settlements of these matters will not result in any materially adverse effect on the financial statements of the District.

The District receives revenue from various federal and state grant programs which are subject to final review and approval as to allowability of expenditures by the respective grantor agencies.

Construction Commitments

The District has several significant construction projects in progress at June 30, 1999. The District has \$27,374,497 of commitments on these construction projects.

Constitutional Amendment

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20, commonly known as the Taxpayer's Bill of Rights (TABOR). TABOR contains revenue, spending, tax and debt limitations which apply to the State of Colorado and local governments. TABOR requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of an expiring tax, or tax policy change directly causing a net tax revenue gain to any district.

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future fiscal years.

TABOR also requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or district salary or fringe benefit increases. These reserves are required to (excluding bonded debt service) 3% or more for 1995 and thereafter. The District has reserved a portion of its 1999 year-end fund balance in the General Fund and other funds for emergencies as required under TABOR.

BOULDER VALLEY SCHOOL DISTRICT RE-2
NOTES TO FINANCIAL STATEMENTS
June 30, 1999

NOTE 16 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

Spending and revenue limits are determined based on the prior year's fiscal spending adjusted for inflation in the prior calendar year plus annual increases in student enrollment. Fiscal year spending is generally defined as expenditures and reserve increases with certain exceptions. Revenue in excess of the fiscal year spending limit must be refunded in the next fiscal year unless voters approve retention of such revenue.

The District's administration believes it is in compliance with the provision of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions, including the interpretation of how to calculate fiscal year spending limits, are still awaiting judicial interpretation.

On November 2, 1999, the District passed a ballot issue that authorized the District to collect, retain, and spend all District revenues from any source received in 1999 and for each year thereafter, that are in excess of any revenue raising, spending, or other limitation in Article X, Section 20 of the Colorado Constitution.

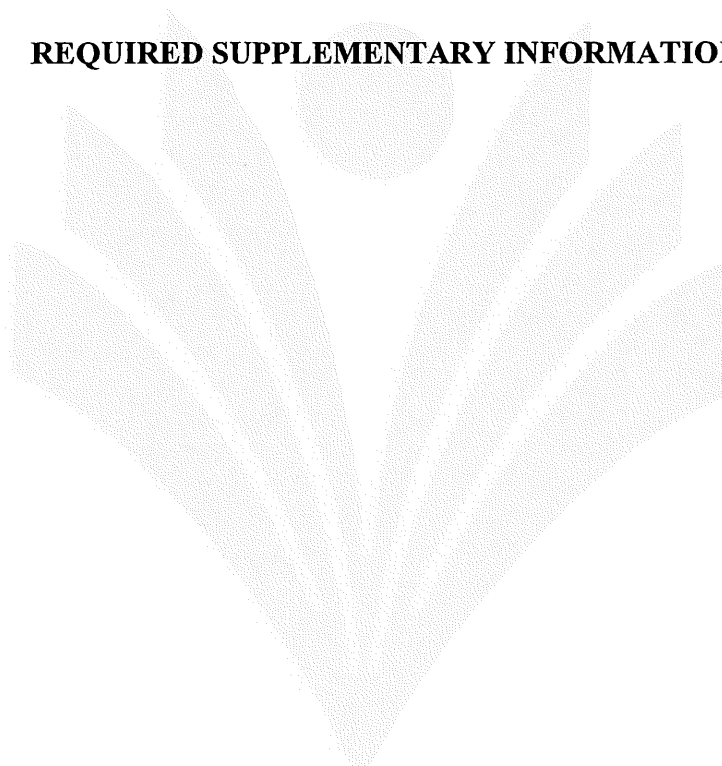
NOTE 17 - CONTRIBUTED CAPITAL

The reconciliation of the contributed capital account for the Enterprise Fund is as follows for the fiscal year ended June 30, 1999.

Balance at July 1, 1998	\$ 927,030
Contributed received	-
Contributed capital removed	<u>(92,613)</u>
Balance at June 30, 1999	<u>\$ 834,417</u>

This information is an integral part of the accompanying financial statements.

REQUIRED SUPPLEMENTARY INFORMATION





BOULDER VALLEY SCHOOL DISTRICT RE-2
REQUIRED SUPPLEMENTAL INFORMATION
June 30, 1999

(Unaudited)

YEAR-2000 COMPLIANCE

Certain date-sensitive computer software, embedded microchips in computers and other systems in use today were produced at a time when data concerning a given year was represented only by the final two digits rather than the four digits necessary to distinguish a century and a year within the century. Such software and embedded chips may recognize a date using "00" as the year 1900 rather than the year 2000. This could result in a system failure or miscalculations causing disruptions of operations, which among other things include a temporary inability to process transactions, send invoices or engage in similar normal business activities.

As a result, the District has completed an inventory of computer systems and other electronic equipment that may be affected by the Year-2000 problem which are necessary to conduct District operations and has identified such critical systems as being accounting and financial reporting, payroll, and employee benefits.

The District has assessed and remediated each of these mission critical areas and believe that these areas are currently Year-2000 compliant. The District has elected not to test these systems since the actual testing of systems has been known to create problems that are as difficult to correct as the Year-2000 problem itself.

Boulder and Gilpin Counties, who collect property taxes for distribution to the District and the Colorado Department of Education, that acts as the pass-through agency for the majority of the District's grant monies, are responsible for remediating their own systems.

At June 30, 1999 the District does not have any outstanding commitments for hardware, software, or computer consulting related to Year-2000 compliance.

ROSE HULMAN INSTITUTE OF TECHNOLOGY

OFFICE OF THE VICE CHANCELLOR FOR AFFAIRS

STUDENT AFFAIRS

OFFICE OF THE VICE CHANCELLOR FOR AFFAIRS



SUPPLEMENTARY INFORMATION

The combining and individual fund financial statements represent the second and third level of financial reporting for the District. These financial statements present more detailed information for the individual funds in a format that segregates information by fund type. For those fund types with a single fund, individual fund financial statements are presented.



GENERAL FUND

The General Fund accounts for all transactions of the District not accounted for in other funds. This fund represents an accounting for the District's ordinary operations financed from property taxes and other general revenue. It is the most significant fund in relation to the District's overall operations.

BOULDER VALLEY SCHOOL DISTRICT RE-2
GENERAL FUND
COMPARATIVE BALANCE SHEETS
June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
ASSETS		
ASSETS		
Equity in pooled cash and temporary cash investments	\$ 23,244,305	\$ 11,871,464
Restricted cash in escrow	198,645	2,499,061
Cash held by County Treasurer	2,075,845	1,622,947
Property taxes receivable, net	3,235,918	2,624,348
Accounts receivable	318,672	630,799
Due from other funds	328,424	652,452
Inventories	383,930	366,741
Prepaid assets	18,516	11,527
TOTAL ASSETS	<u><u>\$ 29,804,255</u></u>	<u><u>\$ 20,279,339</u></u>
LIABILITIES AND FUND BALANCES (DEFICITS)		
LIABILITIES		
Accounts payable	\$ 1,709,566	\$ 4,328,872
Accrued salaries and benefits	18,891,315	16,476,582
Deferred revenue		
Property taxes	1,478,662	1,347,975
Other	84,643	105,242
Total liabilities	<u>22,164,186</u>	<u>22,258,671</u>
FUND BALANCES (DEFICITS)		
Reserved for inventories	415,000	415,000
Reserved for multi-year contractual obligations	-	110,000
Reserved for emergencies	4,520,923	3,896,295
Unreserved - designated for subsequent expenditures	2,704,146	-
Unreserved - undesignated	-	(6,400,627)
Total fund balances (deficits)	<u>7,640,069</u>	<u>(1,979,332)</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u><u>\$ 29,804,255</u></u>	<u><u>\$ 20,279,339</u></u>

See accompanying independent auditor's report.

BOULDER VALLEY SCHOOL DISTRICT RE-2
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE (DEFICIT)
Years Ended June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
REVENUES		
Taxes	\$ 115,261,087	\$ 100,591,263
Tuition	3,408,518	3,304,518
Interest on investments	499,766	418,924
Other local revenue	3,780,598	1,149,519
State equalization	27,821,878	24,506,373
State reimbursement programs	2,277,738	2,589,144
Special education	2,956,640	2,939,892
English Language Proficiency Act	113,595	117,456
Federal sources	17,086	6,075
Total revenues	<u>156,136,906</u>	<u>135,623,164</u>
EXPENDITURES		
Instruction - regular programs	70,046,988	66,691,233
Instruction - special programs	24,781,211	20,614,935
Student support services	3,333,077	2,985,505
Instructional staff services	4,874,521	3,986,825
General administration	1,923,201	1,859,501
School administration	11,167,773	9,455,578
Business services	1,476,452	1,422,046
Operations and maintenance	11,473,734	10,698,962
Pupil transportation	4,619,472	4,325,552
Central support services	3,500,910	3,138,181
Other support service	43,920	88,097
Enterprise operations	58,564	114,840
Community services	2,202,873	2,853,911
Adult education	35,267	64,997
Debt services	1,264,129	1,354,456
Insurance reserve	1,951,362	1,405,254
Total expenditures	<u>142,753,454</u>	<u>131,059,873</u>
Revenues over expenditures	<u>13,383,452</u>	<u>4,563,291</u>
OTHER FINANCING SOURCES (USES)		
Proceeds from the sale of fixed assets	31,743	29,064
Operating transfers out	(3,795,794)	(4,178,901)
Total other financing sources (uses)	<u>(3,764,051)</u>	<u>(4,149,837)</u>
Revenue and other financing sources over (under) expenditures and other financing uses	9,619,401	413,454
FUND DEFICITS, JULY 1	<u>(1,979,332)</u>	<u>(2,392,786)</u>
FUND BALANCES (DEFICITS), JUNE 30	<u>\$ 7,640,069</u>	<u>\$ (1,979,332)</u>

See accompanying independent auditor's report.

BOULDER VALLEY SCHOOL DISTRICT RE-2
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL (BUDGET BASIS)
Year Ended June 30, 1999

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
REVENUES			
Taxes	\$ 114,646,057	115,261,087	615,030
Tuition	3,428,010	3,408,518	(19,492)
Interest on investments	430,000	499,766	69,766
Other local revenue	1,243,004	3,780,598	2,537,594
State equalization	27,993,734	27,821,878	(171,856)
State reimbursement programs	2,671,539	2,277,738	(393,801)
Special education	2,953,081	2,956,640	3,559
English Language Proficiency Act	117,077	113,595	(3,482)
Federal sources	-	17,086	17,086
Total revenues	<u>153,482,502</u>	<u>156,136,906</u>	<u>2,654,404</u>
EXPENDITURES			
Instruction - regular programs	74,056,513	69,093,703	4,962,810
Instruction - special programs	23,227,884	24,325,039	(1,097,155)
Student support services	3,240,372	3,485,086	(244,714)
Instructional staff services	4,503,211	4,766,825	(263,614)
General administration	1,870,902	1,923,201	(52,299)
School administration	11,058,530	11,087,067	(28,537)
Business services	1,594,068	1,476,452	117,616
Operations and maintenance	12,056,424	11,473,734	582,690
Pupil transportation	3,949,008	4,619,472	(670,464)
Central support services	3,678,109	3,510,282	167,827
Other support service	43,674	43,920	(246)
Enterprise operations	5,560	58,564	(53,004)
Community services	2,686,278	2,202,873	483,405
Adult education	33,611	35,267	(1,656)
Debt services	1,256,303	1,264,129	(7,826)
Reserves	14,409,035	-	14,409,035
Total expenditures	<u>157,669,482</u>	<u>139,365,614</u>	<u>18,303,868</u>
Revenues over (under) expenditures	<u>(4,186,980)</u>	<u>16,771,292</u>	<u>20,958,272</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from the sale of fixed assets	35,000	31,743	(3,257)
Operating transfers out	(6,099,565)	(5,747,156)	352,409
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (10,251,545)</u>	<u>11,055,879</u>	<u>\$ 21,307,424</u>
Salaries and benefits earned but unpaid:			
July 1, 1998		12,255,384	
June 30, 1999		(13,691,862)	
FUND DEFICIT, JULY 1		<u>(1,979,332)</u>	
FUND BALANCE, JUNE 30		<u>\$ 7,640,069</u>	

See accompanying independent auditor's report.

SPECIAL REVENUE FUND

Special Revenue Funds are used to account for the proceeds of specific sources that are legally restricted to expenditures for specified purposes.

FUNDS

Governmental Designated Special Purpose Grants Fund

This fund is provided to account for monies received from various federal, state and local grant programs.

Tuition Based Preschool

This fund is provided to account for monies received from the tuition based preschool program.

BOULDER VALLEY SCHOOL DISTRICT RE-2
SPECIAL REVENUE FUNDS- COMBINING BALANCE SHEETS
June 30, 1999 and 1998

	Governmental Designated - Purpose Grants	Tuition Based Preschool	Total	
			1999	1998
ASSETS				
ASSETS				
Equity in pooled cash and temporary cash investments	\$ 33,622	\$ 73,106	\$ 106,728	\$ 66,214
Accounts receivable	934,233	-	934,233	1,486,505
TOTAL ASSETS	\$ 967,855	\$ 73,106	\$ 1,040,961	\$ 1,552,719
LIABILITIES AND FUND BALANCES (DEFICITS)				
LIABILITIES				
Accounts payable	\$ 88,010	\$ -	\$ 88,010	\$ 101,993
Accrued salaries and benefits	551,017	1,165	552,182	438,166
Due to the General Fund	-	-	-	651,038
Deferred revenue	343,447	-	343,447	310,684
Total liabilities	982,474	1,165	983,639	1,501,881
FUND BALANCES (DEFICITS)				
Unreserved	(14,619)	71,941	57,322	50,838
Total fund balances	(14,619)	71,941	57,322	50,838
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	\$ 967,855	\$ 73,106	\$ 1,040,961	\$ 1,552,719

See accompanying independent auditor's report.

BOULDER VALLEY SCHOOL DISTRICT RE-2
SPECIAL REVENUE FUNDS - COMBINING STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS)
Years Ended June 30, 1999 and 1998

	Governmental			
	Designated -	Tuition Based	Total	
	Purpose Grants	Preschool	1999	1998
REVENUES				
Local revenue	\$ 210,153	\$ 174,192	\$ 384,345	\$ 221,346
State grants	132,833	-	132,833	155,033
Federal grants	4,300,278	-	4,300,278	4,574,645
Total revenues	<u>4,643,264</u>	<u>174,192</u>	<u>4,817,456</u>	<u>4,951,024</u>
EXPENDITURES				
Current				
Instruction - regular programs	2,012,537	-	2,012,537	2,010,612
Instruction - special programs	1,330,669	-	1,330,669	1,740,514
Student support services	597,550	-	597,550	510,559
Instructional staff services	323,172	-	323,172	462,494
General administration	9,974	-	9,974	-
School administration	281,450	-	281,450	261,293
Operations and maintenance	420	-	420	-
Central support services	1,398	-	1,398	16,334
Community services	86,566	167,236	253,802	214,016
Total expenditures	<u>4,643,736</u>	<u>167,236</u>	<u>4,810,972</u>	<u>5,215,822</u>
Revenues over expenditures	<u>(472)</u>	<u>6,956</u>	<u>6,484</u>	<u>(264,798)</u>
OTHER FINANCING SOURCES				
Operating transfers in	-	-	-	25,572
Revenues and other financing sources over (under) expenditures	<u>(472)</u>	<u>6,956</u>	<u>6,484</u>	<u>(239,226)</u>
FUND BALANCES (DEFICITS), JULY 1	<u>(14,147)</u>	<u>64,985</u>	<u>50,838</u>	<u>290,064</u>
FUND BALANCES (DEFICITS), JUNE 30	<u><u>\$ (14,619)</u></u>	<u><u>\$ 71,941</u></u>	<u><u>\$ 57,322</u></u>	<u><u>\$ 50,838</u></u>

See accompanying independent auditor's report.

