



Boulder Valley School District
Excellence and Equity



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDING JUNE 30, 2012

Boulder, Colorado ■ Boulder ■ Broomfield ■ Gilpin Counties



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BOULDER VALLEY SCHOOL DISTRICT RE-2

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the fiscal year ending June 30, 2012

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Business Services Division

November 13, 2012

Members of the Boulder Valley School District Community
Members of the Board of Education
Dr. Bruce K. Messinger, Superintendent of Schools
Boulder Valley School District RE-2
Boulder, Colorado

It is our pleasure to submit the Comprehensive Annual Financial Report of the Boulder Valley School District RE-2 for the fiscal year ended June 30, 2012.

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

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

The 2012 Comprehensive Annual Financial Report (CAFR) presentation is in compliance with the governmental financial reporting model established by the Governmental Accounting Standards Board (GASB) Statement No. 34 titled *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. Accounting and financial reporting for state and local governments previously focused on funds to demonstrate fiscal accountability. The GASB No. 34 reporting model parallels private sector reporting by consolidating fund-based presentations into government-wide financial statements designed to ensure and demonstrate fiscal and operational accountability.

Swanhorst & Company LLC, Certified Public Accountants, have issued an unqualified (“clean”) opinion on the Boulder Valley School District RE-2’s financial statements for the year ended June 30, 2012. The independent auditors’ report is located at the front of the financial section of this report.

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

Profile of the Government

Boulder Valley School District RE-2 is a public school district, organized and existing under the School District Organization Act of 1965, Article 30, Title 22, and Colorado Revised Statutes. It was originally organized in 1860 and was reorganized in 1961 to include numerous smaller

districts. A seven member board of education elected by the citizens of Boulder, Broomfield and Gilpin Counties governs the district. Board members serve four-year terms, with four members elected every two years. Board members are term-limited at two terms.

The district is located near the foothills of the Rocky Mountains approximately twenty miles northwest of Denver. The district is made up of approximately 500 square miles in the southern half of Boulder County, the northern part of Gilpin County and a significant portion of western Broomfield County. It covers one of the larger school regions in the metro-Denver area and encompasses the communities of Boulder, Broomfield, Erie, Gold Hill, Jamestown, Lafayette, Louisville, Nederland, Superior, and Ward. For the 2011-12 school year, the district's total enrollment and student funded full time equivalent was 29,544 and 28,317.5 respectively, including charter schools. The district owns over 750 acres of prime Boulder and Broomfield County property and maintains six artificial turf athletics fields and 56 buildings spanning over four million square feet.

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

Five charter schools are included as component units of the Boulder Valley School District RE-2 for the 2012 CAFR: Boulder Preparatory High School, Horizons K-8 Alternative School, Peak to Peak K-12 Charter School, Summit Middle Charter School and Justice High Charter School.

Economic Conditions and Outlook

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

The City of Boulder is home to the University of Colorado, Boulder Campus, which is a significant stabilizing force for the local economy. The City of Boulder is also home to a campus of the National Institute of Standards and Technology, the National Center for Atmospheric Research, and the University Corporation for Atmospheric Research and other federal research laboratories.

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

The *2012 Colorado Business Economic Outlook*, published by the University of Colorado Leeds School of Business states that;

"While the road to global economic recovery has many hurdles, Colorado remains positioned for strategic economic growth, leveraging economic diversity that ranges from natural resources to high-tech industry clusters. Targeted economic development will yield new companies and businesses in expansion that will drive employment growth looking forward. Colorado's unique

quality of life will continue to attract skilled labor, entrepreneurs, and thought leaders that will help give the state a competitive advantage in an evermore competitive landscape.”

“Boulder County’s diverse economy is supported by a world-class research university, several major federal labs, a well-educated and highly skilled workforce, visionary entrepreneurs, an award winning quality of life, and a high concentration of businesses in a number of emerging industries. This diversity has buffered the effects of the recession and contributed to the area’s economic recovery. While Boulder County’s overall economy is expected to continue to improve in 2012, any significant reduction in federal research funding would have a negative impact, affecting federally funded research facilities, universities, numerous businesses developing and refining new technology through federal research contracts, and Small Business Innovation Research (SBIR) grants and other funding programs.”

The entire *2012 Colorado Business Economic Outlook* can be found at <http://leeds.colorado.edu/asset/publication/2012beof.pdf>.

The Denver-Boulder-Greeley CPI (Consumer Price Index) is the measure of inflation that is generally used for the state of Colorado. The 2011 rate increase, used as a function of funding increases for the 2012-13 fiscal year, was projected at 3.1 percent, just below the U. S. rate of 3.2 percent. The final rate was determined to be 3.7 percent. School districts face a significant challenge as an improvement in fiscal resources for K-12 education will typically lag an economic recovery. This CPI rate increase was not allocated by the state legislature, and K-12 funding in the 2012-13 fiscal year is flat, even though the state and national economy have begun a slow recovery. Conservative financial planning has supported BVSD’s ability to react to revenue fluctuations in the 2012-13 fiscal year. The national political arena may impact K-12 funding as the pressure to cut the national deficit may result in reduced federal funding for required programs such as Special Education and support for low income students.

Long-term Financial Planning

Each year the state budget is crafted by the governor and legislature to determine how much of the total budget will be allocated to education. The state economic picture is important to the district because a major source of funding for the district’s General Operating Fund is received through the state’s School Finance Act (SFA) established by the state legislature. State revenue shortfalls necessitated cuts to K-12 education even though expectations for constitutionally mandated funding increases exist under Amendment 23. One-time cash funds continue to be accessed to balance the state budget. After the state sets the total funding for K-12 public education, each local district determines how to fund its specific system and every school within its district.

For the 2012-13 fiscal year, the legislature has maintained flat per pupil funding for K-12 public education, but provided additional dollars for statewide student growth. This equates to a \$58.4 million state increase and \$1.8 million projected increase to BVSD from 2011-12 funding levels. The total reduction to total program funding as calculated in the School Finance Act is now \$1.01 billion, or 16 percent. A funding increase to reflect inflation as mandated in Amendment 23 of the Colorado Constitution was not required to be fulfilled due to a shortfall in statewide personal income growth. This is expected to be a permanent revenue reduction for the near future.

The district’s projected state per pupil revenue (PPR) for 2012-13 is \$6,375 after accounting for a \$2 per pupil rescission to pay for finance staff at the Colorado Department of Education. Total

program funding, defined by the SFA, is projected to be \$182.2 million, an increase of \$1.8 million from the BVSD 2011-12 revised budget, or \$1.2 million from projected actual 2011-12 collections.

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

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

Fund Balance Requirements

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

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

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

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

Spending Limitations:

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

Reserve Requirements:

- In addition, the General Operating Fund budget will be developed containing an ending fund balance equal to required reserves including the TABOR reserve plus a minimum of a three percent contingency reserve. The need for additional reserves shall be reviewed annually.
- Funds in the contingency reserve shall not be spent without board approval. The request for approval must include a plan for ensuring that the expenditure will not exceed the fixed dollar amount approved by the board, and must also include a plan for replenishing the reserve within two years from first dispersal.
- The budgets for all other funds will be developed to include, at a minimum, the required TABOR reserve.
- The General Operating Fund budget will be developed on a generally accepted accounting principles (GAAP) basis.

At June 30, 2012, the district is in compliance with these fund balance requirements.

Major Initiatives

In the fall of 2007, the Boulder Valley School District's Board of Education unanimously adopted three specific and measurable goals for district improvement for the next five school years in the areas of achievement, equity, and climate (organization). The purpose of these goals is to deliver to each of our over 29,000 students the BVSD promise of excellence and equity as they strive to become New Century Graduates.

District Goals for 2007-2012

Achievement Goal – Increase measurable student achievement in specific content areas through curriculum and instruction that is rigorous and relevant.

Equity Goal – Narrow the achievement gap in all content areas as measured by CSAP results, ACT scores, district graduation rates, and curriculum-based assessments.

Climate Goal – Create and sustain a safe and positive learning environment that protects and respects the rights of all individuals as measured by specific results from the annual BVSD School Climate Survey.

In order to adapt BVSD's instructional delivery to meet these three long-range goals by the end of the 2011-12 school year, a comprehensive reorganization of the district's instructional delivery model was begun.

During the 2011-12 school year, the district and school board began working to establish new goals. In November 2012, the Superintendent and the Board of Education will host a community session to inform and advise the school board on what constitutes the key community values underpinning public education in our school district. Those attending the session will examine the existing district mission and vision statements arrived at in 2002 to see if they require change, and if so, how much should they change. This inform and advise work is meant to significantly influence the later drafting of proposed board goals by the school board and superintendent.

Other Information

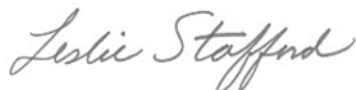
Awards

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting and the Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the district for its comprehensive annual financial report for the fiscal year ended June 30, 2011. In order to be awarded a Certificate of Achievement and the Certificate of Excellence, the district must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report satisfied both generally accepted accounting principles and applicable legal requirements. The Certificate of Achievement and the Certificate of Excellence are valid for a period of one year. We believe that our current Comprehensive Annual Financial Report continues to meet the program requirements for both Certificate of Achievement and Certificate of Excellence programs. This document will be submitted to GFOA and ASBO respectively to determine eligibility for another certificate.

Acknowledgments

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

Respectfully Submitted,



Leslie A. Stafford, CPA
Chief Financial Officer



Charles R. McElwain, CPA
Accounting Services Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Boulder Valley School
District RE-2, Colorado

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2011

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



Linda C. Davidson

President

Jeffrey R. Emer

Executive Director

Association of School Business Officials International



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

Boulder Valley School District RE-2, Colorado

*For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2011*

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



A handwritten signature in black ink, reading "Brian L. Mee".