BOULDER VALLEY SCHOOL DISTRICT RE-2
SPECIAL REVENUE FUNDS - COMBINING SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS) -
BUDGET AND ACTUAL (BUDGET BASIS)
Year Ended June 30, 1999

	<u>Governmental Designated - Purpose Grants</u>		
			Variance -
			Favorable
	<u>Budget</u>	<u>Actual</u>	<u>(Unfavorable)</u>
REVENUES			
Local revenue	\$ 1,115,310	\$ 210,153	\$ (905,157)
State revenue	1,115,000	132,833	(982,167)
Federal revenue	4,269,690	3,778,364	(491,326)
Total revenues	<u>6,500,000</u>	<u>4,121,350</u>	<u>(2,378,650)</u>
EXPENDITURES			
Current			
Instruction - regular programs	1,918,247	1,995,274	(77,027)
Instruction - special programs	2,216,944	1,304,479	912,465
Student support services	205,920	559,970	(354,050)
Instruction staff services	208,257	314,363	(106,106)
General administration	-	9,974	(9,974)
School administration	147,251	261,712	(114,461)
Operations and maintenance	11,430	420	11,010
Central support services	2,097	1,398	699
Community services	94,762	75,087	19,675
Reserves	<u>1,695,092</u>	<u>-</u>	<u>1,695,092</u>
Total expenditures	<u>6,500,000</u>	<u>4,522,677</u>	<u>1,977,323</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>(401,327)</u>	<u>\$ (401,327)</u>
Salaries and benefits earned but unpaid:			
July 1, 1998		400,855	
June 30, 1999		(521,914)	
Revenues accrued due to salaries and benefits earned but unpaid		521,914	
FUND BALANCE (DEFICIT), JULY 1		<u>(14,147)</u>	
FUND BALANCE (DEFICIT), JUNE 30		<u>\$ (14,619)</u>	

EXHIBIT B-3

Tuition Based Preschool			Total		
Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
\$ 172,211	\$ 174,192	\$ 1,981	\$ 1,287,521	\$ 384,345	\$ (903,176)
-	-	-	1,115,000	132,833	(982,167)
-	-	-	4,269,690	3,778,364	(491,326)
172,211	174,192	1,981	6,672,211	4,295,542	(2,376,669)
-	-	-	1,918,247	1,995,274	(77,027)
-	-	-	2,216,944	1,304,479	912,465
-	-	-	205,920	559,970	(354,050)
-	-	-	208,257	314,363	(106,106)
-	-	-	-	9,974	(9,974)
-	-	-	147,251	261,712	(114,461)
-	-	-	11,430	420	11,010
-	-	-	2,097	1,398	699
237,195	167,236	69,959	331,957	242,323	89,634
-	-	-	1,695,092	-	1,695,092
237,195	167,236	69,959	6,737,195	4,689,913	2,047,282
\$ (64,984)	6,956	\$ 71,940	\$ (64,984)	(394,371)	\$ (329,387)
-	-	-	-	400,855	-
-	-	-	-	(521,914)	-
-	-	-	-	521,914	-
-	64,985	-	-	50,838	-
\$ 71,941			\$ 57,322		

See the accompanying independent auditor's report.



DEBT SERVICE FUND

The Debt Service Fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

FUND

Bond Redemption Fund

This fund is authorized by Colorado School Law. It provides revenue based upon a property tax mill levy set by the Board of Education to satisfy the District's bonded indebtedness on an annualized basis.

**BOULDER VALLEY SCHOOL DISTRICT RE-2
DEBT SERVICE BOND REDEMPTION FUND
COMPARATIVE BALANCE SHEETS
June 30, 1999 and 1998**

	<u>1999</u>	<u>1998</u>
ASSETS		
ASSETS		
Equity in pooled cash and temporary cash investments	\$ 14,063,361	\$ 12,864,256
Cash held by County Treasurer	165,468	30,188
Property taxes receivable, net	<u>390,554</u>	<u>471,823</u>
TOTAL ASSETS	<u><u>\$ 14,619,383</u></u>	<u><u>\$ 13,366,267</u></u>
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts payable	\$ 856	\$ 2,747
Deferred property tax revenue	<u>151,412</u>	<u>151,972</u>
Total liabilities	<u>152,268</u>	<u>154,719</u>
FUND BALANCES		
Reserved for debt service	<u>14,467,115</u>	<u>13,211,548</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 14,619,383</u></u>	<u><u>\$ 13,366,267</u></u>

See accompanying independent auditor's report.

BOULDER VALLEY SCHOOL DISTRICT RE-2
DEBT SERVICE BOND REDEMPTION FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
Years Ended June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
REVENUES		
Property taxes	\$ 14,225,312	\$ 11,087,176
Specific ownership taxes	-	1,092,977
Delinquent taxes	8,602	26,228
Interest on investments	487,507	568,434
Total revenues	<u>14,721,421</u>	<u>12,774,815</u>
EXPENDITURES		
Debt services		
Principal retirements	6,400,000	5,515,000
Interest on debt	7,059,274	5,156,845
Bond issuance costs	-	527,937
Other expenses	6,580	6,789
Total expenditures	<u>13,465,854</u>	<u>11,206,571</u>
Revenues over (under) expenditures	<u>1,255,567</u>	<u>1,568,244</u>
OTHER FINANCING SOURCES (USES)		
Proceeds from refunding bonds	-	69,105,644
Payment to refunded bond escrow agent	-	(70,063,903)
	<u>-</u>	<u>(958,259)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>1,255,567</u>	<u>609,985</u>
FUND BALANCE, JULY 1	13,211,548	12,601,563
FUND BALANCE, JUNE 30	<u><u>\$ 14,467,115</u></u>	<u><u>\$ 13,211,548</u></u>

See accompanying independent auditor's report.

BOULDER VALLEY SCHOOL DISTRICT RE-2
DEBT SERVICE BOND REDEMPTION FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 1999

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
REVENUES			
Property taxes	\$ 13,998,990	\$ 14,225,312	\$ 226,322
Delinquent taxes	-	8,602	8,602
Interest on investments	510,000	487,507	(22,493)
Total revenues	<u>14,508,990</u>	<u>14,721,421</u>	<u>212,431</u>
EXPENDITURES			
Debt services			
Principal retirements	6,400,000	6,400,000	-
Interest on debt	7,059,274	7,059,274	-
Other expenses	20,000	6,580	13,420
Total expenditures	<u>13,479,274</u>	<u>13,465,854</u>	<u>13,420</u>
Revenues over (under) expenditures	<u>\$ 1,029,716</u>	<u>\$ 1,255,567</u>	<u>\$ 225,851</u>
FUND BALANCE, JULY 1		<u>13,211,548</u>	
FUND BALANCE, JUNE 30		<u><u>\$ 14,467,115</u></u>	

See accompanying independent auditor's report.

CAPITAL PROJECTS FUNDS

Capital Projects Funds account for the financial resources used for the acquisition or construction of major capital facilities.

FUNDS

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.

Energy Conservation Fund

This fund is provided for capital construction projects related to energy conservation programs funded by certificates of participation.

Building Fund 1994

This fund is provided to account for specific capital construction projects funded by the sale of Series 1994A and Series 1994B general obligation bonds.

Building Fund 1999

This fund is provided to account for specific capital construction projects funded by the sale of Series 1999 general obligation bonds.

BOULDER VALLEY SCHOOL DISTRICT RE-2
CAPITAL PROJECTS FUNDS - COMBINING BALANCE SHEETS
June 30, 1999
(With Comparative Totals for June 30, 1998)

ASSETS

	Capital Reserve Fund	Energy Conservation Fund
	<u> </u>	<u> </u>
ASSETS		
Equity in pooled cash and temporary cash investments	\$ 1,719,948	\$ 121,098
Investments	-	1,230,237
Accounts receivable	89,332	-
Accrued interest receivable	<u>-</u>	<u>10,327</u>
TOTAL ASSETS	<u><u>\$ 1,809,280</u></u>	<u><u>\$ 1,361,662</u></u>

LIABILITIES AND FUND BALANCES

LIABILITIES

Accounts payable	\$ 372,585	\$ 346
Accrued salaries and benefits	272	-
Arbitrage payable	-	-
Retainages payable	-	-
Due to other funds	<u>-</u>	<u>-</u>
Total liabilities	<u>372,857</u>	<u>346</u>

FUND BALANCES

Reserved for construction	-	-
Reserved for emergencies	157,110	4,897
Unreserved		
Designated for subsequent year expenditures	<u>1,279,313</u>	<u>1,356,419</u>
Total fund balances	<u>1,436,423</u>	<u>1,361,316</u>

**TOTAL LIABILITIES AND
FUND BALANCES**

<u><u>\$ 1,809,280</u></u>	<u><u>\$ 1,361,662</u></u>
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EXHIBIT D-1

Building Fund 1994	Building Fund 1999	Totals	
		1999	1998
\$ 9,034,916	\$ 62,933,528	\$ 73,809,490	\$ 4,021,530
-	-	1,230,237	19,659,845
-	-	89,332	2,550
446	-	10,773	788
<u>\$ 9,035,362</u>	<u>\$ 62,933,528</u>	<u>\$ 75,139,832</u>	<u>\$ 23,684,713</u>
\$ 201,256	\$ 887,343	\$ 1,461,530	\$ 4,183,897
1,556	1,206	3,034	5,989
2,487,726	-	2,487,726	2,384,461
160,000	27,419	187,419	1,621,320
-	267,039	267,039	-
<u>2,850,538</u>	<u>1,183,007</u>	<u>4,406,748</u>	<u>8,195,667</u>
6,184,824	61,750,521	67,935,345	12,787,657
-	-	162,007	167,974
-	-	2,635,732	2,533,415
<u>6,184,824</u>	<u>61,750,521</u>	<u>70,733,084</u>	<u>15,489,046</u>
<u>\$ 9,035,362</u>	<u>\$ 62,933,528</u>	<u>\$ 75,139,832</u>	<u>\$ 23,684,713</u>

See accompanying independent auditor's report.

BOULDER VALLEY SCHOOL DISTRICT RE-2
CAPITAL PROJECTS FUNDS - COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
Year Ended June 30, 1999
(With Comparative Totals for June 30, 1998)

	Capital Reserve Fund	Energy Conservation Fund
REVENUES		
Interest on investments	\$ 4,811	\$ 105,198
Other local revenue	53,405	-
Total revenues	<u>58,216</u>	<u>105,198</u>
EXPENDITURES		
Capital outlay		
Facilities acquisition	225,270	-
Building improvements	761,453	-
Instructional technology	481,245	-
Operating departments	1,225,926	58,960
School projects	1,281,545	-
Total expenditures	<u>3,975,439</u>	<u>58,960</u>
Revenues under expenditures	<u>(3,917,223)</u>	<u>46,238</u>
OTHER FINANCING SOURCES		
Operating transfers in	3,795,794	-
Proceeds from sale of fixed assets	171,541	-
Proceeds from sale of bonds	-	-
Proceeds of capital lease	-	-
Total other financing sources	<u>3,967,335</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures	50,112	46,238
FUND BALANCES, JULY 1	<u>1,386,311</u>	<u>1,315,078</u>
FUND BALANCES, JUNE 30	<u><u>\$ 1,436,423</u></u>	<u><u>\$ 1,361,316</u></u>

EXHIBIT D-2

	Building Fund 1994	Building Fund 1999	Totals	
			1999	1998
	\$ 614,954	\$ 963,225	\$ 1,688,188	\$ 2,910,515
	-	-	53,405	49,029
	<u>614,954</u>	<u>963,225</u>	<u>1,741,593</u>	<u>2,959,544</u>
	7,217,787	3,049,459	10,492,516	23,678,299
	-	-	761,453	1,041,059
	-	-	481,245	340,366
	-	-	1,284,886	951,743
	-	-	1,281,545	1,663,447
	<u>7,217,787</u>	<u>3,049,459</u>	<u>14,301,645</u>	<u>27,674,914</u>
	<u>(6,602,833)</u>	<u>(2,086,234)</u>	<u>(12,560,052)</u>	<u>(24,715,370)</u>
	-	-	3,795,794	4,153,329
	-	-	171,541	-
	-	63,836,755	63,836,755	-
	-	-	-	625,000
	<u>-</u>	<u>63,836,755</u>	<u>67,804,090</u>	<u>4,778,329</u>
	(6,602,833)	61,750,521	55,244,038	(19,937,041)
	<u>12,787,657</u>	<u>-</u>	<u>15,489,046</u>	<u>35,426,087</u>
	<u>\$ 6,184,824</u>	<u>\$ 61,750,521</u>	<u>\$ 70,733,084</u>	<u>\$ 15,489,046</u>

See accompanying independent auditor's report.