Brian L. Mee, SFO, RSBA
President

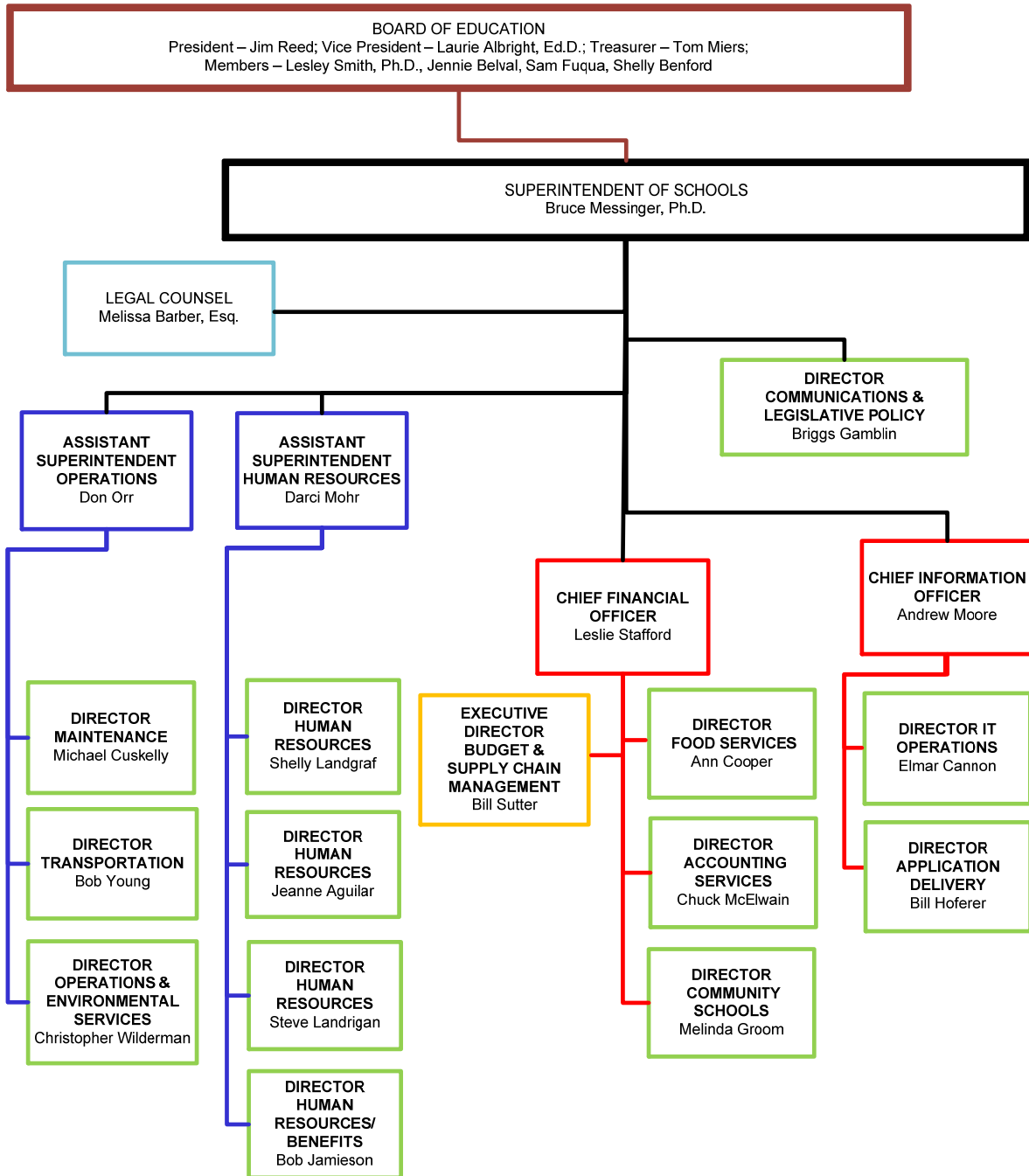
A handwritten signature in black ink, reading "John D. Musso".

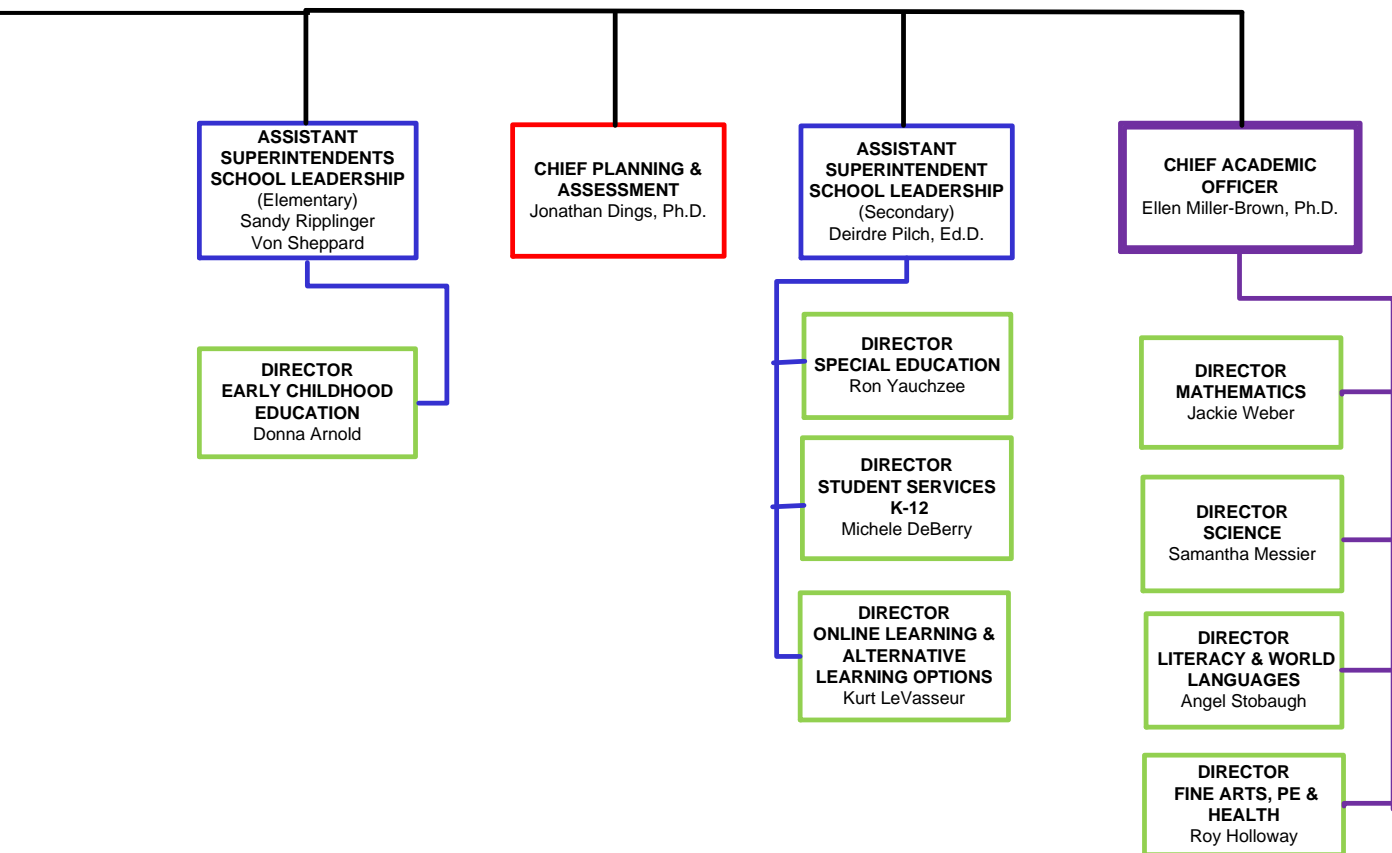
John D. Musso, CAE, RSBA
Executive Director



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BOULDER VALLEY SCHOOL DISTRICT RE-2 ORGANIZATION CHART





BOULDER VALLEY SCHOOL DISTRICT RE-2

List of Elected and Appointed Officials

July 1, 2012

Board of Education

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

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

District F
Jennie Belval

District E
Tom Miers, Treasurer

Bottom Row (left to right):

District B
Lesley Smith, Ph.D.

District G
Jim Reed, President

District A
Shelly Benford



Superintendent's Cabinet



**Bruce Messinger Ph. D
Superintendent**

Ellen Miller-Brown, Ph.D.Chief Academic Officer
Darci Mohr..... Asst. Superintendent of Human Resources
Deirdre Pilch, Ed.D., Sec.....Asst. Superintendent for School Leadership
Sandy Ripplinger, Elem. & K8....Asst. Superintendent for School Leadership
Von Sheppard, Elem.Asst. Superintendent for School Leadership
Don Orr Asst. Superintendent of Operations
Jonathan Dings, Ph.D. Chief of Planning and Assessment
Andrew Moore.....Chief Information Officer
Leslie Stafford Chief Financial Officer
Melissa Barber, Esq. Legal Counsel
Briggs Gamblin Director of Communications & Legislative Policy



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

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component units and remaining fund information of the Boulder Valley School District RE-2 as of and for the year ended June 30, 2012, which collectively comprise the basic financial statements of the Boulder Valley School District RE-2, as listed in the table of contents. These financial statements are the responsibility of the Boulder Valley School District RE-2's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component units and remaining fund information of the Boulder Valley School District RE-2 as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 8, 2012, on our consideration of the Boulder Valley School District RE-2's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Boulder Valley School District RE-2's financial statements as a whole. The introductory section, combining and individual fund statements and schedules, and statistical section listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual fund statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling the information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Swankley Company LLC

November 8, 2012

Management's Discussion and Analysis

As management of the Boulder Valley School District RE-2 (the district), we offer readers of the district's Comprehensive Annual Financial Report this narrative and analysis of the financial activities of the district for the fiscal year ended June 30, 2012. We encourage readers to consider the information presented here in conjunction with additional information that can be found in the letter of transmittal on pages 1-6 of this report.

Financial Highlights

At June 30, 2012:

- The primary government has government-wide net position of \$150,415,520. Of this amount, unrestricted net position of \$31,503,876 may be used to meet the district's ongoing financial obligations.
- The primary government's net position increased from the prior year by \$2,757,133 and unrestricted net position decreased by \$918,911.
- At the end of the current fiscal year, the primary government's governmental funds reported combined ending fund balances of \$65,327,737 a decrease of \$36,950,193 from the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund is \$16,123,842 or 6.27% of total General Fund expenditures.
- The primary government's long-term general obligation debt decreased by \$11,745,000 to \$362,535,000.

Overview of the Financial Statements

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

Government-wide Financial Statements

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

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

The statement of activities presents information showing how the district's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

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

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

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

The government-wide financial statements can be found on pages 30-31 of this report.

Fund Financial Statements

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

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

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

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

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

The basic governmental fund financial statements can be found on Pages 32-34 of this report.

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

The basic proprietary fund financial statements can be found on pages 35-37 of this report.

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

The basic fiduciary fund financial statements can be found on pages 38-39 of this report.

Notes to the Financial Statements: The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements can be found on pages 40-57 of this report.

Other Information: In addition to the basic financial statements and accompanying notes, this report also contains other required supplementary information concerning the district's budget process. Within a statutory timeline, the board of education adopts a resolution appropriating an annual budget for each of the individual governmental funds. A Budgetary Comparison Schedule for the General Fund has been provided to demonstrate compliance with the district's adopted budget followed by the Notes to Required Supplementary Information. Required supplementary information can be found on pages 58-59 of this report.

The Combining and Individual Fund Statements and Schedules follow the Required Supplementary Information and include the remaining governmental funds budgetary comparison schedules. These statements and schedules can be found on pages 60-79 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The assets of the primary government exceed liabilities by \$150,415,520 with an unrestricted balance of \$31,503,876 at June 30, 2012.

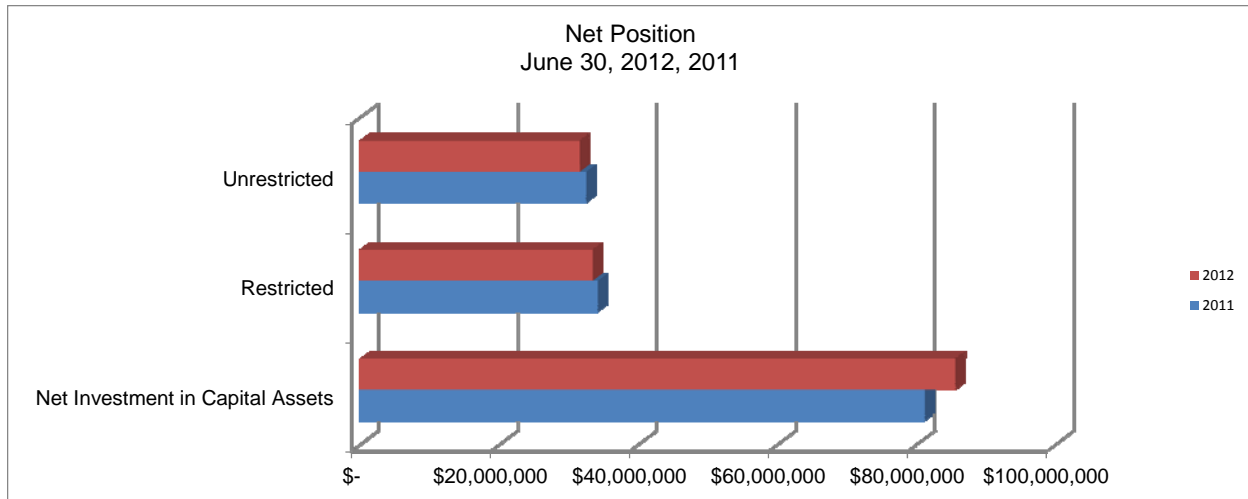
Boulder Valley School District RE-2
Net Position

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Assets						
Current and Other Assets	\$106,529,806	\$154,763,692	\$ 279,775	\$ 246,233	\$106,809,581	\$ 155,009,925
Capital Assets	<u>447,803,926</u>	<u>421,836,736</u>	<u>175,072</u>	<u>221,203</u>	<u>447,978,998</u>	<u>422,057,939</u>
Total Assets	554,333,732	576,600,428	454,847	467,436	554,788,579	577,067,864
Liabilities						
Noncurrent Liabilities	374,143,897	389,264,645	-	-	374,143,897	389,264,645
Other Liabilities	<u>29,949,623</u>	<u>39,863,285</u>	<u>279,539</u>	<u>281,547</u>	<u>30,229,162</u>	<u>40,144,832</u>
Total Liabilities	404,093,520	429,127,930	279,539	281,547	404,373,059	429,409,477
Net Position						
Net Investment in						
Capital Assets	85,372,124	80,918,485	175,072	221,203	85,547,196	81,139,688
Restricted for:						
Debt Service	23,473,052	25,440,014	-	-	23,473,052	25,440,014
Multiple Year Obligations	120,000	120,000	-	-	120,000	120,000
Preschool Expenditures	69,942	55,863	-	-	69,942	55,863
Emergencies	8,259,600	7,389,699	175,308	286,940	8,434,908	7,676,639
Medicaid	1,138,837	777,768	-	-	1,138,837	777,768
Flexible Spending	127,709	25,628	-	-	127,709	25,628
Unrestricted	<u>31,678,948</u>	<u>32,745,041</u>	<u>(175,072)</u>	<u>(322,254)</u>	<u>31,503,876</u>	<u>32,422,787</u>
Total Net Position	<u>\$150,240,212</u>	<u>\$147,472,498</u>	<u>\$ 175,308</u>	<u>\$ 185,889</u>	<u>\$150,415,520</u>	<u>\$ 147,658,387</u>

The largest portion of the district's net position, \$85,547,196 (56.87%), represents its investment in capital assets (e.g. land, land improvements, buildings, equipment, and vehicles), less related debt used to acquire these assets that is still outstanding. The district uses these capital assets to provide services to its constituents; consequently these assets are not available for future spending. Although the district's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets cannot be liquidated to pay the debt.

An additional portion of the district's net position, \$33,364,448 (22.19%), is subject to external restrictions on how the assets may be used. The remaining amount of net position, \$31,503,876 (20.94%), is available to fund the district's ongoing programs.

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



Overall, the district's net position increased \$2,757,133 from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

Governmental Activities. During the current fiscal year, net position for governmental activities increased \$2,767,714 from the prior fiscal year for an ending balance of \$150,240,212. While governmental activities total revenues increased from the prior year by only \$181,248, governmental activities total expenses increased by \$12,878,727, or 4.2%. This increase is attributed primarily to additional general revenues generated by the passage of a mill levy override in November 2010. The override provided the district with approximately \$22.5 million of new revenue with collections beginning in February 2011. However, because these new revenues were not available until the second half of the school year, many of the programs funded with this new revenue source were not implemented until the beginning of the 2011-12 fiscal year.

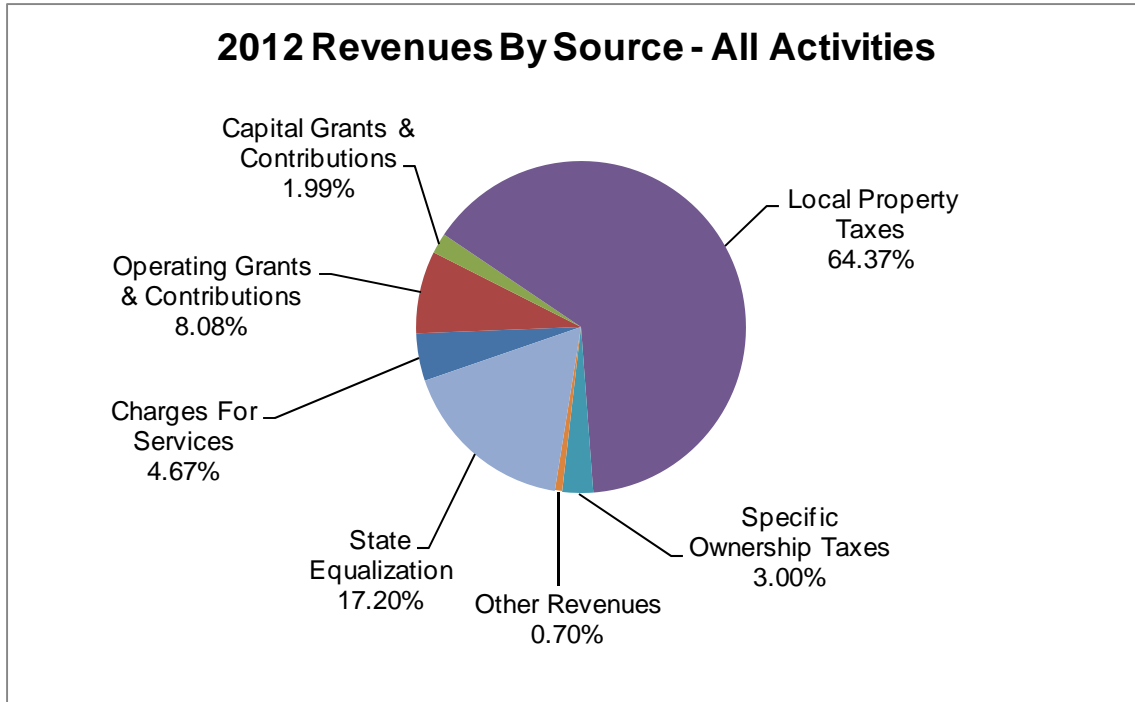
Business-type Activities. For the district's business-type activities, net position for the current fiscal year decreased by \$10,581 to an ending balance of \$175,308. However, the district's food service program saw total revenues increase by \$505,742 or 10.1%. This increase is due to a 5% and a 8.7% increase in lunch and breakfast participation respectively, and a 7% and a 8% price increase at the elementary and high school levels. Additionally, the Federal reimbursement rate on reimbursable meals increased 2%.

Business-type activities total expenses increase by \$210,869 or 3.7%. This increase is attributable to higher food costs caused by increased participation and increases in transportation costs.

Because of the overall improvement in Business-type activities, the district was able to decrease the internal transfer necessary to bring the ending balance to its required reserve amount by \$855,499.

Boulder Valley School District RE-2
Changes In Net Position

	Governmental Activities		Business-type Activities		Total	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Revenues:						
Program Revenues:						
Charges For Services	\$ 12,498,661	\$ 11,981,040	\$ 2,823,846	\$ 2,545,086	\$ 15,322,507	\$ 14,526,126
Operating Grants and Contributions	23,819,210	25,719,981	2,713,851	2,486,869	26,533,061	28,206,850
Capital Grants and Contributions	6,531,809	386,381	-	-	6,531,809	386,381
General Revenues:						
Local Property Taxes	211,385,970	212,383,487	-	-	211,385,970	212,383,487
Specific Ownership Taxes	9,836,876	9,404,630	-	-	9,836,876	9,404,630
State Equalization	56,488,225	53,462,090	-	-	56,488,225	53,462,090
Grants and Contributions						
Not Restricted	180,742	7,628,224	-	-	180,742	7,628,224
Investment Earnings	126,883	444,720	-	-	126,883	444,720
Other Revenues	1,989,913	1,266,488	-	-	1,989,913	1,266,488
Total Revenues	<u>322,858,289</u>	<u>322,677,041</u>	<u>5,537,697</u>	<u>5,031,955</u>	<u>328,395,986</u>	<u>327,708,996</u>
Expenses:						
Instruction	200,020,904	188,306,226	-	-	200,020,904	188,306,226
Supporting Services	103,678,052	102,051,046	-	-	103,678,052	102,051,046
Interest Expense	15,993,118	16,456,075	-	-	15,993,118	16,456,075
Food Service	-	-	5,946,779	5,735,910	5,946,779	5,735,910
Total Expenses	<u>319,692,074</u>	<u>306,813,347</u>	<u>5,946,779</u>	<u>5,735,910</u>	<u>325,638,853</u>	<u>312,549,257</u>
Increase (Decrease) In Net Position Before Transfers	<u>3,166,215</u>	<u>15,863,694</u>	<u>(409,082)</u>	<u>(703,955)</u>	<u>2,757,133</u>	<u>15,159,739</u>
Transfers	<u>(398,501)</u>	<u>(1,254,000)</u>	<u>398,501</u>	<u>1,254,000</u>	<u>-</u>	<u>-</u>
Increase (Decrease) in Net Position	<u>2,767,714</u>	<u>14,609,694</u>	<u>(10,581)</u>	<u>550,045</u>	<u>2,757,133</u>	<u>15,159,739</u>
Net Position-Beginning	147,058,677	132,448,983	185,889	(364,156)	147,244,566	132,084,827
Prior Period Adjustment	<u>413,821</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>413,821</u>	<u>-</u>
Net Position-Beginning, Restated	<u>147,472,498</u>	<u>132,448,983</u>	<u>185,889</u>	<u>(364,156)</u>	<u>147,658,387</u>	<u>132,084,827</u>
Net Position-Ending	<u>\$ 150,240,212</u>	<u>\$ 147,058,677</u>	<u>\$ 175,308</u>	<u>\$ 185,889</u>	<u>\$ 150,415,520</u>	<u>\$ 147,244,566</u>



Financial Analysis of the Government's Funds

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

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

At June 30, 2012, the district's governmental funds reported combined fund balances of \$65,327,737, a decrease of \$36,950,193 from the prior year. Approximately 24.7% of this amount (\$16,123,842) constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is either nonspendable, restricted, committed, or assigned to indicate that it is not in spendable form (\$375,768), restricted for particular purposes (\$39,654,047), committed for particular purposes (\$2,471,900), or assigned for particular purposes (\$6,702,180).

Additional information on the district's ending fund balances can be found in Note 8 of this report.

The General Fund is the chief operating fund of the district. The General Fund under GASB 34 reporting requirements includes the General Operating Fund, Risk Management Fund,

Technology Fund, Athletics Fund, Community Schools Fund, Preschool Fund, Tuition Preschool Fund, and the Colorado Preschool Program Fund. A Combining Schedule of Revenues, Expenditures and Changes in Fund Balances of the General Fund is shown on page 61 of this document. As of June 30, 2012, the General Fund shows an ending fund balance of \$27,809,116 down from the combined fund balance of \$30,625,322 for the prior year, a decrease of \$2,816,206.