BOULDER VALLEY SCHOOL DISTRICT RE-2
CAPITAL PROJECTS FUNDS - COMBINING SCHEDULE OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
Year Ended June 30, 1999

Capital Reserve Fund			
	Budget	Actual	Variance - Favorable (Unfavorable)
REVENUES			
Interest on investments	\$ -	\$ 4,811	\$ 4,811
Other local sources	45,666	53,405	7,739
Total revenues	<u>45,666</u>	<u>58,216</u>	<u>12,550</u>
EXPENDITURES			
Capital outlay			
Facilities acquisition	223,204	225,270	(2,066)
Building improvements	974,500	761,453	213,047
Instructional technology	529,300	481,245	48,055
Operating departments	2,030,170	1,225,926	804,244
School projects	1,393,836	1,281,545	112,291
Reserves	243,091	-	243,091
Total expenditures	<u>5,394,101</u>	<u>3,975,439</u>	<u>1,418,662</u>
Revenues over (under) expenditures	<u>(5,348,435)</u>	<u>(3,917,223)</u>	<u>1,431,212</u>
OTHER FINANCING SOURCES			
Operating transfers in	3,769,365	3,795,794	26,429
Proceeds from sale of fixed asset	170,000	171,541	1,541
Proceeds from sale of bonds	-	-	-
Total other financing sources	<u>3,939,365</u>	<u>3,967,335</u>	<u>27,970</u>
Revenues and other financing sources over (under) expenditures	<u><u>\$ (1,409,070)</u></u>	<u>50,112</u>	<u><u>\$ 1,459,182</u></u>
FUND BALANCES, JULY 1		<u>1,386,311</u>	
FUND BALANCES, JUNE 30		<u><u>\$ 1,436,423</u></u>	

EXHIBIT D-3
(continued)

Energy Conservation Fund			Building Fund 1994		
Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
\$ 83,307	\$ 105,198	\$ 21,891	\$ 439,651	\$ 614,954	\$ 175,303
-	-	-	-	-	-
83,307	105,198	21,891	439,651	614,954	175,303
-	-	-	13,484,096	7,217,787	6,266,309
-	-	-	-	-	-
-	-	-	-	-	-
163,249	58,960	104,289	-	-	-
-	-	-	-	-	-
4,897	-	4,897	-	-	-
168,146	58,960	109,186	13,484,096	7,217,787	6,266,309
(84,839)	46,238	131,077	(13,044,445)	(6,602,833)	6,441,612
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ (84,839)</u>	<u>46,238</u>	<u>\$ 131,077</u>	<u>\$ (13,044,445)</u>	<u>(6,602,833)</u>	<u>\$ 6,441,612</u>
	<u>1,315,078</u>			<u>12,787,657</u>	
	<u>\$ 1,361,316</u>			<u>\$ 6,184,824</u>	

BOULDER VALLEY SCHOOL DISTRICT RE-2
CAPITAL PROJECTS FUNDS - COMBINING SCHEDULE OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
Year Ended June 30, 1999

	Building Fund 1999		
	Budget	Actual	Variance - Favorable (Unfavorable)
REVENUES			
Interest on investments	\$ 1,163,433	\$ 963,225	\$ (200,208)
Other local sources	-	-	-
Total revenues	1,163,433	963,225	(200,208)
EXPENDITURES			
Capital outlay			
Facilities acquisition	7,694,591	3,049,459	4,645,132
Building improvements	-	-	-
Instructional technology	-	-	-
Operating departments	-	-	-
School projects	-	-	-
Reserves	-	-	-
Total expenditures	7,694,591	3,049,459	4,645,132
Revenues over (under) expenditures	(6,531,158)	(2,086,234)	4,444,924
OTHER FINANCING SOURCES			
Operating transfers in	-	-	-
Proceeds from sale of fixed asset	-	-	-
Proceeds from sale of bonds	63,655,000	63,836,755	(181,755)
Total other financing sources	63,655,000	63,836,755	(181,755)
Revenues and other financing sources over (under) expenditures	\$ 57,123,842	61,750,521	\$ 4,626,679
FUND BALANCES, JULY 1		-	
FUND BALANCES, JUNE 30		\$ 61,750,521	

Total		Variance - Favorable (Unfavorable)
Budget	Actual	
\$ 1,686,391	\$ 1,688,188	\$ 1,797
45,666	53,405	7,739
<u>1,732,057</u>	<u>1,741,593</u>	<u>9,536</u>
21,401,891	10,492,516	(10,909,375)
974,500	761,453	(213,047)
529,300	481,245	(48,055)
2,193,419	1,284,886	(908,533)
1,393,836	1,281,545	(112,291)
247,988	-	(247,988)
<u>26,740,934</u>	<u>14,301,645</u>	<u>(12,439,289)</u>
-	-	-
<u>(25,008,877)</u>	<u>(12,560,052)</u>	<u>12,448,825</u>
3,769,365	3,795,794	26,429
170,000	171,541	1,541
63,655,000	63,836,755	181,755
<u>-</u>	<u>-</u>	<u>-</u>
<u>67,594,365</u>	<u>67,804,090</u>	<u>209,725</u>
<u>\$ 42,585,488</u>	<u>55,244,038</u>	<u>\$ 12,658,550</u>
	<u>15,489,046</u>	
	<u>\$ 70,733,084</u>	

See accompanying independent auditors' report.



FOOD SERVICE ENTERPRISE FUND
COMPARATIVE BALANCE SHEETS
June 30, 1999 and 1998

1999 1998

Assets

1999 1998

ENTERPRISE FUND

The Enterprise Fund accounts for operations that are financed and operated in a manner similar to private enterprise where the cost of providing goods or services to the general public is financed or recovered primarily by user charges.

FUND

Food Service Fund

This fund accounts for all financial activities associated with the District's school lunch program.

1999 1998

1999 1998

1999 1998

1999 1998

1999 1998

1999 1998

BOULDER VALLEY SCHOOL DISTRICT RE-2
FOOD SERVICE ENTERPRISE FUND
COMPARATIVE BALANCE SHEETS
June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
ASSETS		
CURRENT ASSETS		
Equity in pooled cash and temporary cash investments	\$ 925,039	\$ 726,022
Accounts receivable	518	1,679
Inventories		
Purchased food	77,793	103,684
USDA donated commodities	95,139	104,986
Supplies	42,651	45,014
	<u>1,141,140</u>	<u>981,385</u>
Total current assets		
EQUIPMENT	1,064,350	1,266,070
Less accumulated depreciation	<u>(673,083)</u>	<u>(807,187)</u>
TOTAL ASSETS	<u><u>\$ 1,532,407</u></u>	<u><u>\$ 1,440,268</u></u>
LIABILITIES AND FUND EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 49,048	\$ 37,259
Accrued salaries	62,124	54,828
Accrued benefits	7,252	6,796
Deferred revenue	95,139	104,986
	<u>213,563</u>	<u>203,869</u>
Total current liabilities		
FUND EQUITY		
Contributed capital	834,417	927,030
Retained earnings		
Reserved for emergencies	122,953	122,637
Unreserved	361,474	186,732
	<u>1,318,844</u>	<u>1,236,399</u>
Total fund equity		
TOTAL LIABILITIES AND FUND EQUITY	<u><u>\$ 1,532,407</u></u>	<u><u>\$ 1,440,268</u></u>

See accompanying independent auditor's report.

BOULDER VALLEY SCHOOL DISTRICT RE-2
FOOD SERVICE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES,
AND CHANGES IN RETAINED EARNINGS
Years Ended June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
OPERATING REVENUES		
Regular school lunch	\$ 1,528,165	\$ 1,491,257
Sandwich line	1,401,527	1,205,250
Other revenue	<u>62,930</u>	<u>64,764</u>
Total operating revenues	<u>2,992,622</u>	<u>2,761,271</u>
OPERATING EXPENSES		
Salaries	1,481,176	1,383,391
Benefits	304,200	290,154
Purchased food	1,630,449	1,505,031
USDA donated commodities	224,146	230,082
Nonfood supplies	188,687	167,231
Purchased services	155,061	151,734
Depreciation	<u>50,000</u>	<u>50,000</u>
Total operating expenses	<u>4,033,719</u>	<u>3,777,623</u>
Loss from operations	<u>(1,041,097)</u>	<u>(1,016,352)</u>
NONOPERATING REVENUES		
USDA donated commodities	224,787	228,373
State reimbursement	<u>991,368</u>	<u>974,059</u>
Total nonoperating revenues	<u>1,216,155</u>	<u>1,202,432</u>
NET INCOME	175,058	186,080
RETAINED EARNINGS, JULY 1	<u>309,369</u>	<u>123,289</u>
RETAINED EARNINGS, JUNE 30	<u><u>\$ 484,427</u></u>	<u><u>\$ 309,369</u></u>

See accompanying independent auditor's report.

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BOULDER VALLEY SCHOOL DISTRICT RE-2
FOOD SERVICE ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES
IN RETAINED EARNINGS - BUDGET AND ACTUAL
Year Ended June 30, 1999

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
OPERATING REVENUES			
Regular school lunch	\$ 1,612,466	\$ 1,528,165	\$ (84,301)
Sandwich line	1,314,573	1,401,527	86,954
Other revenue	67,867	62,930	(4,937)
Total operating revenues	<u>2,994,906</u>	<u>2,992,622</u>	<u>(2,284)</u>
OPERATING EXPENSES			
Salaries	1,584,130	1,481,176	102,954
Benefits	328,571	304,200	24,371
Purchased food	1,549,397	1,630,449	(81,052)
USDA donated commodities	247,308	224,146	23,162
Nonfood supplies	198,080	188,687	9,393
Purchased services	140,945	155,061	(14,116)
Depreciation	50,000	50,000	-
Reserves	122,953	-	122,953
Total operating expenses	<u>4,221,384</u>	<u>4,033,719</u>	<u>187,665</u>
Income from operations	<u>(1,226,478)</u>	<u>(1,041,097)</u>	<u>185,381</u>
NONOPERATING REVENUES			
USDA donated commodities	247,308	224,787	(22,521)
State reimbursement	958,464	991,368	32,904
Total nonoperating revenues	<u>1,205,772</u>	<u>1,216,155</u>	<u>10,383</u>
NET INCOME (LOSS)	<u>\$ (20,706)</u>	<u>175,058</u>	<u>\$ 195,764</u>
RETAINED EARNINGS, JULY 1		<u>309,369</u>	
RETAINED EARNINGS, JUNE 30		<u>\$ 484,427</u>	

See accompanying independent auditor's report.

BOULDER VALLEY SCHOOL DISTRICT RE-2
FOOD SERVICE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
Years Ended June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from food program participants	\$ 2,930,853	\$ 2,870,350
Cash payments to employees for services	(1,777,624)	(1,671,430)
Cash payments to suppliers for goods and services	(1,933,513)	(1,822,578)
Other operating receipts	<u>62,930</u>	<u>64,764</u>
Net cash used by operating activities	<u>(717,354)</u>	<u>(558,894)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State reimbursement grant received	<u>991,368</u>	<u>974,059</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of capital assets	<u>(74,997)</u>	<u>(36,234)</u>
Net cash used by investing activities	<u>(74,997)</u>	<u>(36,234)</u>
Net increase (decrease) in cash and cash equivalents	<u>199,017</u>	<u>378,931</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>726,022</u>	<u>347,091</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 925,039</u></u>	<u><u>\$ 726,022</u></u>

	<u>1999</u>	<u>1998</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED BY OPERATING ACTIVITIES		
Net (loss) from operations	\$ (1,041,097)	\$ (1,016,352)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation	50,000	50,000
USDA donated commodities	224,787	228,373
Changes in assets and liabilities		
Accounts receivable	1,161	173,843
Deferred revenue	(9,847)	(7,970)
Inventory	38,101	(26,160)
Accounts payable	11,789	37,259
Accrued salaries	7,296	6,162
Accrued benefits	456	(4,049)
Total adjustments	<u>323,743</u>	<u>457,458</u>
NET CASH USED BY OPERATING ACTIVITIES	<u><u>\$ (717,354)</u></u>	<u><u>\$ (558,894)</u></u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
USDA donated commodities received	\$ 224,787	\$ 220,403
Consumption of USDA donated food commodities	<u>(234,634)</u>	<u>(228,373)</u>
NET EFFECT OF NONCASH TRANSACTIONS	<u><u>\$ (9,847)</u></u>	<u><u>\$ (7,970)</u></u>

See accompanying independent auditor's report.



INTERNAL SERVICE FUND

The Internal Service Fund is used to account for the financing of goods or services by one department to other departments of the District on a cost reimbursement basis.

FUND

Insurance Reserve Fund

This fund accounts for the resources used for the District's liability, property, and workers' compensation insurance needs, and for providing overall risk management activities for the District.

**BOULDER VALLEY SCHOOL DISTRICT RE-2
INSURANCE RESERVE INTERNAL SERVICE FUND
COMPARATIVE BALANCE SHEETS
June 30, 1999 and 1998**

	<u>1999</u>	<u>1998</u>
ASSETS		
CURRENT ASSETS		
Equity in pooled cash and temporary cash investments	\$ -	\$ 27,126
Other accounts receivable	-	224
Prepaid assets	729,970	700,836
Deposits in workers' compensation pool	<u>280,754</u>	<u>280,754</u>
TOTAL ASSETS	<u><u>\$ 1,010,724</u></u>	<u><u>\$ 1,008,940</u></u>
LIABILITIES AND FUND EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 5,692	\$ 14,559
Due to other funds	61,385	-
Accrued salaries and benefits	<u>10,531</u>	<u>3,181</u>
Total current liabilities	<u>77,608</u>	<u>17,740</u>
FUND EQUITY		
Retained earnings		
Reserved for emergencies	75,458	55,520
Unreserved	<u>857,658</u>	<u>935,680</u>
Total fund equity	<u>933,116</u>	<u>991,200</u>
TOTAL LIABILITIES AND FUND EQUITY	<u><u>\$ 1,010,724</u></u>	<u><u>\$ 1,008,940</u></u>

See accompanying independent auditor's report.

**BOULDER VALLEY SCHOOL DISTRICT RE-2
INSURANCE RESERVE INTERNAL SERVICE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES,
AND CHANGES IN RETAINED EARNINGS
Years Ended June 30, 1999 and 1998**

	<u>1999</u>	<u>1998</u>
OPERATING REVENUES		
Premiums and services	\$ 1,951,362	\$ 1,405,254
Other revenue	<u>195,274</u>	<u>196,937</u>
Total operating revenues	<u>2,146,636</u>	<u>1,602,191</u>
OPERATING EXPENSES		
Salaries	529,531	338,475
Benefits	117,970	69,492
Other expenses	321,866	124,809
Insurance premiums and claims	553,866	529,485
Workers compensation insurance	517,138	635,830
Capital outlay	12,042	3,720
Contingency reserve	<u>152,307</u>	<u>-</u>
Total operating expenses	<u>2,204,720</u>	<u>1,701,811</u>
NET LOSS	(58,084)	(99,620)
RETAINED EARNINGS, JULY 1	<u>991,200</u>	<u>1,090,820</u>
RETAINED EARNINGS, JUNE 30	<u>\$ 933,116</u>	<u>\$ 991,200</u>

See accompanying independent auditor's report.

BOULDER VALLEY SCHOOL DISTRICT RE-2
INSURANCE RESERVE INTERNAL SERVICE FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES
IN RETAINED EARNINGS - BUDGET AND ACTUAL (BUDGET BASIS)
Year Ended June 30, 1999

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
OPERATING REVENUES			
Other revenue	\$ 40,000	\$ 195,274	\$ 155,274
Total operating revenues	<u>40,000</u>	<u>195,274</u>	<u>155,274</u>
OPERATING EXPENSES			
Salaries	636,847	529,531	107,316
Benefits	160,927	117,970	42,957
Other expenses	118,800	321,866	(203,066)
Insurance premiums and claims	635,000	553,866	81,134
Workers compensation insurance	810,000	517,138	292,862
Capital outlay	3,695	12,042	(8,347)
Contingency reserve	150,000	152,307	(2,307)
Emergency reserve	<u>75,458</u>	<u>-</u>	<u>75,458</u>
Total operating expenses	<u>2,590,727</u>	<u>2,204,720</u>	<u>386,007</u>
Loss from operations	(2,550,727)	(2,009,446)	541,281
OPERATING TRANSFER IN			
General Fund	<u>1,951,362</u>	<u>1,951,362</u>	<u>-</u>
NET INCOME (LOSS)	<u>\$ (599,365)</u>	<u>(58,084)</u>	<u>\$ 541,281</u>
RETAINED EARNINGS, JULY 1		<u>991,200</u>	
RETAINED EARNINGS, JUNE 30		<u>\$ 933,116</u>	

See accompanying independent auditor's report.

**BOULDER VALLEY SCHOOL DISTRICT RE-2
INSURANCE RESERVE INTERNAL SERVICE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
Years Ended June 30, 1999 and 1998**

	<u>1999</u>	<u>1998</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from premiums and services	\$ 2,316,751	\$ 1,304,194
Other operating receipts	195,497	196,937
Cash payments for premiums and claims	(1,870,965)	(1,164,976)
Cash payments to suppliers for services	<u>(668,409)</u>	<u>(536,496)</u>
Net cash used by operating activities - decrease in cash and cash equivalents	(27,126)	(200,341)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>27,126</u>	<u>227,467</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ 27,126</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH USED BY OPERATING ACTIVITIES		
Net income (loss)	\$ (58,084)	\$ (99,620)
Adjustments to reconcile operating loss to net cash used by operating activities		
Changes in assets and liabilities		
Accounts receivable	224	(224)
Prepaid assets	(29,134)	(100,836)
Accounts payable	(8,867)	167
Accrued vacation payable	7,350	172
Due to other funds	<u>61,385</u>	<u>-</u>
Total adjustments	30,958	(100,721)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u><u>\$ (27,126)</u></u>	<u><u>\$ (200,341)</u></u>

See accompanying independent auditor's report.

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100.00

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TRUST AND AGENCY FUNDS

Trust Funds are used to account for assets held by the District in a trustee capacity. Agency funds are used to account for assets held by the District as an agent for individuals, private organizations, and special activity groups within the District.

FUNDS

Expendable Trust Fund

This fund is provided to account for donations that are received for specific purposes such as scholarships and awards.

Nonexpendable Trust Fund

This fund is provided to account for the principal trust amount received from the Jitsugyo High School Program, and the Barbara Carlson Scholarship and the related interest income. The interest portions of the Trust Fund are used to finance the activities authorized by the Jitsugyo High School Trust Agreement, and the Barbara Carlson Scholarship Agreement.

Agency Fund

This fund is provided to account for receipts and disbursements from student and District fund-raising activities.

BOULDER VALLEY SCHOOL DISTRICT RE-2
TRUST AND AGENCY FUNDS
COMBINING BALANCE SHEET
June 30, 1999
(With Comparative Totals for June 30, 1998)

ASSETS

	Trust Funds		Agency Fund	Totals	
	<u>Expendable</u>	<u>Nonexpendable</u>		<u>1999</u>	<u>1998</u>
ASSETS					
Equity in pooled cash and temporary cash investments	\$ 43,644	\$ 142,773	\$ 1,665,624	\$ 1,852,041	\$ 1,589,445
TOTAL ASSETS	<u>\$ 43,644</u>	<u>\$ 142,773</u>	<u>\$ 1,665,624</u>	<u>\$ 1,852,041</u>	<u>\$ 1,589,445</u>

LIABILITIES AND FUND BALANCES

LIABILITIES

Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 22,544
Due to student groups	-	-	1,665,624	1,665,624	1,384,938
Due to other funds	-	-	-	-	1,414
Total liabilities	<u>-</u>	<u>-</u>	<u>1,665,624</u>	<u>1,665,624</u>	<u>1,408,896</u>

FUND BALANCES

Reserved for endowment	-	142,773	-	142,773	139,401
Unreserved - undesignated	<u>43,644</u>	<u>-</u>	<u>-</u>	<u>43,644</u>	<u>41,148</u>
Total fund balances	<u>43,644</u>	<u>142,773</u>	<u>-</u>	<u>186,417</u>	<u>180,549</u>

**TOTAL LIABILITIES AND
FUND BALANCES**

	<u>\$ 43,644</u>	<u>\$ 142,773</u>	<u>\$ 1,665,624</u>	<u>\$ 1,852,041</u>	<u>\$ 1,589,445</u>
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See accompanying independent auditor's report.

BOULDER VALLEY SCHOOL DISTRICT RE-2
EXPENDABLE TRUST FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 1999

					Variance - Favorable (Unfavorable)
			Budget	Actual	
REVENUES					
Local sources					
Interest on investments			\$ 12,500	\$ 2,001	\$ (10,499)
Gifts and donations			12,500	4,620	(7,880)
Total revenues			25,000	6,621	(18,379)
EXPENDITURES					
Scholarships and awards			20,000	4,125	15,875
EXCESS OF REVENUE OVER EXPENDITURES			\$ 5,000	2,496	\$ (2,504)
FUND BALANCE, JULY 1				41,148	
FUND BALANCE, JUNE 30				\$ 43,644	

See accompanying independent auditor's report.

BOULDER VALLEY SCHOOL DISTRICT RE-2
EXPENDABLE TRUST FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND FUND BALANCE
Year Ended June 30, 1999

	Fund Balance July 1, 1998	Revenue	Expenditures	Fund Balance June 30, 1999
Metcalf Scholarship	\$ 978	\$ 46	\$ 500	\$ 524
Parmelee Greiner Scholarship	2,988	662	1,000	2,650
Hoelscher Scholarship	1,660	79	50	1,689
TEC Scholarships	2,295	109	-	2,404
CASB Scholarship Hilty Award	554	26	-	580
Cameron Memorial Fund	14	1	-	15
Lens Scholarship	243	11	225	29
Jerry Buck Scholarship	2,754	130	-	2,884
Armijo Memorial Fund	1,137	162	750	549
Hamilton Scholarship Fund	10,958	518	500	10,976
Banman Memorial Scholarship	3,011	142	-	3,153
Armstrong Tech Theater Award	3,949	837	-	4,786
Urquidez Scholarship	1,380	65	-	1,445
CASB Scholarship Sandstead Award	1,402	66	-	1,468
Baldwin Memorial Scholarship	3,848	182	1,000	3,030
Taylor Memorial Scholarship	3,844	207	100	3,951
CASB Scholarship Young Award	133	6	-	139
Friends of Hult Scholarship	-	3,372	-	3,372
TOTALS	\$ 41,148	\$ 6,621	\$ 4,125	\$ 43,644

See accompanying independent auditor's report.

BOULDER VALLEY SCHOOL DISTRICT RE-2
NONEXPENDABLE TRUST FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 1999

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
OPERATING REVENUES			
Local sources			
Interest on investments	\$ 12,500	\$ 6,777	\$ (5,723)
Gifts and donations	<u>12,500</u>	<u>10,122</u>	<u>(2,378)</u>
Total operating revenues	<u>25,000</u>	<u>16,899</u>	<u>(8,101)</u>
OPERATING EXPENSES			
Purchased services	<u>20,000</u>	<u>13,527</u>	<u>6,473</u>
NET INCOME (LOSS)	<u>\$ 5,000</u>	3,372	<u>\$ (1,628)</u>
FUND BALANCE, JULY 1		<u>139,401</u>	
FUND BALANCE, JUNE 30		<u>\$ 142,773</u>	

See accompanying independent auditor's report.

**BOULDER VALLEY SCHOOL DISTRICT RE-2
NONEXPENDABLE TRUST FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
Years Ended June 30, 1999 and 1998**

	<u>1999</u>	<u>1998</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Contributions	\$ 10,122	\$ -
Cash payments to suppliers for services	<u>(16,323)</u>	<u>(12,006)</u>
Net cash used by operating activities	<u>(6,201)</u>	<u>(12,006)</u>
CASH FLOWS FROM INVESTING ACTIVITIES -		
Interest received	<u>6,777</u>	<u>6,712</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	576	(5,294)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>142,197</u>	<u>147,491</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 142,773</u></u>	<u><u>\$ 142,197</u></u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED USED BY OPERATING ACTIVITIES		
Net income (loss)	<u>\$ 3,372</u>	<u>\$ (8,090)</u>
Adjustments to reconcile operating loss to net cash used by operating activities -		
Interest reported as operating income	(6,777)	(6,712)
Changes in assets and liabilities		
Due to other funds	(1,414)	1,414
Accounts payable	<u>(1,382)</u>	<u>1,382</u>
Total adjustments	(9,573)	(3,916)
NET CASH USED BY OPERATING ACTIVITIES	<u><u>\$ (15,774)</u></u>	<u><u>\$ (15,922)</u></u>

See accompanying independent auditor's report.

BOULDER VALLEY SCHOOL DISTRICT RE-2
AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Year Ended June 30, 1999

	<u>Balance</u> <u>July 1, 1998</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 1999</u>
ASSETS				
Equity in cash and temporary cash investments	\$ 1,406,100	\$ 5,820,460	\$ 5,560,936	\$ 1,665,624
TOTAL ASSETS	<u>\$ 1,406,100</u>	<u>\$ 5,820,460</u>	<u>\$ 5,560,936</u>	<u>\$ 1,665,624</u>
LIABILITIES				
Accounts payable	\$ 21,162	\$ -	\$ 21,162	\$ -
Due to student groups	1,384,938	5,820,460	5,539,774	1,665,624
TOTAL LIABILITIES	<u>\$ 1,406,100</u>	<u>\$ 5,820,460</u>	<u>\$ 5,560,936</u>	<u>\$ 1,665,624</u>

See accompanying independent auditor's report.

BOULDER VALLEY SCHOOL DISTRICT RE-2
AGENCY FUND
SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES
IN AVAILABLE BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 1999

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
ADDITIONS	\$ 5,381,077	\$ 5,820,460	\$ 439,383
DEDUCTIONS	<u>4,000,000</u>	<u>5,539,774</u>	<u>(1,539,774)</u>
Excess of deductions over additions	<u>\$ 1,381,077</u>	280,686	<u>\$ (1,100,391)</u>
BALANCE AVAILABLE TO STUDENT GROUPS, JULY 1		<u>1,384,938</u>	
BALANCE AVAILABLE TO STUDENT GROUPS, JUNE 30		<u>\$ 1,665,624</u>	

See accompanying independent auditor's report.

BOULDER VALLEY SCHOOL DISTRICT RE-2
AGENCY FUND
SCHEDULE OF ADDITIONS, DEDUCTIONS, AND BALANCE DUE TO STUDENT GROUPS
Year Ended June 30, 1999

	<u>Available Balance July 1, 1998</u>	<u>Additions</u>	<u>Deductions</u>	<u>Available Balance June 30, 1999</u>
Base Line Middle Student Activities	\$ 30,211	\$ 128,604	\$ 117,383	\$ 41,432
Boulder High Student Activities	173,576	738,921	687,549	224,948
Boulder Tec Student Activities	6,324	19,643	21,040	4,927
Broomfield Heights Student Activities	34,633	202,930	199,544	38,019
Broomfield High Student Activities	67,911	533,330	539,287	61,954
Burbank Middle Student Activities	32,543	86,759	90,336	28,966
Casey Middle Student Activities	41,104	67,652	71,149	37,607
Centaurus High Student Activities	105,416	564,644	550,528	119,532
Centennial Middle Student Activities	45,771	187,528	188,259	45,040
Fairview High Student Activities	240,331	1,024,121	916,273	348,179
Angevine Middle Student Activities	28,888	99,208	100,625	27,471
Nederland Middle/Sr. Student Activities	34,482	140,760	138,550	36,692
Louisville Middle Student Activities	77,845	187,924	194,226	71,543
Nevin Platt Middle Student Activities	20,246	144,827	141,894	23,179
Monarch K-8 Student Activities	24,872	182,387	163,964	43,295
Monarch High School Student Activities	-	235,945	203,566	32,379
Southern Hills Middle Student Activities	12,417	81,309	88,866	4,860
Mesa Elementary Student Activities	26,430	79,235	77,565	28,100
New Vista High School Student Activities	25,521	129,238	129,372	25,387
Arapahoe Ridge High School Student Activities	3,820	12,700	12,129	4,391
Boulder High School	(8,989)	27,747	24,243	(5,485)
Broomfield Heights Middle School	1,285	8,500	9,824	(39)
Broomfield High School	2,531	39,921	51,955	(9,503)
Centaurus High School	374	750	333	791
Casey Middle School	4,654	1,500	1,838	4,316
Centennial Middle School	697	10,029	9,538	1,188
Angevine Middle School	(1,238)	-	654	(1,892)
Fairview High School	779	809	-	1,588
Louisville Middle School	(86)	15,230	14,897	247
Southern Hills Middle School	-	356	874	(518)
Sojourner Charter School	-	1,342	13	1,329
Summit Charter School	39,741	16,582	24,672	31,651
New Vista High School	3,106	11,687	8,701	6,092
Aurora 7 Elementary School	4,063	8,427	8,647	3,843
Bear Creek Elementary School	(232)	24,708	20,863	3,613
Boulder Community School of Integrated Studies	14,549	18,480	16,246	16,783
Birch Elementary School	13	17,433	14,994	2,452
Columbine Elementary School	2,116	5,155	3,164	4,107

EXHIBIT G-8

	Available Balance July 1, 1998	Additions	Deductions	Available Balance June 30, 1999
Crest View Elementary School	1,913	4,939	6,744	108
Nevin Platt Middle School	2,778	11,522	16,052	(1,752)
Douglas Elementary School	(10,175)	46,943	40,335	(3,567)
Sanchez Elementary School	9,655	1,801	2,670	8,786
Eisenhower Elementary School	5,381	2,826	935	7,272
Emerald Elementary School	11,853	29,216	31,967	9,102
Fireside Elementary School	7,838	26,932	26,180	8,590
Flatirons Elementary School	11,111	28,562	28,297	11,376
Foothill Elementary School	5,045	32,617	38,170	(508)
Heatherwood Elementary School	7,746	31,757	26,023	13,480
Jamestown Elementary School	-	300	-	300
Kohl Elementary School	14,493	30,997	28,918	16,572
Lafayette Elementary School	17,758	33,659	38,776	12,641
Ryan Elementary School	8,720	15,695	15,216	9,199
Louisville Elementary School	6,946	24,926	18,628	13,244
Coal Creek Elementary School	11,812	6,509	7,895	10,426
Arapahoe Ridge High School	183	-	-	183
Technical Education Center	67	-	67	-
Majestic Heights Elementary School	1,082	11,896	7,719	5,259
Mapleton Elementary School	869	3,945	3,945	869
Martin Park Elementary School	1,829	3,939	4,660	1,108
Mesa Elementary School	1,860	1,731	5,389	(1,798)
Nederland Elementary School	10,709	20,080	19,863	10,926
Pioneer Elementary School	(2,210)	6,397	1,332	2,855
Superior Elementary School	6,840	53,845	52,496	8,189
University Hill Elementary School	11,552	10,648	10,459	11,741
Washington Elementary School	6,207	15,723	15,650	6,280
Whittier Elementary School	8,786	6,783	7,436	8,133
Monarch K-8 School	3,525	-	2,652	873
Monarch High School	-	337	87	250
High Peaks Elementary School	1,625	1,700	3,133	192
Baseline Middle School	1,963	8,367	8,611	1,719
Community Montessori School	3,914	29,352	27,368	5,898
Horizons Charter School	(8,382)	51,300	58,721	(15,803)
Halcyon	113	4,493	3,567	1,039
Other Departments	125,828	204,402	136,252	193,978
TOTALS	\$ 1,384,938	\$ 5,820,460	\$ 5,539,774	\$ 1,665,624

See accompanying independent auditor's report.