A Budgetary Comparison Schedule for the General Fund is presented on page 58 of this document. There is a positive variance between final budgeted and actual revenue of \$3,757,825 or 1.45%. Major revenue variances include a \$1,872,544 increase in tax revenues due primarily a \$432,246 increase in specific ownership taxes, and a \$1,440,298 increase in collections of the current year mill levy; a positive variance of \$543,578 due to a revision in the state revenue formula due to non-equalized specific ownership taxes and additional funding for increased enrollment; and \$689,822 and \$463,831 positive variances to state reimbursement and special education categorical funding respectively due to funding revisions made at the state level after the district's final adoption of the 2011-12 budget.

Expenditures (net of reserves of \$14,775,171) varied from the final budget by \$9,627,751, or 3.61%. The following table lists major variance (not total variance) amounts by expenditure category.

Boulder Valley School District RE-2
General Fund Expenditure Variance Analysis

	Salary/ Benefit Variance	Supply/ Materials Carryover	Leave Payouts	Social Workers	Subfund Carryover	Total
Instruction - Regular Programs	\$ 1,876,089	\$ 1,969,728	\$ 236,500	\$ 851,715	\$ 341,350	\$ 5,275,382
Instruction - Special Programs	2,257,338	183,188	(119,316)	(851,715)	953,907	2,423,402
Student Support Services	(899,165)	574,184	57,607	-	-	(267,374)
Instructional Staff Services	(390,647)	476,604	75,111	-	220,185	381,253
General Administration	252,188	25,447	(34,029)	-	-	243,606
School Administration	(31,626)	119,538	140,419	-	-	228,331
Business Services	5,255	349,588	(2,941)	-	-	351,902
Operations and Maintenance	573,145	(52,031)	(16,336)	-	-	504,778
Central Support Services	(9,162)	326,042	(22,013)	-	413,994	708,861
Community Services	18,300	-	-	-	38,998	57,298
Total	<u>\$ 3,651,715</u>	<u>\$ 3,972,288</u>	<u>\$ 315,002</u>	<u>\$ -</u>	<u>\$ 1,968,434</u>	<u>\$ 9,907,439</u>

Salary/Benefit Variance: Most district positions are budgeted on an average salary and benefit cost by position type. This allows schools and departments to manage their personnel costs on an FTE basis instead of a dollar basis. This savings is due to the fact that the average salary and benefit cost was higher than the actual cost for most positions. This variance also includes approximately \$400,000, and \$485,000 in budget savings due to attrition, and unfilled teacher reserve positions, respectively.

Supply/Materials Carryover: The district allows schools and departments to carryover unused budget allocations from year to year, subject to some limitations. Schools and departments use this procedure to accumulate funds for large purchases or multi-year projects; it also keeps schools and departments from excessive year end spending in order to not return unused budget allocations.

Leave Payouts: Payouts of earned but unused leave time is budgeted based upon historical averages. In 2011-12, the district paid out \$315,002 less than was budgeted.

Social Workers: Compensation for some members of this employee group was charged against the Instruction-Special Program category, but the budget for these positions was part of the Instruction-Regular Program budget category.

Subfund Carryover: The district uses certain subfunds of the General Fund to account for programs funded with specific revenue sources. By definition, unspent budgets for these subfunds carryover to the next fiscal year.

The Bond Redemption Fund's ending fund balance increased by \$131,448 to \$24,457,080. Property tax revenues in the current year were based upon a 2012 levy of 5.999 mills applied against an assessed valuation of \$4,727,938,464. The large ending fund balance is necessary to fund debt service payments as they become due. Property tax levies are based upon a calendar year cycle while debt service payments are made each fiscal year in June and December.

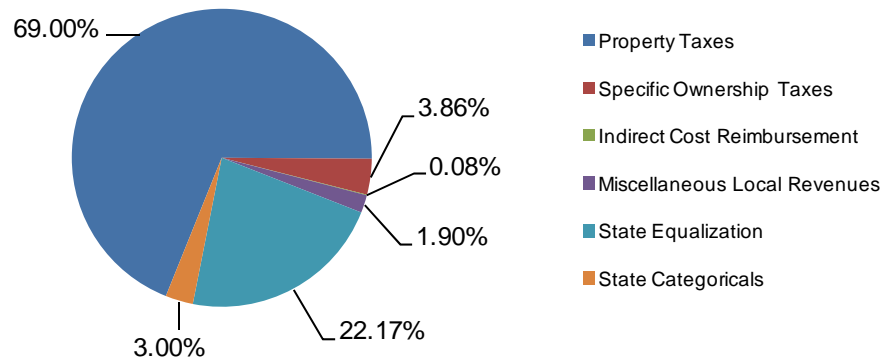
Additional information regarding the Building Fund and project status may be found at www.bvsd.org/bondproject. This website contains detailed status reports of each project, including spending reports. The website also contains reports from the Citizen's Bond Oversight Committee. The committee provides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

General Operating Fund Highlights

The General Operating Fund is the core operating fund of the district. At the end of the fiscal year, fund balance decreased by \$2,706,266 to \$24,985,178.

General Operating Fund Revenues increased by \$461,948 from the prior year. Major revenue variances are shown in the table below.

2012 General Operating Fund Revenue By Source



General Operating Fund Revenues by Source

	June 30, 2012 <u>Amount</u>	June 30, 2011 <u>Amount</u>	Increase <u>(Decrease)</u>
Local Revenues			
Property Taxes	\$ 175,986,286	\$ 177,048,549	\$ (1,062,263)
Specific Ownership Taxes	9,836,876	9,404,630	432,246
Indirect Cost Reimbursement	199,663	920,155	(720,492)
Miscellaneous Local Revenues	4,842,390	4,600,550	241,840
Subtotal	<u>190,865,215</u>	<u>191,973,884</u>	<u>(1,108,669)</u>
State Revenues			
State Equalization	56,533,993	53,462,090	3,071,903
State Categoricals	7,659,212	7,044,116	615,096
Subtotal	<u>64,193,205</u>	<u>60,506,206</u>	<u>3,686,999</u>
Federal Sources			
State Fiscal Stabilization Fund	-	2,116,382	(2,116,382)
Total Revenues	<u><u>\$ 255,058,420</u></u>	<u><u>\$ 254,596,472</u></u>	<u><u>\$ 461,948</u></u>

Local Revenues

Current year Property Tax Revenues were based upon a levy of 37.300 mills applied against an assessed valuation of \$4,727,938,464 compared to 36.547 mills and an assessed valuation of \$4,865,464,097. Because the district's property tax levy is based on a calendar year, Property Tax revenues include collections on both the 2011 and 2012 levy.

Specific ownership tax is applied to the fair value of vehicles registered in Colorado. Specific ownership tax revenue increased by 4.59% in the current year; this is the second year of increased collections after an eight year downward trend from 2001 through 2009 that saw specific ownership tax revenues decrease by a \$2.8 million dollars from its highest point.

Indirect cost reimbursement decreased by 78.3% due to a decrease in the allowable indirect cost rate (7.14% to 1.43%) plus a \$1.6 million decrease in grant awards on which indirect costs could be charged.

Miscellaneous local revenues increased by 5.26% primarily due to increased tuition revenues for on-line learning classes and an increase in rebate revenues from the district's procurement card program.

State Revenues

State equalization revenue increased by 5.75% from the prior year due to the restoration of a prior year cut in the School Finance Act. Also, the district received an additional \$600,000 for a backfill of the decreased equalized specific ownership tax included in the School Finance Act formula.

In the prior year, to help mitigate the effect of the cut in State equalization revenue, the State did provide one-time revenue funding of \$2.1 million of State fiscal stabilization funds.

The increase in State Categorical revenues is due to an increased allocation of Special Education, Talented and Gifted, ELPA, and Vocational Education funding at the State level.

Expenditures

General Operating Fund expenditures increased by 8.66% or \$19,159,927 to \$240,185,053.

The passage of the mill levy override election in November 2010 provided the district \$22.5 million of ongoing revenues to the General Operating Fund. While 2011-12 is the second year that the district received these funds, unspent funds of \$2.07 million from 2010-11 revenues were carried over and spent in 2011-12. Additionally \$6.59 million of one-time expenditures were paid including \$3.28 million to pay off the district's 2003 Certificates of Participation issue, \$1.15 million for specialized programming, \$1.76 million for technology related items, and \$400,000 for instructional related items.

Additionally, \$11.11 million of ongoing expenditures were paid including \$4.38 million to decrease school teacher staffing ratios, \$3.8 million to fund employee compensation increases, \$1.37 million to fund related retirement contributions to the district's retirement plan, \$806,000 for expansion of the district's early childhood education program, \$475,000 for increased utility costs, and \$280,000 for cloud computing.

General Operating Fund expenditures by function are shown in the following table. 76.43% of expenditures are instruction related: regular program instruction, special program instruction, and direct instructional support. 15.95% of expenditures are for school administration, operations and maintenance of district facilities. 7.62% of expenditures are for district-wide services and community obligations.

2012 General Operating Fund Expenditures By Function

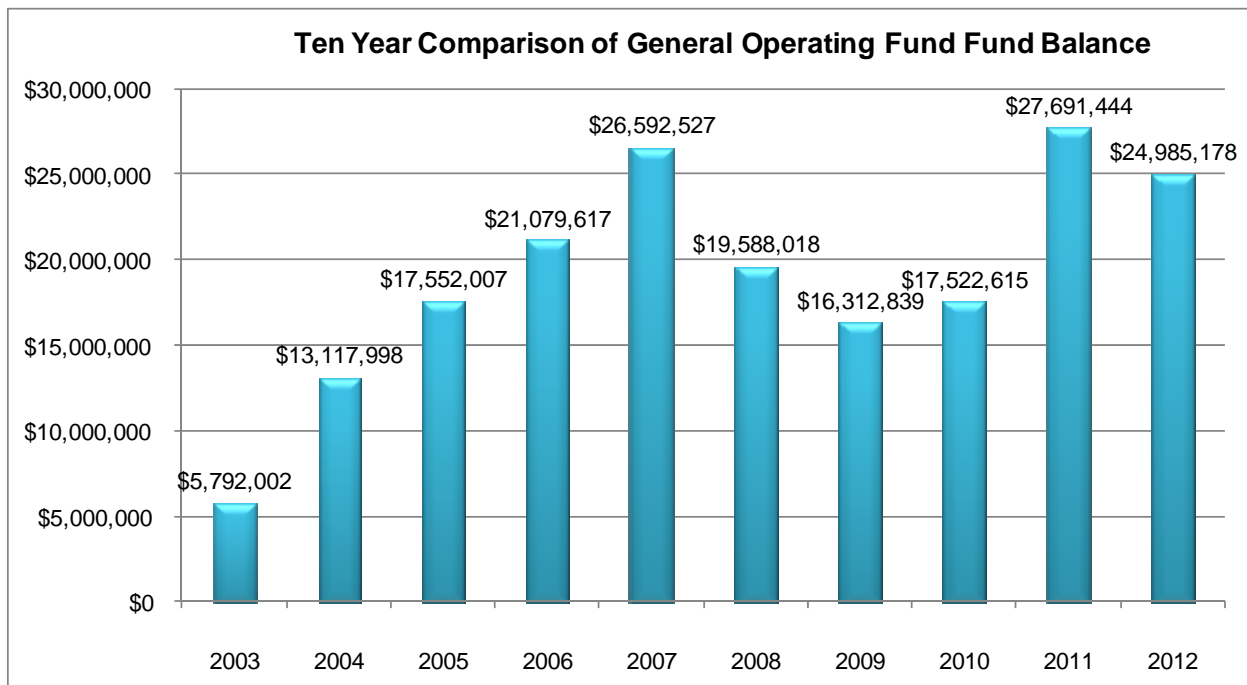
<u>Function</u>	<u>June 30, 2012</u>	<u>Percent</u>
Regular Instruction		
Regular Instruction	\$ 128,004,221	53.30%
Special Instruction		
Special Education	28,170,089	
Vocational Education	1,935,473	
Co-curricular Education	1,069,155	
Language, Culture & Equity	6,119,301	
Talented and Gifted Education	1,357,773	
Subtotal Special Instruction	<u>38,651,791</u>	16.09%
Instructional Support		
Student Support Services	8,812,036	
Instructional Staff Services	8,102,022	
Subtotal Instructional Support	<u>16,914,058</u>	<u>7.04%</u>
Subtotal Instruction	183,570,070	76.43%
School Administration and Operations		
School Administration	18,289,069	
Operations and Maintenance	20,018,529	
Subtotal School Administration and Operations	<u>38,307,598</u>	15.95%
District Wide/Community Services		
General Administration	2,853,236	
Business Services	2,731,015	
Central Support Services	9,164,274	
Community Services	220,335	
Debt Services	3,338,525	
Subtotal District Wide/Community Services	<u>18,307,385</u>	<u>7.62%</u>
Total General Operating Fund Expenditures	<u><u>\$ 240,185,053</u></u>	<u><u>100.00%</u></u>