The General Fixed Assets Account Group contains those assets of a tangible nature with a useful life in excess of one year and a cost which makes the asset of significant value. Assets accounted for in this group represent all land, buildings, and equipment owned by the District with the exception of the equipment accounted for in the Food Service Enterprise Fund.

BOULDER VALLEY SCHOOL DISTRICT RE-2
COMPARATIVE SCHEDULES OF GENERAL FIXED ASSETS BY SOURCE
June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
Land	\$ 4,559,168	\$ 4,587,598
Buildings	137,099,228	137,185,879
Equipment	37,851,088	36,018,353
Construction in progress	<u>70,938,921</u>	<u>64,763,291</u>
 TOTAL GENERAL FIXED ASSETS	 <u><u>\$ 250,448,405</u></u>	 <u><u>\$ 242,555,121</u></u>
 INVESTMENT IN GENERAL FIXED ASSETS	 <u><u>\$ 250,448,405</u></u>	 <u><u>\$ 242,555,121</u></u>

See accompanying independent auditor's report.

BOULDER VALLEY SCHOOL DISTRICT RE-2
SCHEDULE OF FIXED ASSETS BY CLASSIFICATION
AND ORGANIZATIONAL RESPONSIBILITY

EXHIBIT H-2

June 30, 1999

	<u>Land</u>	<u>Buildings</u>	<u>Equipment</u>	<u>Construction In Progress</u>	<u>Total</u>
Elementary Schools					
Aurora 7	\$ 18,315	\$ 815,285	\$ 193,893	\$ 6,662	\$ 1,034,155
Bear Creek	80,000	1,103,302	250,565	17,670	1,451,537
Birch	9,172	725,244	283,767	6,085	1,024,268
Columbine	20,000	1,077,783	282,680	140,247	1,520,710
Crestview	38,616	1,859,997	322,324	11,346	2,232,283
Douglas	12,500	482,520	248,592	320,205	1,063,817
Sanchez	285,586	2,996,492	315,453	984	3,598,515
Eisenhower	45,000	2,024,047	373,585	18,908	2,461,540
Emerald	7,250	1,067,489	347,580	103,123	1,525,442
Flatirons	7,795	1,516,435	252,022	2,965	1,779,217
Foothill	12,565	1,266,390	334,376	941,815	2,555,146
Gold Hill	36	120,417	45,409	8,909	174,771
Heatherwood	21,375	1,532,536	381,616	23,420	1,958,947
Jamestown	252	208,822	43,302	6,102	258,478
Kohl	9,383	1,299,007	334,150	8,118	1,650,658
Lafayette	29,780	758,566	336,740	124,828	1,249,914
Ryan	-	3,518,417	449,819	418	3,968,654
Fireside	80,000	4,819,497	269,477	162	5,169,136
Louisville	25,000	521,812	374,096	90,676	1,011,584
Coal Creek	5,000	2,875,169	450,734	1,567	3,332,470
Majestic Heights	42,500	349,271	164,713	20,192	576,676
Mapleton	49	935,076	147,287	1,591	1,084,003
Martin Park	26,724	614,914	204,358	14,528	860,524
Mesa	40,000	939,508	302,798	29,194	1,311,500
Nederland	-	5,714,842	286,072	964	6,001,878
Pioneer	2,286	3,610,478	405,900	137,585	4,156,249
Superior	-	6,780,172	178,401	20,370	6,978,943
University Hill	376	980,915	217,903	163,474	1,362,668
High Peaks	-	-	70,856	-	70,856
Community Montessori	-	53,934	58,493	4,038	116,465
Washington	186	806,835	127,975	324,220	1,259,216
Whittier	48	1,052,604	239,447	155,101	1,447,200
Total Elementary Schools	<u>819,794</u>	<u>52,427,776</u>	<u>8,294,383</u>	<u>2,705,467</u>	<u>64,247,420</u>
Middle Schools					
Baseline	144,445	1,521,266	394,854	15,924	2,076,489
Broomfield Heights	71,376	5,862,268	781,739	35,391	6,750,774
Burbank	80,000	1,694,767	455,740	5,513	2,236,020
Casey	1,374	2,006,740	533,723	356,950	2,898,787
Centennial	60,000	1,702,508	591,447	4,762,451	7,116,406
Angevine	425,000	9,206,005	630,307	2,171	10,263,483
Louisville	4,524	5,371,736	519,515	18,063	5,913,838
Platt	59,377	1,230,388	583,528	27,593	1,900,886
Southern Hills	40,000	937,288	442,046	30,946	1,450,280
Total Middle Schools	<u>886,096</u>	<u>29,532,966</u>	<u>4,932,899</u>	<u>5,255,002</u>	<u>40,606,963</u>
High Schools					
Arapahoe Ridge	-	-	96,837	48,111	144,948
Boulder	514,357	9,570,622	1,052,894	1,367,450	12,505,323
Broomfield	33,334	9,575,802	1,146,814	150,990	10,906,940
Centauras	38,000	10,902,359	980,745	154,759	12,075,863
Fairview	188,000	11,710,470	1,364,820	173,973	13,437,263
New Vista	-	180,881	193,878	4,939	379,698
Monarch	1,292,416	-	1,118,594	29,663,597	32,074,607
Total High Schools	<u>2,066,107</u>	<u>41,940,134</u>	<u>5,954,582</u>	<u>31,563,819</u>	<u>81,524,642</u>
Other Facilities/Combination Schools					
Boulder Technical Ed Center	25,000	4,472,935	1,910,960	201,567	6,610,462
Monarch K-8	323,104	-	711,899	13,764,786	14,799,789
Nederland Middle/Senior High	25,000	4,045,825	678,038	3,251,441	8,000,304
K-8 #2	-	-	-	689,571	689,571
K-8 #3	-	-	-	77,526	77,526
Superior K-8	-	-	-	1,012,990	1,012,990
Halcyon	7,500	103,906	30,978	579	142,963
Charter Schools	16,000	158,988	310,886	467	486,341
Other Facilities	390,567	4,416,698	15,026,463	12,415,706	32,249,434
Total Other Facilities	<u>787,171</u>	<u>13,198,352</u>	<u>18,669,224</u>	<u>31,414,633</u>	<u>64,069,380</u>
TOTAL GENERAL FIXED ASSETS	<u>\$ 4,559,168</u>	<u>\$ 137,099,228</u>	<u>\$ 37,851,088</u>	<u>\$ 70,938,921</u>	<u>\$ 250,448,405</u>

See accompanying independent auditor's report.

BOULDER VALLEY SCHOOL DISTRICT RE-2
SCHEDULE OF CHANGES IN FIXED ASSETS
BY ORGANIZATIONAL RESPONSIBILITY
Year Ended June 30, 1999

	Balance July 1, 1998	Additions	Deductions	Balance June 30, 1999
Elementary Schools				
Aurora 7	\$ 1,030,507	\$ 29,095	\$ 25,447	\$ 1,034,155
Bear Creek	1,451,458	19,084	19,005	1,451,537
Birch	1,029,306	18,936	23,974	1,024,268
Columbine	1,524,057	36,277	39,624	1,520,710
Crestview	2,255,703	34,109	57,529	2,232,283
Douglass	1,014,911	84,713	35,807	1,063,817
Sanchez	3,672,212	15,939	89,636	3,598,515
Eisenhower	2,450,130	38,706	27,296	2,461,540
Emerald	1,485,102	79,721	39,381	1,525,442
Flatirons	1,783,742	19,135	23,660	1,779,217
Foothill	2,578,376	38,809	62,039	2,555,146
Gold Hill	157,761	23,999	6,989	174,771
Heatherwood	1,959,906	45,413	46,372	1,958,947
Jamestown	245,691	16,881	4,094	258,478
Kohl	1,663,931	63,117	76,390	1,650,658
Lafayette	1,143,480	176,908	70,474	1,249,914
Ryan	3,940,692	85,036	57,074	3,968,654
Fireside	5,192,846	90,396	114,106	5,169,136
Louisville	956,686	118,601	63,703	1,011,584
Coal Creek	3,354,168	47,422	69,120	3,332,470
Majestic Heights	568,996	31,761	24,081	576,676
Mapleton	1,068,148	41,703	25,848	1,084,003
Martin Park	890,568	30,307	60,351	860,524
Mesa	1,303,165	67,651	59,316	1,311,500
Nederland	6,031,353	14,122	43,597	6,001,878
Pioneer	4,043,877	134,341	21,969	4,156,249
Superior	6,981,604	95,405	98,066	6,978,943
University Hill	1,327,176	61,985	26,493	1,362,668
High Peaks	66,085	13,407	8,636	70,856
Community Montessori	47,037	72,985	3,557	116,465
Washington	1,236,267	37,138	14,189	1,259,216
Whittier	1,452,694	20,998	26,492	1,447,200
Total Elementary Schools	63,907,635	1,704,100	1,364,315	64,247,420
Middle Schools				
Baseline	2,027,733	97,436	48,680	2,076,489
Broomfield Heights	6,758,890	69,045	77,161	6,750,774
Burbank	2,198,530	79,939	42,449	2,236,020
Casey	2,854,856	91,569	47,638	2,898,787
Centennial	6,632,671	524,004	40,269	7,116,406
Angevine	10,223,379	120,084	79,980	10,263,483
Louisville	5,879,167	104,563	69,892	5,913,838
Platt	1,880,905	61,823	41,842	1,900,886
Southern Hills	1,429,083	111,580	90,383	1,450,280
Total Middle Schools	39,885,214	1,260,043	538,294	40,606,963
High Schools				
Arapahoe Ridge	65,482	113,984	34,518	144,948
Boulder	12,442,696	163,552	100,925	12,505,323
Broomfield	10,828,954	195,135	117,149	10,906,940
Centaurus	12,068,250	202,136	194,523	12,075,863
Fairview	13,263,430	227,318	53,485	13,437,263
New Vista	359,098	27,961	7,361	379,698
Monarch	29,956,446	2,150,910	32,749	32,074,607
Total High Schools	78,984,356	3,080,996	540,710	81,524,642
Other Facilities/Combination Schools				
Boulder Technical Ed Center	6,469,454	380,422	239,414	6,610,462
Monarch K-8	14,391,753	435,161	27,125	14,799,789
Nederland Middle/Senior High	7,934,163	119,393	53,252	8,000,304
K-8 #2	-	689,571	-	689,571
K-8 #3	-	77,526	-	77,526
Superior K-8	-	1,012,990	-	1,012,990
Halcyon	129,590	14,447	1,074	142,963
Charter Schools	493,689	73,303	80,651	486,341
Other Facilities	30,359,267	7,350,601	5,460,434	32,249,434
Total Other Facilities	59,777,916	10,153,414	5,861,950	64,069,380
TOTAL GENERAL FIXED ASSETS	\$ 242,555,121	\$ 16,198,553	\$ 8,305,269	\$ 250,448,405

See accompanying independent auditor's report.

LONG-TERM DEBT ACCOUNT GROUP

General obligation bonds and other forms of long-term debt supported by general revenue are obligations of a governmental entity as a whole and not its individual constituent funds. For this reason, the amount of unmatured long-term debt and other obligations which are not due currently are recorded and accounted for in this separate account group.

BOULDER VALLEY SCHOOL DISTRICT RE-2
COMPARATIVE STATEMENTS OF GENERAL LONG-TERM DEBT
June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
AMOUNTS AVAILABLE AND TO BE PROVIDED FOR THE PAYMENT OF GENERAL LONG-TERM DEBT		
Amount available in the Debt Service Fund	\$ 14,467,115	\$ 13,211,548
Amount to be provided for General Obligation Bonds	161,802,885	105,803,452
Amount to be provided for capital lease obligations	531,919	646,640
Amount to be provided for certificates of participation	8,695,000	9,425,000
Amount to be provided for compensated absences	1,026,923	927,826
Amount to be provided for early retirement	<u>75,063</u>	<u>330,088</u>
TOTALS	<u><u>\$ 186,598,905</u></u>	<u><u>\$ 130,344,554</u></u>
GENERAL LONG-TERM DEBT PAYABLE		
General Obligation Bonds		
1999	\$ 63,655,000	\$ -
Refunding - 1997A	68,345,000	68,810,000
Refunding - 1992A	31,760,000	34,020,000
1994A	8,090,000	9,720,000
1994B	<u>4,420,000</u>	<u>6,465,000</u>
	<u>176,270,000</u>	<u>119,015,000</u>
Capital leases		
School copiers	14,403	21,640
Computer software	<u>517,516</u>	<u>625,000</u>
	<u>531,919</u>	<u>646,640</u>
Certificates of participation	8,695,000	9,425,000
Compensated absences	1,026,923	927,826
Early retirement	<u>75,063</u>	<u>330,088</u>
TOTALS	<u><u>\$ 186,598,905</u></u>	<u><u>\$ 130,344,554</u></u>

See accompanying independent auditor's report.

SUPPLEMENTARY INFORMATION

STATE REQUIRED REPORT

Colorado School District / BOCES Auditor's Electronic Financial Data Integrity Check Figures Report. This report is a fiscal year report of revenues, expenditures, and fund balance by fund. Article 29 of the Colorado Revised Statutes requires that the Audit Report of each district contain a copy of this report.

Fiscal Year Spending Under Section 20 of Article X of the State Constitution (TABOR) Worksheet. The TABOR Worksheet is a fiscal year report to calculate compliance with certain provisions of Section 20 of Article X of the Colorado Constitution. Article 29 of the Colorado Revised Statutes requires that the audit report of each district contain the information included in this worksheet.



Colorado Department of Education

Automated Data Exchange View Report

12/07/1999
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Colorado Department of Education
Fiscal Year 1998-1999
Colorado School District/BOCES
Auditor's Electronic Financial Data Integrity Check Figures

BOULDER BOULDER VALLEY RE 2
District Code: 0480

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beginning Fund Balance +	Total Revenues & Other Sources -	Total Expenditures & Other Uses =	Ending Fund Balance
Governmental				
10 General Fund	-1,979,332	150,421,493	140,802,092	7,640,069
20 Special Revenue Fund	0	0	0	0
21 Capital Reserve Spec Revenue Fund	0	0	0	0
22 Govt Designated-Purpose Grants Fund	-14,148	4,643,264	4,643,736	-14,619
23 Pupil Activity Special Revenue Fund	64,985	174,192	167,236	71,941
24 Insurance Reserve Spec Revenue Fund	0	0	0	0
25 Transportation Fund	0	0	0	0
30 Debt Service Fund	0	0	0	0
31 Bond Redemption Fund	13,211,549	14,721,421	13,465,854	14,467,115
41 Building Fund	14,102,736	65,520,132	10,326,207	69,296,661
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	1,386,311	4,025,551	3,975,439	1,436,423
TOTALS	26,772,101	239,506,053	173,380,564	92,897,589
Proprietary				
51 Food Service Fund	309,369	4,208,777	4,033,719	484,427
50 Other Enterprise Funds	0	0	0	0
64 Risk-Related Activity Fund	991,200	2,146,636	2,204,720	933,116
60,65-69 Other Internal Service Funds	0	0	0	0
TOTALS	1,300,569	6,355,413	6,238,439	1,417,543
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
71 Expendable Trust Fund	41,148	6,621	4,125	43,644
72 Non-Expendable Trust Fund	139,401	16,898	13,527	142,773
73 Agency Fund	0	5,820,460	5,820,460	0
74 Pupil Activity Agency Fund	0	0	0	0
TOTALS	180,549	5,843,979	5,838,112	186,417

BOULDER VALLEY SCHOOL DISTRICT RE-2
AUDITOR'S ELECTRONIC FINANCIAL DATA INTEGRITY
CHECK FIGURES REPORT RECONCILIATION

June 30, 1999

Reconciliation to GAAP Financial Statements:

General Fund Revenues:	\$ 156,136,906
Plus Other Financing Sources	31,743
Less allocation to Capital Reserve Fund	(3,795,794)
Less allocation to Insurance Reserve Fund	(1,951,362)

Total General Fund Revenues and Other Sources, Statutory Purposes	\$ 150,421,493
--	----------------

General Fund Expenditures:	\$ 142,753,454
Plus Transfers Out	3,795,794
Less Allocation to Capital Reserve	(3,795,794)
Less Allocation to Insurance Reserve	(1,951,362)

Total Expenditures and Other Uses, Statutory Purposes	\$ 140,802,092
--	----------------

Capital Project Fund Reserves:	
Energy Conservation Fund	\$ 105,198
Building Fund 1994	614,954
Building Fund 1999	963,225
Proceeds from Sale of Bonds	63,836,755

Total Capital Project Fund Revenues and Other Sources Statutory Purposes	\$ 65,520,132
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Capital Project Fund Expenditures:	
Energy Conservation Fund	\$ 58,960
Building Fund 1994	7,217,788
Building Fund 1999	3,049,459

Total Capital Project Fund Expenditures and Other Uses Statutory Purposes	\$ 10,326,207
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BOULDER VALLEY SCHOOL DISTRICT RE-2
SCHEDULE OF COMPUTATIONS REQUIRED
UNDER ARTICLE X, SECTION 20
YEAR ENDED JUNE 30, 1999

DISTRICT WIDE REVENUES:	Fiscal Year 1998/99	Fiscal Year 1997/98
General Fund and sale of fixed assets	\$ 156,168,649	\$ 135,652,228
Insurance Reserve Fund	195,274	196,937
Bond Redemption Fund	14,721,421	12,774,815
Building Fund 1994	614,954	2,820,756
Building Fund 1999	963,225	-
Capital Reserve Fund	58,216	53,307
Energy Conservation Fund	105,198	85,481
Food Service Fund	4,208,777	3,963,703
Governmental Designated - Purpose Grants Fund	4,121,350	4,765,511
Tuition Based Preschool Fund	174,192	185,513
Agency Fund	5,820,460	5,012,849
Expendable Trust Fund	6,621	4,820
Nonexpendable Trust Fund	16,899	6,712
Total revenues	187,175,236	165,522,632
LESS: EXCLUDED REVENUES AND ADJUSTMENTS		
Voter approved property tax revenue	(10,346,078)	-
General Fund-sale of fixed assets	(31,743)	(29,064)
General Fund-federal sources	(17,086)	(6,075)
Bond Redemption Fund	(14,721,421)	(12,774,815)
Building Fund 1994	(614,954)	(2,820,756)
Building Fund 1999	(963,225)	-
Federal Grant Revenue	(3,778,364)	(4,574,645)
Food Service Fund	(4,208,777)	(3,963,703)
Agency Fund	(5,820,460)	(5,012,849)
Expendable Trust Fund	(6,621)	(4,820)
Nonexpendable Trust Fund	(16,899)	(6,712)
Total excluded revenues	(40,525,628)	(29,193,439)
Net revenues subject to TABOR	\$ 146,649,608	\$ 136,329,193
NET INCREASE IN REVENUES SUBJECT TO TABOR	<u>\$ 10,320,415</u>	
Increase in student enrollment		2.630%
Increase in consumer price index		3.300%
Total increase		5.930%
ALLOWABLE INCREASE		8,084,321
TOTAL REVENUES PERMITTED UNDER TABOR		<u>\$ 144,413,514</u>

BOULDER VALLEY SCHOOL DISTRICT RE-2
GENERAL FUND EXPENDITURES BY OBJECT
Last Ten Years

(Unaudited)

	<u>Actual 1990</u>	<u>Actual 1991</u>	<u>Actual 1992 (b)</u>	<u>Actual 1992/93</u>
Salaries	\$66,000,365	\$68,693,623	\$39,481,843	\$ 77,677,522
Percent change from prior year	4.68	4.08	(42.52)	96.74
Employee benefits	12,040,225	12,947,393	7,100,607	14,195,940
Percent change from prior year	10.69	7.53	(45.16)	99.93
Purchased services	5,724,873	6,853,138	3,739,613	7,829,225
Percent change from prior year	7.84	19.71	(45.43)	109.36
Supplies and materials	3,309,896	3,165,095	2,156,997	3,746,061
Percent change from prior year	1.81	(4.37)	(31.85)	73.67
Capital outlay	909,780	976,492	614,465	500,052
Percent change from prior year	125.47	7.33	(37.07)	(18.62)
Other	437,499	740,399	1,119,007	193,236
Percent change from prior year	(16.91)	69.23	51.14	(82.73)
Pre-PERA retirement	39,384	41,208	20,733	32,724
Percent change from prior year	(13.23)	4.63	(49.69)	57.84
County fees for tax collection	302,078	297,094	337,773	351,984
Percent change from prior year	7.88	(1.65)	13.69	4.21
Retirement payoffs	1,004,833	1,876,951	659,992	711,587
Percent change from prior year	(26.48)	86.79	(64.84)	7.81
TOTAL GENERAL FUND EXPENDITURES	<u><u>\$89,768,933</u></u>	<u><u>\$95,591,393</u></u>	<u><u>\$55,231,030</u></u>	<u><u>\$ 105,238,331</u></u>
PERCENT CHANGE FROM PRIOR YEAR	<u><u>2.51</u></u>	<u><u>5.47</u></u>	<u><u>6.49</u></u>	<u><u>(42.22)</u></u>

- (a) As of 1996/97, the District eliminated the General Fund Subsidy Accounts. The balances represent total General Fund expenditures from 1996/97 and thereafter.
- (b) The 1992 figures include only six months of transitional fiscal year activity versus the full twelve months of activity shown for all other fiscal years.

Source: Boulder Valley School District RE-2 Audited Financial Statements 1990-1998/99.

TABLE I

Actual 1993/94	Actual 1994/95	Actual 1995/96	Actual 1996/97 (a)	Actual 1997/98	Actual 1998/99
\$ 82,011,642 5.58	\$ 82,682,838 0.82	\$ 81,531,594 (1.39)	\$ 91,353,222 12.05	\$ 97,385,100 6.60	\$104,732,608 7.54
15,061,303 6.10	15,847,341 5.22	14,702,980 (7.22)	16,030,722 9.03	16,642,275 3.81	17,843,964 7.22
7,870,194 0.52	7,773,026 (1.23)	11,695,375 50.46	11,057,256 (5.46)	7,187,545 (35.00)	8,955,449 24.60
3,781,714 0.95	5,206,476 37.67	2,660,743 (48.90)	4,817,209 81.05	7,277,785 51.08	8,054,703 10.68
610,205 22.00	261,044 (57.22)	362,504 38.87	496,083 36.85	435,089 (12.30)	628,495 44.45
827,920 328.50	466,230 (43.69)	376,343 (19.28)	1,579,599 319.72	802,476 (49.20)	1,244,665 55.10
33,480 2.31	21,962 (34.40)	11,436 (47.93)	12,238 7.01	13,000 6.23	3,281 (74.76)
389,888 9.92	400,367 2.69	420,420 5.01	432,080 2.77	466,996 8.08	525,629 12.56
749,010 5.26	686,798 (8.31)	762,836 11.70	406,504 (46.71)	849,607 109.00	764,660 (10.00)
<u>\$111,335,356</u>	<u>\$113,346,082</u>	<u>\$112,524,231</u>	<u>\$126,184,913</u>	<u>\$131,059,873</u>	<u>\$142,753,454</u>
<u>90.54</u>	<u>5.79</u>	<u>1.81</u>	<u>12.14</u>	<u>3.86</u>	<u>8.92</u>

BOULDER VALLEY SCHOOL DISTRICT RE-2
GENERAL FUND REVENUE BY SOURCE
Last Ten Years

	(Unaudited)			
	Actual 1990	Actual 1991	Actual 1992 (b)	Actual 1992/93
Local Revenue				
Current property taxes	\$60,275,193	\$58,925,735	\$52,634,323	\$ 87,296,892
Specific ownership taxes	4,192,520	4,336,022	2,414,369	5,278,523
Delinquent taxes and penalties	326,173	677,081	917,185	567,366
Tuition	168,026	200,890	160,044	197,737
Interest income	1,397,991	1,007,149	326,079	735,668
Miscellaneous	423,287	364,509	230,183	439,141
Total local revenue	66,783,190	65,511,386	56,682,183	94,515,327
State Revenue				
State equalization	21,362,442	26,137,386	-	11,659,745
Special education	1,935,137	1,952,980	1,193,819	1,920,349
Transportation	1,380,844	1,301,878	-	1,482,458
Vocational education	630,843	742,575	383,388	639,560
Miscellaneous	196,523	338,611	894,470	1,811,773
Total state revenue	25,505,789	30,473,430	2,471,677	17,513,885
Federal Revenue	29,383	31,562	36,655	93,538
TOTAL GENERAL FUND REVENUE	<u>\$92,318,362</u>	<u>\$96,016,378</u>	<u>\$59,190,515</u>	<u>\$112,122,750</u>
PERCENT CHANGE FROM PRIOR YEAR	<u>0.95</u>	<u>4.01</u>	<u>(38.35)</u>	<u>89.43</u>

(a) As of 1996/97, the District eliminated the General Fund Subsidy Accounts. The balances represent total General Fund expenditures from 1996/97 and thereafter.

(b) The 1992 figures include only six months of transitional fiscal year activity versus the full twelve months of activity shown for all other fiscal years.

Source: Boulder Valley School District RE-2 Audited Financial Statements 1990-1998/99.

TABLE II

Actual 1993/94	Actual 1994/95	Actual 1995/96	Actual 1996/97 (a)	Actual 1997/98	Actual 1998/99
\$ 77,855,009	\$ 80,001,057	\$ 83,979,637	\$ 85,885,284	\$ 92,650,365	105,206,316
5,893,608	6,363,965	6,776,864	7,205,038	7,746,082	9,961,118
280,631	201,426	167,769	117,529	194,816	93,653
268,831	226,105	191,701	2,499,455	3,304,518	3,408,518
378,071	282,185	478,482	421,706	418,924	499,766
2,266,256	504,741	1,923,444	2,157,342	1,149,519	3,780,598
86,942,406	87,579,479	93,517,897	98,286,354	105,464,224	122,949,969
21,402,261	21,714,750	21,199,877	23,664,149	24,506,373	27,821,878
2,229,552	2,714,409	2,772,541	2,771,485	2,939,892	2,956,640
1,457,390	1,544,589	1,613,185	1,562,182	1,448,265	1,353,305
867,108	843,431	805,146	782,306	927,638	697,546
751,572	196,045	149,950	251,213	330,697	340,482
26,707,883	27,013,224	26,540,699	29,031,335	30,152,865	33,169,851
107,194	28,149	24,273	-	6,075	17,086
<u>\$113,757,483</u>	<u>\$114,620,852</u>	<u>\$120,082,869</u>	<u>\$127,317,689</u>	<u>\$135,623,164</u>	<u>\$156,136,906</u>
<u>1.46</u>	<u>0.76</u>	<u>4.74</u>	<u>3.66</u>	<u>6.52</u>	<u>15.13</u>

TABLE III

**BOULDER VALLEY SCHOOL DISTRICT RE-2
PROPERTY TAX LEVIES AND COLLECTIONS - ALL FUNDS
Last Ten Years**

(Unaudited)

Levy Year	Collection Year		Total Tax Levied	Total Current Tax Collections	Total Current Tax Collections as a Percentage of Total Tax Levied	Delinquent Tax Collections	Delinquent Tax Collections as a Percentage of Total Tax Levied
1988	1989	(1)	\$ 65,193,634	\$64,732,011	99.29	\$ 470,056	0.72
1989	1990		70,298,084	69,298,223	98.58	364,155	0.52
1990	1991		68,025,686	67,104,659	98.65	226,058	0.33
1991	1992		79,106,167	78,262,678	98.43	370,322	0.47
1992	1993		84,498,380	84,264,160	99.72	419,277	0.50
1993	1994		86,388,187	86,049,635	99.60	225,966	0.26
1994	1995		91,670,259	92,168,033	99.45	187,108	0.20
1995	1996		95,233,893	94,791,270	99.54	171,986	0.18
1996	1997		101,016,769	100,124,058	99.12	194,816	0.19
1997	1998		106,247,007	103,162,683	97.10	93,653	0.09

(1) Beginning with the 1988 levy year, state law allows a separate mill levy for credits, abatements, and omitted property which is not included in total tax levied. This separate levy replaces revenue lost in the prior and current year due to credits, abatements, and omitted property (CRS 39-10-114.)

Source: Boulder County and Gilpin County Assessor's Offices and Boulder Valley School District RE-2.

**BOULDER VALLEY SCHOOL DISTRICT RE-2
ASSESSED AND ESTIMATED ACTUAL VALUE
OF TAXABLE PROPERTY**

Last Ten Years

(Unaudited)

Levy Year	Property Values			
	Amount Assessed in Boulder County	Amount Assessed in Gilpin County	Total Assessed Valuation Amount	Estimated Actual Value
1989	\$ 1,521,691,040	\$ 15,786,470	\$ 1,537,477,510	\$7,283,185,700 (1)
1990	1,544,434,920	16,273,940	1,560,708,860	8,027,811,937
1991	1,564,200,680	14,725,410	1,578,926,090	8,363,249,332
1992	1,622,634,150	14,772,700	1,637,406,850	8,666,111,292
1993	1,749,967,840	15,939,500	1,765,907,340	10,110,335,788
1994	1,804,103,330	16,593,400	1,820,696,730	10,491,766,469
1995	2,070,225,420	16,406,770	2,086,632,190	13,416,773,470
1996	2,143,943,580	17,166,510	2,161,110,090	14,815,570,254
1997	2,281,778,250	19,381,190	2,301,159,440	15,207,498,800
1998	2,375,324,790	19,999,560	2,395,324,350	15,879,878,955

(1) The method of calculating estimated actual value has changed to provide more accurate values.