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

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

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Regular Instruction	53.57%	54.35%	54.53%	53.96%	53.30%
Special Instruction	17.73%	17.04%	16.87%	17.25%	16.09%
Instructional Support	6.90%	6.78%	6.42%	6.17%	7.04%
Subtotal Instruction	<u>78.20%</u>	<u>78.17%</u>	<u>77.82%</u>	<u>77.38%</u>	<u>76.43%</u>
School Administration and Operations	15.80%	16.10%	16.48%	16.55%	15.95%
District Wide/Community Services	6.00%	5.73%	5.70%	6.07%	7.62%
Subtotal Support	<u>21.80%</u>	<u>21.83%</u>	<u>22.18%</u>	<u>22.62%</u>	<u>23.57%</u>
Total	<u><u>100.00%</u></u>	<u><u>100.00%</u></u>	<u><u>100.00%</u></u>	<u><u>100.00%</u></u>	<u><u>100.00%</u></u>

An analysis of the district's General Operating Fund ending fund balance is shown in the following chart. Over the 10 year period 2002-03 to 2011-12, the fund balance of the General Operating Fund has fluctuated from a low of \$5,792,002 to its current amount of \$24,985,178.



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

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

Capital Assets and Debt Administration

The district's investment in capital assets for its governmental and business-type activities as of June 30, 2012 and 2011 are \$447,978,998 and \$422,057,939, respectively. The 2011 balance has been restated because of a prior period adjustment.

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

	Governmental Activities		Business-type Activities		Total	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Land	\$ 2,861,733	\$ 2,861,733	\$ -	\$ -	\$ 2,861,733	\$ 2,861,733
Construction in Progress	3,485,694	65,486,357	-	-	3,485,694	65,486,357
Land Improvements	25,029,294	9,198,978	-	-	25,029,294	9,198,978
Buildings	405,477,545	334,128,460	-	-	405,477,545	334,128,460
Equipment	5,101,701	6,283,988	175,072	221,203	5,276,773	6,505,191
Vehicles	5,847,959	3,877,220	-	-	5,847,959	3,877,220
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 447,803,926</u>	<u>\$421,836,736</u>	<u>\$ 175,072</u>	<u>\$ 221,203</u>	<u>\$ 447,978,998</u>	<u>\$ 422,057,939</u>

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

The 2011-12 fiscal year was the sixth year of work on these projects. Of the \$320.3 million available, approximately \$314.9 million has been spent on these projects from inception through June 30, 2012.

The net increase in capital assets is due primarily to building and land improvement additions constructed from the proceeds of the bonds mentioned above. In addition, 39 new school buses were placed in service during 2011-12, replacing a similar number of fully depreciated buses.

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

At June 30, 2012, the district had total bonded debt outstanding of \$362,535,000 backed by the full faith and credit of the district. Additionally, the district has long-term debt obligations for compensated absences in the amount of \$6,231,216 outstanding at the end of the current fiscal year.

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

	<u>June 30, 2012</u>	<u>June 30, 2011</u>
General Obligation Bonds	\$ 362,535,000	\$ 374,280,000
Certificates of Participation	-	3,145,000
Compensated Absences	6,231,216	5,883,764
	<u>\$ 368,766,216</u>	<u>\$ 383,308,764</u>

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

State statute limits the amount of general obligation debt a government may issue to 20% of its total assessed valuation. The Boulder Valley School District’s legal debt limit is \$945,587,693. At June 30, 2012, the district’s total outstanding general obligation bonds are under the legal debt limit by \$583,052,693

On June 1, 2012, the District chose to pay off the outstanding balance of its 2003 Certificates of Participation issue. The certificates were paid off at par. By paying off these certificates early, the District saved \$254,375 in future interest costs.

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

Economic Factors and Next Year’s Budget

Over 70 percent of the district’s General Operating Fund revenues are a result of state level decisions. The Colorado State Legislature approved the School Finance Act (SFA) that increased the statewide per pupil base funding by inflation, or 3.7 percent. However, for the third consecutive year, the Colorado State Legislature decreased the statewide total funding by applying a negative factor to reduce total program funding. For the District, this negative factor equates to \$35 million in lost state revenues, as calculated through the SFA.

The district’s projected state per pupil revenue (PPR) for 2012-13 is \$6,375 after accounting for a \$2 per pupil rescission to pay for finance staff at the Colorado Department of Education. Total program funding, defined by the SFA, is projected to be \$182.2 million, an increase of \$1.8 million from the district’s 2011-12 Revised Budget.

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

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

Requests for Information

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

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

BASIC FINANCIAL STATEMENTS



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Boulder Valley School District RE-2

STATEMENT OF NET POSITION

June 30, 2012

	PRIMARY GOVERNMENT			COMPONENT
	GOVERNMENTAL	BUSINESS-TYPE	TOTAL	UNITS
	ACTIVITIES	ACTIVITIES		CHARTER
				SCHOOLS
ASSETS				
Cash and Investments	\$ 87,035,716	\$ -	\$ 87,035,716	\$ 6,511,473
Restricted Cash and Investments	7,147,411	-	7,147,411	2,678,876
Accounts Receivable	129,559	-	129,559	2,498
Taxes Receivable	7,945,742	-	7,945,742	-
Grants Receivable	1,838,059	279,124	2,117,183	1,250,898
Internal Balances	168,959	(168,959)	-	-
Inventories	345,768	169,610	515,378	926
Prepaid Expenses	30,000	-	30,000	5,575
Debt Issuance Costs, Net of Accumulated Amortization	1,888,592	-	1,888,592	503,963
Capital Assets, Not Being Depreciated	6,347,427	-	6,347,427	1,756,655
Capital Assets, Net of Accumulated Depreciation	441,456,499	175,072	441,631,571	15,627,555
TOTAL ASSETS	554,333,732	454,847	554,788,579	28,338,419
LIABILITIES				
Accounts Payable	4,663,650	-	4,663,650	1,534,764
Accrued Liabilities	4,335,516	160,190	4,495,706	-
Accrued Summer Salaries	13,355,005	-	13,355,005	284,556
Accrued Salaries and Benefits	1,876,220	109,349	1,985,569	481,190
Unearned Revenues	346,264	10,000	356,264	62,152
Accrued Interest Payable	1,346,291	-	1,346,291	393,158
Claims Payable	4,026,677	-	4,026,677	-
Noncurrent Liabilities				
Due Within One Year	12,561,561	-	12,561,561	544,451
Due in More Than One Year	361,582,336	-	361,582,336	16,749,268
TOTAL LIABILITIES	404,093,520	279,539	404,373,059	20,049,539
NET POSITION				
Net Investment in Capital Assets	85,372,124	175,072	85,547,196	986,454
Restricted for Debt Service	23,473,052	-	23,473,052	2,035,597
Restricted for Repairs and Replacements	-	-	-	250,121
Restricted for Multiple Year Obligations	120,000	-	120,000	-
Restricted for Colorado Preschool Program	69,942	-	69,942	-
Restricted for Emergencies	8,259,600	175,308	8,434,908	683,216
Restricted for Medicaid	1,138,837	-	1,138,837	-
Restricted for Flexible Spending	127,709	-	127,709	-
Unrestricted	31,678,948	(175,072)	31,503,876	4,333,492
TOTAL NET POSITION	\$ 150,240,212	\$ 175,308	\$ 150,415,520	\$ 8,288,880

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

Boulder Valley School District RE-2

STATEMENT OF ACTIVITIES

Year Ended June 30, 2012

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
PRIMARY GOVERNMENT				
Governmental Activities				
Instruction	\$ 200,020,904	\$ 1,253,365	\$ 15,690,804	\$ 6,381,029
Supporting Services	103,678,052	11,245,296	8,128,406	150,780
Interest Expense	15,993,118	-	-	-
Total Governmental Activities	319,692,074	12,498,661	23,819,210	6,531,809
Business-Type Activities				
Food Services	5,946,779	2,823,846	2,713,851	-
Total Business-Type Activities	5,946,779	2,823,846	2,713,851	-
TOTAL PRIMARY GOVERNMENT	<u>\$ 325,638,853</u>	<u>\$ 15,322,507</u>	<u>\$ 26,533,061</u>	<u>\$ 6,531,809</u>
COMPONENT UNITS				
Charter Schools	25,833,524	1,207,659	1,521,521	2,881,029
TOTAL COMPONENT UNITS	<u>\$ 25,833,524</u>	<u>\$ 1,207,659</u>	<u>\$ 1,521,521</u>	<u>\$ 2,881,029</u>

GENERAL REVENUES

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

TRANSFERS

SPECIAL ITEMS

Extinguishment of Debt
 Loss on Disposal of Capital Assets

TOTAL GENERAL REVENUES, TRANSFERS AND SPECIAL ITEMS

CHANGE IN NET POSITION

NET POSITION, Beginning, as Restated

NET POSITION, Ending

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

NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION

PRIMARY GOVERNMENT			COMPONENT UNITS
GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	CHARTER SCHOOLS
\$ (176,695,706)	\$ -	\$ (176,695,706)	\$ -
(84,153,570)	-	(84,153,570)	-
(15,993,118)	-	(15,993,118)	-
(276,842,394)		(276,842,394)	-
-	(409,082)	(409,082)	-
-	(409,082)	(409,082)	-
(276,842,394)	(409,082)	(277,251,476)	-
			(20,223,315)
			(20,223,315)
211,385,970	-	211,385,970	-
9,836,876	-	9,836,876	-
56,488,225	-	56,488,225	-
180,742	-	180,742	824,426
-	-	-	143,797
126,883	-	126,883	13,203
1,989,913	-	1,989,913	19,245,746
(398,501)	398,501	-	-
-	-	-	165,690
-	-	-	(282,280)
279,610,108	398,501	280,008,609	20,110,582
2,767,714	(10,581)	2,757,133	(112,733)
147,472,498	185,889	147,658,387	8,401,613
\$ 150,240,212	\$ 175,308	\$ 150,415,520	\$ 8,288,880