Source: Boulder County and Gilpin County Assessor's Offices.

BOULDER VALLEY SCHOOL DISTRICT RE-2
RATIO OF NET GENERAL BONDED DEBT TO
ASSESSED VALUE AND NET BONDED DEBT PER CAPITA
Last Ten Years

(Unaudited)

	December 1989	December 1990	June 1992	June 1993
Gross bonded debt	\$ 63,995,000	\$ 59,365,000	\$ 54,390,000	\$ 50,600,000
Debt service moneys available	1,698,496	2,417,446	8,997,541	7,651,345
Net bonded debt outstanding	62,296,504	56,947,554	45,392,459	42,602,163
District's estimated population	160,953	163,036	167,272	170,758
Boulder County per capita income	20,203	21,421	22,169	23,567
District's total assessed valuation *	1,537,477,510	1,560,708,860	1,578,926,090	* 1,637,406,850 *
Net bonded debt per capita	387.05	349.29	271.37	249.49
Net bonded debt as a percent of assessed valuation	4.05	3.65	2.86	2.54
Total per capita income as a percent of net bonded debt	0.02	0.03	0.04	0.06

* Assessed valuation as of December 31 of the previous year.

Source: Boulder Valley District RE-2 Audited Financial Statements 1989 to 1998/99.

TABLE V

June 1994	June 1995	June 1996	June 1997	June 1998	June 1999
\$ 44,375,000	\$ 128,960,000	\$ 124,795,000	\$ 119,515,000	\$ 119,015,000	\$ 176,270,000
7,738,553	10,150,420	10,223,940	12,464,494	13,211,548	14,467,115
36,398,062	118,809,580	114,571,060	107,050,506	105,803,452	161,802,885
Not available	Not available	Not available	Not available	190,000	Not available
Not available	Not available	Not available	Not available	Not available	Not available
1,765,907,340 *	1,820,696,730 *	2,086,632,190 *	2,161,110,090 *	2,301,159,440 *	2,395,324,350
Not available	Not available	Not available	Not available	Not available	Not available
2.06	6.53	5.49	4.95	4.60	6.75
Not available	Not available	Not available	Not available	Not available	Not available

**BOULDER VALLEY SCHOOL DISTRICT RE-2
COMPUTATION OF LEGAL DEBT MARGIN**

(Unaudited)

1998 taxable assessed valuation	\$2,395,324,350
Debt limit percentage (1)	<u>20%</u>
Legal debt limit	479,064,870
Amount of debt applicable to debt limit - total bonded debt as of June 30, 1999	<u>176,270,000</u>
LEGAL DEBT MARGIN	<u><u>\$ 302,794,870</u></u>

- (1) Colorado Statute No. 22-42-104: Each school district shall have a limit of bonded indebtedness of 20% of the latest valuation for assessment of the taxable property in such district, as certified by the assessor to the Board of County Commissioners, or 25% if enrollment has increased by 3% or more over each preceding year in the last three years, or 6% of actual value.

Source: Boulder Valley School District RE-2.

BOULDER VALLEY SCHOOL DISTRICT RE-2
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
GENERAL BONDED DEBT TO TOTAL GENERAL FUND EXPENDITURES
Last Ten Years

(Unaudited)

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest and Other Expenditures</u>	<u>Total Debt Service</u>	<u>Total General Fund Expenditures (b)</u>	<u>Ratio of Debt Service to Total General Fund Expenditures</u>
1990	\$ 4,630,000	\$ 4,866,021	\$ 9,496,021	\$ 89,768,933	10.58
1991	4,975,000	4,435,369	9,410,369	95,591,393	9.84
1992	42,920,000 (a)	1,069,682	43,989,682	55,231,030	79.65
1992/93	6,715,000	3,726,930	10,441,930	105,238,331	9.45
1993/94	6,225,000	2,979,356	9,204,356	111,335,356	8.27
1994/95	4,415,000	5,754,887	10,169,887	113,346,082	8.97
1995/96	4,165,000	7,589,905	11,754,905	112,524,231	10.46
1996/97	5,280,000	7,310,668	12,590,668	126,184,193	9.98
1997/98	69,310,000 (a)	11,206,571	80,516,571	131,059,823	61.43
1998/99	6,400,000	7,065,854	13,465,854	142,753,454	9.43

(a) Refunding of debt occurred.

(b) As of 1996/97, the District eliminated the General Fund Subsidy Accounts. The balances represent total General Fund expenditures from 1996/97 and thereafter.

Source: Boulder Valley School District RE-2 Audited Financial Statements 1990-1998/99.

TABLE VIII

BOULDER VALLEY SCHOOL DISTRICT RE-2**DISTRICT MILL LEVY HISTORY****Last Ten Years**

(Unaudited)

Levy Year	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
Collection Year	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
General Fund	39.781	38.608	45.101	46.605	44.149	44.049	40.640	40.437	40.525	44.356
Bond Redemption Fund	5.942	5.000	5.000	5.000	4.771	6.300	5.000	6.306	4.819	6.000
TOTAL LEVY	<u>45.723</u>	<u>43.608</u>	<u>50.101</u>	<u>51.605</u>	<u>48.920</u>	<u>50.349</u>	<u>45.640</u>	<u>46.743</u>	<u>45.344</u>	<u>50.356</u>

Source: Boulder and Gilpin Counties Abstracts of Assessment and Summary of Tax Levies, 1989-1998.

TABLE IX

**BOULDER VALLEY SCHOOL DISTRICT RE-2
PROPERTY TAX RATES (MILLS)*
DIRECT AND OVERLAPPING GOVERNMENTS**

Last Ten Years

(Unaudited)

	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
Boulder Valley School										
District RE-2	45.723	43.608	50.101	51.605	48.920	50.349	45.640	46.743	45.344	50.356
Boulder County	19.930	20.658	22.245	22.245	22.245	22.245	22.245	21.447	21.143	21.762
City of Boulder	9.181	9.981	9.981	9.981	9.981	9.981	9.981	9.981	11.428	11.438
Northern Colorado Water										
Conservancy District	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Urban Drainage & Flood										
Control District	0.597	0.624	0.696	0.696	0.696	0.696	0.696	0.696	0.668	0.676
TOTAL	76.431	75.871	84.023	85.527	82.842	84.271	79.562	79.867	79.583	85.232

* Does not include all Special Districts.

Source: Boulder County Abstract of Assessment and Summary of Tax Levies, 1989-1998.

**BOULDER VALLEY SCHOOL DISTRICT RE-2
COMPUTATION OF OVERLAPPING BONDED
GENERAL OBLIGATION DEBT**

June 30, 1999

(Unaudited)

	Gross Outstanding General Obligation Debt (1)	Net Outstanding General Obligation Debt (1)	Net Outstanding General Obligation Debt Chargeable to Properties within the District	
			Percent	Amount
Boulder Central General Improvement District	\$ 22,440,000	\$ 22,440,000	100.0 %	\$ 22,440,000
Cherryvale Fire Protection District	230,000	230,000	100.0 %	230,000
City of Boulder	72,970,000 (2)	71,035,000	74.8 %	53,134,180
City of Broomfield	34,832,868	6,400,000	100.0 %	6,400,000
City of Lafayette	-	-	100.0 %	-
City of Louisville	3,560,000	3,560,000	100.0 %	3,560,000
Coal Creek Canyon Fire Protection District	-	-	10.8 %	-
Colorado Tech Center Metropolitan District	4,340,000	4,340,000	87.2 %	3,784,480
Gilpin County Library District	490,000	490,000	100.0 %	490,000
Gunbarrel Improvement District	2,515,000	2,515,000	100.0 %	2,515,000
High Country Fire Protection District	-	-	88.8 %	-
Interlocken Consolidated Metropolitan District	64,160,000	64,160,000	100.0 %	64,160,000
Louisville Fire Protection District	-	-	100.0 %	-
Mountain View Fire Protection District	2,005,000	2,005,000	6.5 %	130,325
Northern Colorado Water Conservancy District	3,377,325	3,377,325	100.0 %	3,377,325
Pine Brook Water District	970,000	970,000 (3)	42.2 %	409,340
Pine Brook Hills Fire District	-	-	100.0 %	-
Superior Metropolitan District No. 1	-	-	100.0 %	-
Superior Metropolitan District No. 2	9,190,000	9,190,000	100.0 %	9,190,000
Superior Metropolitan District No. 3	5,000,000	5,000,000	100.0 %	5,000,000
Town of Nederland	-	-	100.0 %	-
University Hills General Improvement District	-	-	100.0 %	-
West Adams County Fire District No. 1	1,230,000	1,230,000	42.7 %	525,210
			Total	\$ 175,345,860

(1) "Gross outstanding general obligation debt" includes general obligation debt historically paid from system revenues ("self-supporting general obligation debt"). "Net outstanding general obligation debt" is gross outstanding general obligation debt minus self-supporting general obligation debt.

(2) This amount reflects the city's outstanding general obligation debt based on the present value of its capital appreciation bonds which are term bonds which bear no stated interest and which were sold by the city at a substantial original issue discount.

(3) This amount constitutes a contractual obligation of the district.

Sources: Boulder County Assessor's Office, and information obtained from individual entities

**BOULDER VALLEY SCHOOL DISTRICT RE-2
BOULDER COUNTY POPULATION ESTIMATES**

(Unaudited)

	1950	1960	1970	1980	1990	Percent Increase (Decrease)	
						1970- 1980	1980- 1990
Boulder	19,999	37,718	66,870	76,685	83,312	14.68 %	8.64 %
Broomfield (1)	-	-	7,261	14,514	16,458	99.89	13.39
Erie (1)	-	-	7	23	21	228.57	(4.50)
Longmont	8,099	11,489	23,209	42,942	51,555	85.02	20.05
Louisville	1,978	2,073	2,409	5,593	12,361	132.17	121.01
Lafayette	2,090	2,612	3,498	8,985	14,548	156.86	61.91
Lyons	689	706	958	1,137	1,227	18.68	7.92
Nederland	266	272	492	1,212	1,099	146.34	(9.32)
Jamestown	118	107	185	223	251	20.54	12.56
Superior	134	173	171	208	255	21.64	22.59
Ward	10	9	32	129	159	303.13	23.25
Unincorporated							
Boulder County	16,391 (2)	17,900	26,797	37,974	34,676	41.71	(8.68)
Estimated Boulder							
County Total (3)	48,296	74,254	131,889	189,625	215,922	43.78	13.87

(1) Population includes only that portion located in Boulder County. As of 1990, approximately 66.8% of the 24,638 residents of Broomfield (approximately 16,458 persons) and approximately 1.7% of the 1,258 residents of Erie (approximately 21 persons) resided in Boulder County.

(2) This figure includes some population figures which may be duplicated in figures above.

(3) The estimated Boulder County total reflects an unduplicated count.

Source: Colorado Division of Local Affairs; United States Bureau of the Census. 1950, 1960, 1970, and 1980 are Census figures; 1990 figures are estimates from the Denver Regional Council of Governments.

**BOULDER VALLEY SCHOOL DISTRICT RE-2
CHARACTERISTICS OF EMPLOYMENT IN BOULDER COUNTY**

(Unaudited)

Industry	As of December 31, 1997		As of December 31, 1998	
	Estimated Average Monthly Employment	Percent of Total Employment	Estimated Average Monthly Employment	Percent of Total Employment
Mining and construction	\$ 6,400	4.05 %	\$ 7,500	4.46 %
Manufacturing	31,700	20.04	32,500	19.33
Transportation and utilities	3,700	2.34	4,300	2.56
Wholesale and retail trade	34,800	22.00	37,600	22.37
Finance, insurance and real estate	5,500	3.48	6,200	3.69
Services	50,200	31.73	52,900	31.47
Government	25,900	16.37	27,100	16.12
TOTAL	\$ 158,200	100.00 %	\$ 168,100	100.00 %

Source: State Department of Labor and Employment, Division of Employment and Training.

**BOULDER VALLEY SCHOOL DISTRICT RE-2
MAJOR EMPLOYERS IN BOULDER COUNTY**

(Unaudited)

Company	Activity	Estimated Number of Employees
University of Colorado, Boulder	Four-year college and graduate school	7,977
Storage Technology Corporation	Manufacturer of tape-based computer storage devices	3,764
Boulder Valley School District	One of two public school districts in Boulder County	3,582
Centrobe	Subscription services	2,700
St. Vrain Valley School District	One of two public school districts in Boulder County	2,206
Sun Microsystems, Inc.	Software development, custom information systems	1,800
City of Boulder	City Government	1,659
International Business Machines	Software development, custom information systems	1,598
Boulder Community Hospital	Medical facility	1,424
Boulder County	County government	1,388

Source: Boulder Chamber of Commerce and Boulder County Planning Department.

BOULDER VALLEY SCHOOL DISTRICT RE-2
PROPERTY VALUES, CONSTRUCTION AND BANK DEPOSITS
Last Ten Years

(Unaudited)

Tax Year	Property Values		Construction	
	Assessed Valuation	Estimated Actual Value	Residential Permits	Value
1989	\$1,537,477,510	\$7,283,185,700 (2)	2,202	\$ 88,975,625
1990	1,560,708,860	8,027,811,937	2,497	116,273,346
1991	1,578,926,090	8,363,249,332	3,206	151,811,569
1992	1,637,406,850	8,666,111,292	3,297	166,415,474
1993	1,765,907,340	10,110,335,788 (2)	3,688	210,062,993
1994	1,820,696,730	10,491,766,469	3,453	161,227,873
1995	2,086,632,190	13,416,773,470	3,247	250,505,183
1996	2,161,110,090	14,815,570,254	3,237	133,160,668
1997	2,301,159,440	15,207,498,800	3,030	154,316,806
1998	2,395,324,350	15,879,878,955	Not Available	Not Available

- (1) Bank deposits are provided for the City of Boulder from 1983-1985 and for Boulder County from 1986-1990. In 1991, with the establishment of branch banking in Colorado, deposits for banks within the geographic boundaries of Boulder Valley School District RE-2 are no longer available.
- (2) The method of calculating estimated actual value has changed to provide more accurate values

Source: Boulder County Assessor's Office.

TABLE XIV

Construction				Bank Deposits in Thousands (1)
Nonresidential		Total	Total	
Permits	Value	Permits	Value	
164	\$ 28,732,538	2,895	\$ 117,708,163	\$ 1,848,494
218	30,317,975	2,420	146,591,321	1,941,293
239	22,420,300	2,736	174,231,869	2,123,044
226	25,845,191	3,432	192,260,665	Not Available
173	25,899,023	3,470	235,962,016	Not Available
256	23,973,619	3,944	185,201,492	Not Available
395	56,317,925	3,848	306,823,108	Not Available
472	77,131,744	3,709	210,292,412	Not Available
450	77,360,518	3,480	231,677,324	Not Available
Not Available	Not Available	-	-	Not Available

TABLE XV

**BOULDER VALLEY SCHOOL DISTRICT RE-2
PRINCIPAL TAXPAYERS OVER A SPECIFIED
AMOUNT OF ASSESSED VALUATION
December 31, 1998**

(Unaudited)			
Name	Type of Business	1998 Assessed Valuation	Percentage of Total Assessed Valuation
Public Service Company of Colorado	Supplier of electricity and natural gas to consumers	\$ 44,576,760 ✓	1.86 % 1
U.S. West Communications	Communication services	43,991,910 ✓	1.84 2
Storage Technology Corporation	Manufacturer of peripheral equipment	43,822,300 ✓	1.83 3
International Business Machines Corporation	Manufacturer of computer software and hardware	40,950,670 ✓	1.71 4
Macerich Partnership	Shopping Center rental	16,192,760 ✓	0.68 5
Roche Colorado Corporation	Processing of pharmaceuticals	15,877,420 ✓	0.66 6
Geneva Pharmaceuticals	Processing of pharmaceuticals	13,986,070 ✓	0.58 7
Ball Corporation	Manufacturer of space and aeronautic equipment	12,642,680 ✓	0.53 8
Valleylab Inc.	Medical equipment manufacturer	10,323,210 ✓	0.43 9
Amgen Boulder Inc.	Processing of pharmaceuticals	10,156,630 ✓	0.42 10
		<u>252,520,410</u>	<u>10.54</u>
Taxpayers under \$10,156,630		<u>2,142,803,940</u>	<u>89.46</u>
TOTAL		<u><u>\$ 2,395,324,350</u></u>	<u><u>100.00 %</u></u>

Source: Boulder County Assessor's Office.

GOVERNMENT OF COLORADO
OFFICE OF THE ATTORNEY GENERAL
DENVER, COLORADO 80202

MEMORANDUM

TO : THE HONORABLE ATTORNEY GENERAL
FROM : THE HONORABLE CLERK OF THE SUPREME COURT
SUBJECT: PETITION FOR WRIT OF HABEAS CORPUS
RE: JAMES EARL RAY, JR., PETITIONER
V. STATE OF COLORADO, RESPONDENT
This matter is being brought to your attention for your information. The Honorable Clerk of the Supreme Court has received a petition for writ of habeas corpus from James Earl Ray, Jr., who is currently incarcerated in the Colorado State Penitentiary. The petition is dated and captioned as above. The petition alleges that the respondent has violated the petitioner's constitutional rights. The petition is being filed in the District Court of the County of Denver. The Honorable Clerk of the Supreme Court is submitting this matter to you for your review and recommendation.



Enclosed for the Honorable Attorney General are two copies of the petition for writ of habeas corpus filed in the District Court of the County of Denver. One copy of the petition is being retained in the files of the Office of the Attorney General. The Honorable Clerk of the Supreme Court is also submitting to you a copy of the petition for your information. The Honorable Clerk of the Supreme Court is also submitting to you a copy of the petition for your information. The Honorable Clerk of the Supreme Court is also submitting to you a copy of the petition for your information.

Very truly yours,
Honorable Clerk of the Supreme Court

cc: Honorable Attorney General
cc: Honorable Clerk of the Supreme Court
cc: Honorable District Court of the County of Denver

BOULDER VALLEY SCHOOL DISTRICT RE-2
INSURANCE IN FORCE
June 30, 1999

(Unaudited)

As of June 30, 1999, the District maintained the types and amounts of insurance coverage summarized below. Moneys for payment of the District's insurance are accounted for in the Insurance Reserve Internal Service Fund. Funding is provided for the Insurance Reserve Internal Service Fund primarily from the General Fund. In addition to the insurance coverage described below, the Colorado Governmental Immunity Act provides the District with substantial protection from liability.

Type	Coverage
Property Damage	<p>\$250,000,000 annual limit for buildings and \$52,500,000 annual limit for building contents; \$100,000 deductible per occurrence.</p> <p>\$759,000 annual limit for musical instruments and band uniforms; \$8,427,276 annual limit for library books; \$344,645 annual limit for mobile equipment; \$3,850,000 annual limit for data processing equipment: Limit of \$52,500,000, \$100 deductible</p>
General Liability	<p>\$600,000 limit per occurrence; \$1,000,000 annual aggregate limit; \$50,000 annual limit for tenant's legal liability; \$10,000 for medical payments per accident; and \$1,000 for medical payments per person. Coverage includes liability for corporal punishment, teacher's liability, athletic participation, and sudden accidental pollution. Liability for asbestos, trampoline accidents, and all pollution other than sudden and accidental pollution is excluded. \$10,000 deductible per occurrence.</p>
Automobile Liability	<p>Covers bodily injury and property damage caused by the District's vehicles, including \$1,000,000 limit per occurrence; \$1,000,000 combined single limit for bodily injury caused by an uninsured/underinsured motorist; and \$200,000 threshold limit on basic Personal Injury Protection.</p>
Groundkeeps Physical Damage	<p>\$45,000 annual limit on collision and comprehensive, \$500 deductible.</p>
Terminal Coverage	<p>Catastrophic Coverage – Specified Perils; \$1,000 per vehicle deductible with a \$10,000 maximum deductible per loss.</p>

BOULDER VALLEY SCHOOL DISTRICT RE-2
INSURANCE IN FORCE
June 30, 1999

(Unaudited)

Type	Coverage
Errors & Omission	\$1,000,000 aggregate; \$10,000 deductible each wrongful act.
Crime	\$5,000 loss inside; \$5,000 loss outside; \$100 deductible per occurrence
Employment Practices	\$1,000,000 aggregate; \$10,000 deductible, \$50,000 aggregate deductible.
Public Employee's Blanket Bond	\$100,000 – Assistant Superintendent for Business and Operations; \$100,000 – Director of Finance and Accounting; \$100,000 – Director of Budget \$25,000 – All other employees \$100 – Deductible

Source: Boulder Valley School District RE-2.

BOULDER VALLEY SCHOOL DISTRICT RE-2
DISTRICT ENROLLMENT
June 30, 1999

(Unaudited)

Boulder Valley School District RE-2's total enrollment for the school years 1988-89 through 1997-98 is as follows:

<u>School Year *</u>	<u>Enrollment</u>
1989-90	21,015
1990-91	21,529
1991-92	22,539
1992-93	23,761
1993-94	24,303
1994-95	24,871
1995-96	25,359
1996-97	25,815
1997-98	26,288
1998-99	26,951

* Estimated as of October 1 of each school year.

Source: Boulder Valley School District RE-2.

OFFICE OF MANAGEMENT AND BUDGET DEPARTMENT OF COMMERCE THE UNITED STATES OF AMERICA

SINGLE AUDIT

The Single Audit Act of 1984, as amended, and related OMB Circular A-133 mandate independent financial and compliance audits of federal financial assistance programs. In addition to the required auditor's reports, the schedule of expenditures of federal awards and summary of instances of noncompliance are provided to support the requirements for compliance with OMB Circular A-133. These schedules provide more detailed financial information related to federal grant activity and other federal revenue.

BOULDER VALLEY SCHOOL DISTRICT RE-2
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 1999

	Federal CFDA Number	Program or Award Amount	Accrued (Deferred) Revenues June 30, 1998	Receipts	Expenditures	Accrued (Deferred) Revenues June 30, 1999
Department of Education:						
Title I	84.010	\$ 3,073,557	\$ 157,737	\$ 1,487,873	\$ 1,490,932	\$ 160,796
Title I, Part D	84.013	20,214	-	-	9,450	9,450
Handicapped Ed. 94-142	84.027	3,998,320	451,237	1,818,167	1,348,461	(18,469)
Emergency Immigrant Education	84.162	129,154	-	129,154	85,910	(43,244)
Title VII Dev Billing	84.288	225,000	5,142	5,142	-	-
Swap Vocational	84.126A	671,261	149,124	382,152	235,917	2,889
Handicapped Ed. 99-457	84.173	405,325	149,829	133,729	(19,761)	(3,661)
Title VI	84.298	366,433	20,712	117,713	124,255	27,254
Carl Perkins	84.048A	227,424	16,054	99,927	109,994	26,121
Safe and Drug Free Schools	84.186	276,642	17,660	118,663	115,657	14,654
Title II	84.281	249,488	31,707	104,763	70,815	(2,241)
National Science Foundation	47.076	154,934	18,030	61,710	50,005	6,325
Title IX	84.060A	28,420	8,265	19,316	14,499	3,448
Colorado Literacy Corps	84.254	484,837	51,416	251,912	249,164	48,668
School to Career	17.249	174,920	-	51,420	110,634	59,214
LSTA Power Library Grant	45.310	6,500	-	6,500	6,500	-
OEC Education Program*	None	8,796	-	8,796	8,796	-
Charter Schools Grant	84.282	327,094	(31,675)	85,515	138,224	21,034
Total Department of Education		<u>10,828,319</u>	<u>1,045,238</u>	<u>4,882,452</u>	<u>4,149,452</u>	<u>312,238</u>
Department of Agriculture						
Nat. School Lunch/Brkfst	10.555/10.553	-	-	991,368	991,368	-
Commodities	10.550	-	(104,986)	224,787	234,634	(95,139)
Nutrition Education/Trng	10.564	1,500	337	337	-	-
Total Department of Agriculture		<u>1,500</u>	<u>(104,649)</u>	<u>1,216,492</u>	<u>1,226,002</u>	<u>(95,139)</u>
Corporation for National and Community Service						
Learn & Serve Grant	94.004	21,000	(4,341)	17,000	5,637	(15,704)
Department of Health and Human Services						
CDE Child Care Block	93.037	18,000	(6,605)	11,395	18,000	-
TOTAL FEDERAL AWARDS		<u>\$ 10,868,819</u>	<u>\$ 929,643</u>	<u>\$6,127,339</u>	<u>\$ 5,399,091</u>	<u>\$ 201,395</u>

* Per CDE Redbook

BOULDER VALLEY SCHOOL DISTRICT RE-2
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 1999

NOTE 1 - GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the Boulder Valley School District, RE-2, Colorado (the District). The District's reporting entity is defined in Note 1 to the District's general-purpose financial statements.

NOTE 2 - BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards is presented using the budgetary basis of accounting, which is described in Note 2 to the District's general-purpose financial statements.

NOTE 3 - NONCASH PROGRAMS

Commodities donated to the District by the U.S. Department of Agriculture (USDA) are valued based on the September 1998 USDA's Donated Commodity Price List.

NOTE 4 - RECONCILIATION TO FINANCIAL STATEMENTS

Federal awards received directly from federal agencies as well as federal awards passed through other governmental agencies are included on the schedule.

The following analysis reconciles amounts in the accompanying Schedule of Expenditures of Federal Awards to the District's combining financial statements of the special revenue funds as of June 30, 1999.

Reconciliation of Expenditures

Schedule of Expenditures of Federal Awards

Total federal expenditures	\$ 5,399,091
Less: Department of Agriculture Expenditures recorded in the Food Service Enterprise Fund	(1,226,002)
	<u>\$ 4,173,089</u>

BOULDER VALLEY SCHOOL DISTRICT RE-2
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 1999

NOTE 4 - RECONCILIATION TO FINANCIAL STATEMENTS (continued)

Government Designated Special Purpose Grant Fund

Total expenditures from combining financial statements	\$ 4,643,736
Less: Nonfederal grants expenditures	(349,588)
Plus: Salaries earned in the prior year, paid during the current year	400,855
Less: Current year salaries earned but unpaid	(521,914)
	<u>\$ 4,173,089</u>

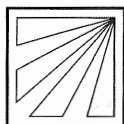
Reconciliation of Grant Balances

Schedule of Expenditures of Federal Awards

Total federal programs grant balance	\$ 201,395
Plus: Department of Agriculture deferred balance reflected in the Food Service Fund	95,139
Plus: Deferred revenue	83,319
	<u>\$ 379,853</u>

Government Designated Special Purpose Grants Fund

Accounts Receivable	\$ 934,233
Less: Nonfederal accounts receivable	(32,466)
Less: Effect of salaries earned but unpaid	(521,914)
	<u>\$ 379,853</u>



**Clifton
Gunderson L.L.C.**
Certified Public Accountants & Consultants

**Independent Auditor's Report on Compliance and on Internal Control
Over Financial Reporting Based on an Audit of Financial Statements
Performed in Accordance with Government Auditing Standards**

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

We have audited the financial statements of Boulder Valley School District RE-2 as of and for the year ended June 30, 1999, and have issued our report thereon dated October 22, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Boulder Valley School District RE-2's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that is required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

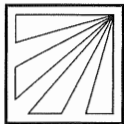
In planning and performing our audit, we considered Boulder Valley School District RE-2's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

However, we noted other matters involving the internal control over financial reporting that we have reported to management of Boulder Valley School District RE-2, in a separate letter dated October 22, 1999.

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

Clifton Sunderson L.L.C.

Denver, Colorado
October 22, 1999



**Clifton
Gunderson L.L.C.**
Certified Public Accountants & Consultants

**Independent Auditor's Report on Compliance with Requirements
Applicable to Each Major Program and Internal Control
Over Compliance in Accordance with OMB Circular A-133**

**Board of Education
Boulder Valley School District RE-2
Boulder and Gilpin Counties, Colorado**

Compliance

We have audited the compliance of Boulder Valley School District RE-2 with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 1999. Boulder Valley School District RE-2's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Boulder Valley School District RE-2's management. Our responsibility is to express an opinion on Boulder Valley School District RE-2's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; 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 Boulder Valley School District RE-2's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Boulder Valley School District RE-2's compliance with those requirements.

In our opinion, Boulder Valley School District RE-2 complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1999.

Internal Control Over Compliance

The management of Boulder Valley School District RE-2 is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Boulder Valley School District RE-2's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

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

Clifton Lunderson L.L.C.

Denver, Colorado
October 22, 1999



BOULDER VALLEY SCHOOL DISTRICT RE-2
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 1999

Section I—Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: unqualified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ yes ☒ no
- Reportable condition (s) identified that are not considered to be material weaknesses? ☐ yes ☒ none reported

Noncompliance material to financial statements noted? ☐ yes ☒ no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ☐ yes ☒ no
- Reportable condition(s) identified that are not considered to be material weakness(es)? ☐ yes ☒ none reported

Type of auditor's report issued on compliance for major program: unqualified

Any audit findings, disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? ☐ yes ☒ no

Identification of major program:

CFDA Number(s)	Name of Federal Program or Cluster
84.010	Title I
10.555	National School Lunch Program
10.553	National School Breakfast Program

Dollar threshold used to distinguish between type A and type B programs \$300,000

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

BOULDER VALLEY SCHOOL DISTRICT RE-2
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 1999

Section II—Financial Statement Findings

The District had no findings for major federal award programs required to be reported in accordance with Government Auditing Standards.

Section III—Federal Award Findings and Questioned Costs

The District had no findings or questioned costs for major federal award programs required to be reported in accordance with OMB A-133 Section 510(a)