Boulder Valley School District RE-2

BALANCE SHEET GOVERNMENTAL FUNDS June 30, 2012

	GENERAL	BOND REDEMPTION	NONMAJOR GOVERNMENTAL FUNDS	TOTAL
ASSETS				
Cash and Investments	\$ 43,070,833	\$ 23,866,008	\$ 8,092,716	\$ 75,029,557
Restricted Cash and Investments	127,709	-	7,019,702	7,147,411
Accounts Receivable	106,459	3,721	19,379	129,559
Taxes Receivable	6,749,752	949,614	246,376	7,945,742
Grants Receivable	-	-	1,838,059	1,838,059
Due from Other Funds	1,051,062	-	-	1,051,062
Inventories	345,768	-	-	345,768
Prepaid Items	30,000	-	-	30,000
TOTAL ASSETS	<u>\$ 51,481,583</u>	<u>\$ 24,819,343</u>	<u>\$ 17,216,232</u>	<u>\$ 93,517,158</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 2,976,616	\$ -	\$ 1,687,034	\$ 4,663,650
Accrued Liabilities	4,335,516	-	-	4,335,516
Accrued Summer Salaries	12,750,107	-	604,898	13,355,005
Accrued Salaries and Benefits	1,093,982	-	782,238	1,876,220
Due to Other Funds	-	-	882,103	882,103
Deferred Revenues	243,010	-	103,254	346,264
Deferred Property Taxes	2,273,236	362,263	95,164	2,730,663
TOTAL LIABILITIES	<u>23,672,467</u>	<u>362,263</u>	<u>4,154,691</u>	<u>28,189,421</u>
FUND BALANCES				
Nonspendable	375,768	-	-	375,768
Restricted	8,837,606	24,457,080	6,359,361	39,654,047
Committed	2,471,900	-	-	2,471,900
Assigned	-	-	6,702,180	6,702,180
Unassigned	16,123,842	-	-	16,123,842
TOTAL FUND BALANCES	<u>27,809,116</u>	<u>24,457,080</u>	<u>13,061,541</u>	<u>65,327,737</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 51,481,583</u>	<u>\$ 24,819,343</u>	<u>\$ 17,216,232</u>	

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

Capital assets used in governmental activities are not current financial resources and therefore, are not reported in the funds. 447,803,926

Other long-term assets are not available to pay for current year expenditures and therefore, are deferred in the funds. 2,730,663

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

The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position. 7,979,482

Long-term liabilities, including bonds payable (\$362,535,000), bond premium (\$6,989,048), compensated absences (\$6,231,216), debt issuance costs \$1,888,592, loss on refunding \$1,611,367 and accrued interest payable (\$1,346,291) are not due and payable in the current year and therefore, are not reported in the funds. (373,601,596)

Net Position of Governmental Activities \$ 150,240,212

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

Boulder Valley School District RE-2
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2012

	GENERAL	BOND REDEMPTION	NONMAJOR GOVERNMENTAL FUNDS	TOTAL
REVENUES				
Local Sources	\$ 198,504,400	\$ 28,298,191	\$ 12,228,326	\$ 239,030,917
State Sources	64,193,205	-	3,489,528	67,682,733
Federal Sources	-	-	12,282,298	12,282,298
TOTAL REVENUES	262,697,605	28,298,191	28,000,152	318,995,948
EXPENDITURES				
Current				
Instruction	174,514,479	-	8,748,372	183,262,851
Supporting Services	79,164,269	-	17,272,762	96,437,031
Capital Outlay	-	-	45,481,450	45,481,450
Debt Service				
Principal	3,145,000	11,745,000	-	14,890,000
Interest and Fiscal Charges	193,525	16,421,743	-	16,615,268
TOTAL EXPENDITURES	257,017,273	28,166,743	71,502,584	356,686,600
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	5,680,332	131,448	(43,502,432)	(37,690,652)
OTHER FINANCING SOURCES (USES)				
Sale of School Property	-	-	1,138,960	1,138,960
Transfers In	-	-	8,098,037	8,098,037
Transfers Out	(8,496,538)	-	-	(8,496,538)
TOTAL OTHER FINANCING SOURCES (USES)	(8,496,538)	-	9,236,997	740,459
NET CHANGE IN FUND BALANCES	(2,816,206)	131,448	(34,265,435)	(36,950,193)
FUND BALANCES, Beginning	30,625,322	24,325,632	47,326,976	102,277,930
FUND BALANCES, Ending	\$ 27,809,116	\$ 24,457,080	\$ 13,061,541	\$ 65,327,737

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

Boulder Valley School District RE-2
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2012

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

Net Change in Fund Balances	\$ (36,950,193)
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount by which capital outlay \$40,607,638 exceeded depreciation expense (\$14,355,787) and loss on disposal (\$284,661) in the current year.	25,967,190
Revenues that do not provide current financial resources are deferred in the governmental fund financial statements but are recognized in the government-wide financial statements.	(157,648)
Repayments of debt principal are expenditures in the governmental funds, but they reduce long-term liabilities in the statement of net position and do not affect the statement of activities.	14,890,000
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position and does not affect the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt related items: amortization of loss on refunding (\$341,091), amortization of debt issuance costs (\$224,278), and amortization of bond premium \$919,291.	353,922
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported expenditures in the governmental funds. This amount represents the change in accrued interest payable \$43,950 and compensated absences (\$347,452).	(303,502)
An internal service fund is used by management to charge the costs of employee health and dental insurance to individual funds. The net revenue of the internal service fund is included in governmental activities in the statement of activities.	<u>(1,032,055)</u>
Change in Net Position of Governmental Activities	<u>\$ 2,767,714</u>

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

Boulder Valley School District RE-2

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

June 30, 2012

	<u>BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND</u>	<u>GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS</u>
ASSETS		
Current Assets		
Cash and Investments	\$ -	\$ 12,006,159
Grants Receivable	279,124	-
Inventories	169,610	-
	<hr/>	<hr/>
Total Current Assets	448,734	12,006,159
	<hr/>	<hr/>
Noncurrent Assets		
Equipment	1,351,922	-
Accumulated Depreciation	(1,176,850)	-
	<hr/>	<hr/>
Total Noncurrent Assets	175,072	-
	<hr/>	<hr/>
TOTAL ASSETS	623,806	12,006,159
	<hr/>	<hr/>
LIABILITIES		
Current Liabilities		
Claims Payable	-	4,026,677
Accrued Liabilities	160,190	-
Accrued Salaries and Benefits	109,349	-
Unearned Revenues	10,000	-
Due to Other Funds	168,959	-
	<hr/>	<hr/>
TOTAL LIABILITIES	448,498	4,026,677
	<hr/>	<hr/>
NET POSITION		
Net Investment in Capital Assets	175,072	-
Restricted for Emergencies	175,308	-
Unrestricted	(175,072)	7,979,482
	<hr/>	<hr/>
TOTAL NET POSITION	<u>\$ 175,308</u>	<u>\$ 7,979,482</u>

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

Boulder Valley School District RE-2
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
Year Ended June 30, 2012

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
OPERATING REVENUES		
Regular School Lunch	\$ 2,309,615	\$ -
Sandwich Line	345,634	-
Premiums and Services	-	26,368,913
Other	168,597	147,905
	<hr/>	<hr/>
TOTAL OPERATING REVENUES	2,823,846	26,516,818
	<hr/>	<hr/>
OPERATING EXPENSES		
Salaries	2,562,573	138,483
Benefits	938,118	34,724
Purchased Food and Commodities	1,874,074	-
Nonfood Supplies	223,502	-
Purchased Services	212,243	26,323,643
Depreciation	55,728	-
Other	80,541	1,052,023
	<hr/>	<hr/>
TOTAL OPERATING EXPENSES	5,946,779	27,548,873
	<hr/>	<hr/>
OPERATING INCOME (LOSS)	(3,122,933)	(1,032,055)
	<hr/>	<hr/>
NONOPERATING REVENUES		
USDA Donated Commodities	292,076	-
Federal Reimbursements	2,367,444	-
State Sources	54,331	-
	<hr/>	<hr/>
TOTAL NONOPERATING REVENUES	2,713,851	-
	<hr/>	<hr/>
NET INCOME (LOSS) BEFORE TRANSFERS	(409,082)	(1,032,055)
	<hr/>	<hr/>
TRANSFERS		
Transfers In	398,501	-
	<hr/>	<hr/>
CHANGE IN NET POSITION	(10,581)	(1,032,055)
	<hr/>	<hr/>
NET POSITION, Beginning	185,889	9,011,537
	<hr/>	<hr/>
NET POSITION, Ending	<u>\$ 175,308</u>	<u>\$ 7,979,482</u>

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

Boulder Valley School District RE-2

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

Increase (Decrease) in Cash and Cash Equivalents

Year Ended June 30, 2012

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
Cash Flows From Operating Activities		
Premiums Received	\$ -	\$ 26,516,818
Cash Received from Food Services	2,823,846	-
Cash Payments for Premiums and Claims	-	(26,384,218)
Cash Paid to Employees	(3,504,239)	(173,207)
Cash Paid to Suppliers	(2,001,949)	-
	<u>(2,682,342)</u>	<u>(40,607)</u>
Net Cash Provided (Used) by Operating Activities		
	<u>(2,682,342)</u>	<u>(40,607)</u>
Cash Flows From Noncapital Financing Activities		
Cash Received from Federal Reimbursements	2,345,022	-
Cash Received from State Grants	57,774	-
Transfers from Other Funds	398,501	-
Repayment of Loans from Other Funds	(109,358)	-
	<u>2,691,939</u>	<u>-</u>
Net Cash Provided by Noncapital Financing Activities		
	<u>2,691,939</u>	<u>-</u>
Cash Flows From Capital and Related Financing Activities		
Purchases of Equipment	(9,597)	-
	<u>(9,597)</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	-	(40,607)
CASH AND CASH EQUIVALENTS, Beginning	-	12,046,766
CASH AND CASH EQUIVALENTS, Ending	<u>\$ -</u>	<u>\$ 12,006,159</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income (Loss)	\$ (3,122,933)	\$ (1,032,055)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities		
Depreciation	55,728	-
Donated Commodities	292,076	-
Changes in Assets and Liabilities Related to Operations		
Accounts Receivable	-	65,619
Inventories	94,795	-
Claims Payable	-	925,829
Accrued Liabilities	(8,460)	-
Accrued Salaries and Benefits	(3,548)	-
Unearned Revenues	10,000	-
	<u>(2,682,342)</u>	<u>(40,607)</u>
Net Cash Provided (Used) by Operating Activities		
	<u>\$ (2,682,342)</u>	<u>\$ (40,607)</u>
NON-CASH TRANSACTIONS		
Commodities Received	<u>\$ 292,076</u>	<u>\$ -</u>

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

Boulder Valley School District RE-2

STATEMENT OF NET POSITION

FIDUCIARY FUNDS

June 30, 2012

	PRIVATE PURPOSE TRUST FUNDS	AGENCY FUND
ASSETS		
Cash and Investments	\$ 273,894	\$ 3,696,435
TOTAL ASSETS	273,894	3,696,435
LIABILITIES		
Due to Student and School Groups	-	3,696,435
TOTAL LIABILITIES	-	3,696,435
NET POSITION		
Held in Trust for Scholarships	273,894	-
TOTAL NET POSITION	\$ 273,894	\$ -

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

Boulder Valley School District RE-2

STATEMENT OF CHANGES IN NET POSITION

FIDUCIARY FUNDS

Year Ended June 30, 2012

	PRIVATE PURPOSE TRUST FUNDS
ADDITIONS	
Contributions	\$ 9,277
TOTAL ADDITIONS	9,277
DEDUCTIONS	
Scholarships and Awards	8,588
CHANGE IN HELD IN TRUST FOR SCHOLARSHIPS	689
HELD IN TRUST FOR SCHOLARSHIPS, Beginning	273,205
HELD IN TRUST FOR SCHOLARSHIPS, Ending	<u>\$ 273,894</u>

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



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Boulder Valley School District RE-2
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

Based upon the application of this criteria, the district includes five charter schools within its reporting entity. The charter schools are public schools authorized by State statutes to provide alternatives for parents, pupils and teachers. The charter schools are fiscally dependent on the district and their exclusion would render the district's financial statements incomplete. Since the charter schools have separately elected boards, the balances and transactions of the charter schools are discretely presented in the financial statements. Separate financial statements may be obtained by contacting the schools individually at the following addresses: Boulder Preparatory High School at 5075 Chaparral Court, Boulder, Colorado 80301; Horizon's K-8 School at 4545 Sioux Drive, Boulder, Colorado 80303; Peak to Peak Charter School at 800 Merlin Drive, Lafayette, Colorado 80026; Summit Middle School at 4655 Hanover Avenue, Boulder, Colorado, 80305; and Justice High School at 805 Excalibur, Lafayette, Colorado 80026.

Government-Wide and Fund Financial Statements

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

Boulder Valley School District RE-2
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (Continued)

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

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

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

Boulder Valley School District RE-2
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

Additionally, the district reports the following fund types:

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

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

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

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

Assets, Liabilities and Fund Equity

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

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

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

Boulder Valley School District RE-2
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Fund Equity (Continued)

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

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

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

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

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

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

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

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

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

Boulder Valley School District RE-2
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Fund Equity (Continued)

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

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

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

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

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

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

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

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

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

- **Nonspendable fund balance** - Amounts that are not in a spendable form (such as inventory) or are required to be maintained intact (such as the corpus of an endowment fund).
- **Restricted fund balance** - Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Boulder Valley School District RE-2
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Fund Equity (Continued)

- Committed fund balance - Amounts constrained to specific purposes through resolution by the board of education are reported as committed. Amounts cannot be used for any other purpose unless the board takes the same action to modify or rescind the commitment.
- Assigned fund balance - Amounts constrained by the district for specific purposes, but are neither restricted nor committed. Through resolution, the board of education has authorized the district's superintendent to assign fund balances.
- Unassigned fund balance - The residual amount reported when the balances do not meet any of the above criterion. The district reports positive unassigned fund balance only in the general fund. Negative unassigned balances may be reported in all funds.

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

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

Revenues

Property Taxes - Property taxes for a calendar year are certified in arrears on December 10 and attached as a lien on the property the previous January 1. For example, property taxes owed in 2012 are certified to the county in December 2011 and are available for collection on the levy date, January 1. Property taxes are payable in full by April 30 or in two equal installments due February 28 and June 15. Property tax receipts collected by the county are generally remitted to the district in the subsequent month.

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

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

Boulder Valley School District RE-2
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

NOTE 2: CASH AND INVESTMENTS

At June 30, 2012, the district had the following cash and investments:

Cash on Hand	\$ 15,592
Deposits	4,422,624
Investments	<u>95,604,660</u>
Total	<u>\$ 100,042,876</u>

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

Primary Government Cash and Investments	\$ 87,035,716
Primary Government Restricted Cash and Investments	7,147,411
Fiduciary Funds Cash and Investments	3,970,329
Charter School Cash Held by District	<u>1,889,420</u>
Total	<u>\$ 100,042,876</u>

Deposits

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

Investments

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

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

Boulder Valley School District RE-2
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

NOTE 2: CASH AND INVESTMENTS (Continued)

Investments (Continued)

The district had the following investments at June 30, 2012:

Investment Type	S&P Rating	Investment Maturities (in Years)	
		Less Than 1	Fair Value
Commercial Paper	A-1+	\$ 5,979,300	\$ 5,979,300
Local Government Investment Pool	AAAm	89,625,360	89,625,360
Total		\$ 95,604,660	\$ 95,604,660

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

Credit Risk - State statutes limit investments in commercial paper to those rated by two or more nationally recognized statistical rating organizations ("NRSROs"), and that are not rated below A-1, P-1, or F-1. At June 30, 2012, the district's investments in commercial paper were rated A-1+ by Standard & Poor's.

Concentration of Credit Risk - State statutes generally limit the amount the district may invest in one corporate issuer to 5% of the investment portfolio and limit total investments in corporate securities to 50% of the investment portfolio, unless the governing board authorizes greater percentages. At June 30, 2012, the district's investment in Rabobank USA Commercial Paper represented 6.25% of total investments, which may be a violation of State statute.

Local Government Investment Pool - At June 30, 2012, the district had \$89,625,360 invested in the Colorado Local Government Liquid Asset Trust (Colotrust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces the requirements of creating and operating Colotrust. The pool operates in conformity with the Securities and Exchange Commission's Rule 2a-7 as promulgated under the Investment Company Act of 1940, as amended, which includes the maintenance of each share equal in value to \$1.00. Colotrust is rated AAAm by Standard and Poor's. Investments of Colotrust are limited to those allowed by state statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

Boulder Valley School District RE-2

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE 2: CASH AND INVESTMENTS (Continued)

Restricted Cash and Investments

Cash and investments of \$127,709, representing required deposits for employee flexible spending benefits have been restricted in the General Fund. In addition, \$7,019,702, representing unspent bond proceeds, have been restricted in the Building Fund.

NOTE 3: INTERFUND BALANCES AND TRANSFERS

<u>Due from Other Funds</u>	<u>Due to Other Funds</u>	<u>Balance</u>
General Fund	Grants Fund	\$ 882,103
General Fund	Food Services Fund	168,959
Total		<u>\$ 1,051,062</u>

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

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Balance</u>
Capital Reserve Fund	General Fund	\$ 5,854,830
Transportation Fund	General Fund	2,243,207
Food Services Fund	General Fund	398,501
Total		<u>\$ 8,496,538</u>

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

Boulder Valley School District RE-2
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

NOTE 4: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2012, is summarized below.

	Restated Balances 6/30/11	Additions	Deletions	Balances 6/30/12
Governmental Activities				
Capital Assets, Not Being Depreciated				
Land	\$ 2,861,733	\$ -	\$ -	\$ 2,861,733
Construction in Progress	65,486,357	36,682,689	(98,683,352)	3,485,694
Total Capital Assets, Not Being Depreciated	<u>68,348,090</u>	<u>36,682,689</u>	<u>(98,683,352)</u>	<u>6,347,427</u>
Capital Assets, Being Depreciated				
Land Improvements	11,941,636	16,484,850	-	28,426,486
Buildings	456,014,085	82,624,336	(1,329,834)	537,308,587
Equipment	9,869,113	286,643	-	10,155,756
Vehicles	19,247,710	3,212,472	(213,916)	22,246,266
Total Capital Assets, Being Depreciated	<u>497,072,544</u>	<u>102,608,301</u>	<u>(1,543,750)</u>	<u>598,137,095</u>
Less Accumulated Depreciation For				
Land Improvements	2,742,658	654,534	-	3,397,192
Buildings	121,885,625	10,990,590	(1,045,173)	131,831,042
Equipment	3,585,125	1,468,930	-	5,054,055
Vehicles	15,370,490	1,241,733	(213,916)	16,398,307
Total Accumulated Depreciation	<u>143,583,898</u>	<u>14,355,787</u>	<u>(1,259,089)</u>	<u>156,680,596</u>
Total Capital Assets, Being Depreciated, Net	<u>353,488,646</u>	<u>88,252,514</u>	<u>(284,661)</u>	<u>441,456,499</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 421,836,736</u></u>	<u><u>\$ 124,935,203</u></u>	<u><u>\$ (98,968,013)</u></u>	<u><u>\$ 447,803,926</u></u>
Business-Type Activities				
Capital Assets, Being Depreciated				
Equipment	\$ 1,342,325	\$ 9,597	\$ -	\$ 1,351,922
Less Accumulated Depreciation For				
Equipment	<u>1,121,122</u>	<u>55,728</u>	<u>-</u>	<u>1,176,850</u>
Business-Type Activities Capital Assets, Net	<u><u>\$ 221,203</u></u>	<u><u>\$ (46,131)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 175,072</u></u>

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

Governmental Activities		
Instruction		\$ 12,557,430
Supporting Services		<u>1,798,357</u>
Total		<u><u>\$ 14,355,787</u></u>
Business-Type Activities		
Food Services		<u><u>\$ 55,728</u></u>

Boulder Valley School District RE-2

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE 5: ACCRUED SUMMER SALARIES

Salaries and benefits of certain contractually employed personnel are paid over a twelve month period from August to July, but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, at June 30, 2012, were \$13,355,055. This accrued compensation is reflected as a liability in the accompanying financial statements.

NOTE 6: SHORT-TERM DEBT

During the year ended June 30, 2012, the district borrowed \$87,547,172 from the state-sponsored interest-free loan program to provide cash flow throughout the fiscal year. The loan was paid in full by June 30, 2012, from property taxes received primarily from February through June. The schedule of changes is summarized below.

	Balances 6/30/11	Additions	Payments	Balances 6/30/12
State-sponsored interest-free loan	\$ -	\$ 87,547,172	\$ 87,547,172	\$ -
Total	<u>\$ -</u>	<u>\$ 87,547,172</u>	<u>\$ 87,547,172</u>	<u>\$ -</u>

NOTE 7: LONG-TERM DEBT

Following is a summary of long-term debt transactions of the district for the year ended June 30, 2012.

	Balances 6/30/11	Additions	Payments	Balances 6/30/12	Due Within One Year
Governmental Activities					
General Obligation Bonds	\$ 374,280,000	\$ -	\$ 11,745,000	\$ 362,535,000	\$ 12,250,000
Bond Premium	7,908,339	-	919,291	6,989,048	-
Certificates of Participation	3,145,000	-	3,145,000	-	-
Loss on Refunding	(1,952,458)	-	(341,091)	(1,611,367)	-
Compensated Absences	5,883,764	4,664,688	4,317,236	6,231,216	311,561
Total	<u>\$ 389,264,645</u>	<u>\$ 4,664,688</u>	<u>\$ 19,785,436</u>	<u>\$ 374,143,897</u>	<u>\$ 12,561,561</u>

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

Boulder Valley School District RE-2
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

NOTE 7: LONG-TERM DEBT (Continued)

General Obligation Bonds

General obligation bonds payable at June 30, 2012, are comprised of the following issues:

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

Issued to refund the general obligation bonds, Series 1999.

Principal payments due on December 1 and interest

payments due on December 1 and June 1, through 2018.

Interest accrues at rates ranging from 2.00% to 4.00%. \$ 51,365,000

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

Issued to implement a district-wide capital construction and

improvement program. Principal payments due on

December 1 and interest payments due on December 1 and

June 1, through 2034. Interest accrues at rates ranging

from 4.00% to 5.00%. \$ 176,330,000

\$49,910,000 General Obligation Bonds, Series 2007B.

Issued to refund certain general obligation bonds. Principal

payments due on December 1 and interest payments due

on December 1 and June 1, through 2014. Interest accrues

at a rate of 5.00%. \$ 25,110,000

\$120,000,000 General Obligation Bonds, Series 2007.

Issued to implement a district-wide capital construction and

improvement program. Principal payments due on

December 1 and interest payments due on December 1 and

June 1, through 2032. Interest accrues at rates ranging

from 3.50% to 4.50%. \$ 109,730,000

Total \$ 362,535,000

Boulder Valley School District RE-2
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

NOTE 7: LONG-TERM DEBT (Continued)

General Obligation Bonds (Continued)

Bond payments, to maturity, are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	12,250,000	15,879,743	28,129,743
2014	12,790,000	15,310,380	28,100,380
2015	13,370,000	14,706,524	28,076,524
2016	13,835,000	14,199,118	28,034,118
2017	14,225,000	13,770,017	27,995,017
2018 - 2022	66,960,000	60,881,517	127,841,517
2023 - 2027	72,730,000	45,378,087	118,108,087
2028 - 2032	90,870,000	26,516,275	117,386,275
2033 - 2035	65,505,000	4,982,500	70,487,500
Total	<u>\$ 362,535,000</u>	<u>\$ 211,624,161</u>	<u>\$ 574,159,161</u>

In prior years, the district deposited bond proceeds in an irrevocable trust with an escrow agent to provide for all future debt service payments for \$2.445 million of the 1997 General Obligation Bonds. Accordingly, the liability for the defeased debt has been removed from the district's financial statements. The total outstanding balance of the defeased debt at June 30, 2012, was \$2.445 million.

Certificates of Participation

On November 1, 2003, the district issued \$7,275,000 Certificates of Participation, Series 2003. Principal payments are due annually on June 1 and interest payments are due on June 1 and December 1, through 2016. Interest accrues at rates ranging from 2.5% to 4%. Proceeds of the Certificates were used to currently refund the district's outstanding Certificates of Participation and to finance the installation of artificial turf on the athletic fields at various district facilities. On June 1, 2012, these Certificates of Participation were paid in full.

Boulder Valley School District RE-2
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

NOTE 8: FUND BALANCES

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

		BOND	NONMAJOR	
	GENERAL	REDEMPTION	GOVERNMENTAL	TOTAL
			FUNDS	
FUND BALANCES				
Nonspendable:				
Inventories	\$ 345,768	\$ -	\$ -	\$ 345,768
Prepaid Items	30,000	-	-	30,000
Total Nonspendable	375,768	-	-	375,768
Restricted For:				
Debt Service	-	24,457,080	-	24,457,080
Capital Projects	-	-	5,480,879	5,480,879
Multiple Year Obligations	120,000	-	-	120,000
Colorado Preschool Program	69,942	-	-	69,942
Emergencies	7,381,118	-	878,482	8,259,600
Medicaid	1,138,837	-	-	1,138,837
Flexible Spending	127,709	-	-	127,709
Total Restricted	8,837,606	24,457,080	6,359,361	39,654,047
Committed For:				
School Resource Allocation Funds	839,068	-	-	839,068
Textbook and Learning Material Funds	1,081,020	-	-	1,081,020
Funds Allocated for Software Implementation	177,850	-	-	177,850
Business Services Funds Identified for Software Implementation & Business Projects	326,929	-	-	326,929
Funds Identified for TIES Support	15,391	-	-	15,391
AVID Training	11,105	-	-	11,105
School Board Member Inservice Travel Funds	20,537	-	-	20,537
Total Committed	2,471,900	-	-	2,471,900
Assigned For:				
Capital Projects	-	-	6,702,180	6,702,180
Total Assigned	-	-	6,702,180	6,702,180
Unassigned, Reported In				
General Fund	16,123,842	-	-	16,123,842
Total Unassigned	16,123,842	-	-	16,123,842
 TOTAL FUND BALANCES	 \$ 27,809,116	 \$ 24,457,080	 \$ 13,061,541	 \$ 65,327,737

Boulder Valley School District RE-2

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE 9: RISK MANAGEMENT

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

Joint School District Worker's Compensation Self-Insurance Pool

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

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

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

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

Colorado School Districts Self-Insurance Pool

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

Boulder Valley School District RE-2
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

NOTE 9: RISK MANAGEMENT (Continued)

Health and Dental Self-Insurance

Under the district's employee health insurance plan and dental insurance plan, the district provides coverage for its employees. Claims liabilities are reported in each fund respectively if information available prior to the issuance of the financial statements indicates that it is probable that the liability has been incurred at the date of the financial statements and the amount of loss can be reasonably estimated. The district believes the estimated claims liability is not fully measurable and the district could incur additional costs related to IBNR claims. Changes in claims payable for the employee health insurance plan and dental insurance plan were as follows:

	Health Insurance	Dental Insurance
Claims Payable, June 30, 2010	\$ 3,131,360	\$ 474,455
Claims Incurred and Adjustments	10,834,727	1,865,679
Payments	(11,310,457)	(1,894,916)
Claims Payable, June 30, 2011	2,655,630	445,218
Claims Incurred and Adjustments	13,893,583	1,953,106
Payments	(12,979,700)	(1,941,160)
Claims Payable, June 30, 2012	<u><u>\$ 3,569,513</u></u>	<u><u>\$ 457,164</u></u>

Claims payable at June 30, 2012 are expected to be liquidated within the next fiscal year.

NOTE 10: DEFINED BENEFIT PENSION PLAN

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

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

Funding Policy - The contribution requirements of plan members and the district are established under Title 24, Article 51, Part 4 of the CRS, as amended. The contribution rate for members was 8% of covered salaries. The district's contribution rate for calendar years 2010, 2011, and 2012 was 13.85%, 14.75%, and 15.65% of covered salary, respectively. A portion of the district's contribution (1.02% of covered salary) is allocated to the Health Care Trust Fund (See Note 11). The district's contributions to the SDTF for the years ended June 30, 2012, 2011, and 2010 were \$27,331,691, \$26,994,363, and \$24,366,046, respectively, equal to the required contributions for each year.

Boulder Valley School District RE-2
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

NOTE 11: POSTEMPLOYMENT HEALTHCARE BENEFITS

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

Funding Policy - The district was required to contribute at a rate of 1.02% of covered salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the district are established under Title 24, Article 51, Part 4 of the CRS, as amended. The apportionment of the contributions of the HCTF is established under Title 24, Article 51, Section 208 of the CRS, as amended. The districts' apportionment to the HCTF for the years ended June 30, 2012, 2011, and 2010 was \$1,833,435, \$1,924,844, and \$1,853,864, equal to the required amount for each year.

NOTE 12: COMMITMENTS AND CONTINGENCIES

Claims and Judgments

The district participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the district may be required to reimburse the grantor government. At June 30, 2012, significant amounts of grant expenditures have not been audited by the grantor agency, but the district believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the district.

Litigation

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

Construction Commitments

At June 30, 2012, the district had construction commitments totaling \$1,663,368, primarily for building renovations to be funded with bond proceeds.

Boulder Valley School District RE-2
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

NOTE 12: COMMITMENTS AND CONTINGENCIES (Continued)

Tabor Amendment

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

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

The Amendment requires all governments to establish a reserve for emergencies. At June 30, 2012, net position of \$8,434,908 was restricted to satisfy the reserve requirement.

NOTE 13: RESTATEMENT

During the year ended June 30, 2012, the district restated capital assets and accumulated depreciation to correct errors from previous fiscal years. A building that was purchased by the district was erroneously recorded as an asset of Boulder Prep Charter School. Additionally, in the component unit, depreciation was calculated using an asset value which included land cost. The district also restated the beginning net position for Summit Middle Charter School to include their component unit, Supporters of Summit.

	<u>Governmental Activities</u>	<u>Component Units</u>
Net Position, June 30, 2011, as Originally Stated	\$ 147,058,677	\$ 8,387,196
Capital Assets	450,301	(450,301)
Accumulated Depreciation	(36,480)	34,746
Inclusion of Supporters of Summit	-	429,972
	<u> </u>	<u> </u>
Net Position, June 30, 2011, as Restated	<u>\$ 147,472,498</u>	<u>\$ 8,401,613</u>

REQUIRED SUPPLEMENTARY INFORMATION

Boulder Valley School District RE-2

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Year Ended June 30, 2012

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL Positive (Negative)
REVENUES				
Taxes	\$ 183,835,618	\$ 183,950,618	\$ 185,823,162	\$ 1,872,544
Tuition	1,116,910	1,097,984	1,253,365	155,381
Investment Earnings	100,000	100,000	105,327	5,327
Other Local Revenue	10,897,323	11,295,204	11,322,546	27,342
State Equalization	56,284,647	55,944,647	56,488,225	543,578
State Reimbursement Programs	2,069,738	2,319,738	3,009,560	689,822
Special Education	4,231,589	4,231,589	4,695,420	463,831
TOTAL REVENUES	258,535,825	258,939,780	262,697,605	3,757,825
EXPENDITURES				
Current				
Instruction - Regular Programs	135,081,844	136,410,951	131,519,684	4,891,267
Instruction - Special Programs	44,857,581	45,144,613	42,994,795	2,149,818
Student Support Services	6,160,600	9,308,360	9,605,149	(296,789)
Instructional Staff Services	8,313,150	9,427,987	8,802,491	625,496
General Administration	2,788,137	2,823,813	2,916,898	(93,085)
School Administration	18,540,638	19,132,552	18,476,711	655,841
Business Services	2,850,514	3,132,395	2,731,015	401,380
Operations and Maintenance	19,677,542	19,888,026	20,023,856	(135,830)
Central Support Services	12,034,352	13,030,869	11,940,864	1,090,005
Community Services	4,780,641	5,065,458	4,667,285	398,173
Emergency Reserves	7,084,062	7,412,936	-	7,412,936
Reserves	9,285,287	7,362,235	-	7,362,235
Debt Service				
Principal	565,000	2,946,867	3,145,000	(198,133)
Interest	133,133	333,133	193,525	139,608
TOTAL EXPENDITURES	272,152,481	281,420,195	257,017,273	24,402,922
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(13,616,656)	(22,480,415)	5,680,332	28,160,747
OTHER FINANCING SOURCES (USES)				
Transfers Out	(6,393,539)	(8,144,907)	(8,496,538)	(351,631)
NET CHANGE IN FUND BALANCE	(20,010,195)	(30,625,322)	(2,816,206)	27,809,116
FUND BALANCE, Beginning	21,430,483	30,625,322	30,625,322	-
FUND BALANCE, Ending	\$ 1,420,288	\$ -	\$ 27,809,116	\$ 27,809,116

See the accompanying Independent Auditors' Report.

Boulder Valley School District RE-2
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2012

NOTE 1: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets

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

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

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

Legal Compliance

For the year ended June 30, 2012, the Building Fund expenditures exceeded the amount budgeted by \$1,380,358. This may be a violation of State statutes.



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COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES



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GENERAL FUND

Boulder Valley School District RE-2

COMBINING BALANCE SHEET

GENERAL FUND

June 30, 2012

	GENERAL	RISK MANAGEMENT	TECHNOLOGY
ASSETS			
Cash and Investments	\$ 39,847,257	\$ 104,944	\$ 1,061,071
Restricted Cash and Investments	127,709	-	-
Accounts Receivable	86,793	-	-
Taxes Receivable	6,749,752	-	-
Due from Other Funds	1,051,062	-	-
Inventories	345,768	-	-
Prepaid Items	30,000	-	-
TOTAL ASSETS	<u>\$ 48,238,341</u>	<u>\$ 104,944</u>	<u>\$ 1,061,071</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 2,976,616	\$ -	\$ -
Accrued Liabilities	4,335,516	-	-
Accrued Summer Salaries	12,553,682	-	-
Accrued Salaries and Benefits	1,065,369	-	5,044
Deferred Revenues	48,744	-	-
Deferred Property Taxes	2,273,236	-	-
TOTAL LIABILITIES	<u>23,253,163</u>	<u>-</u>	<u>5,044</u>
FUND BALANCES			
Nonspendable	375,768	-	-
Restricted	8,232,287	78,988	97,545
Committed	2,471,900	-	-
Unassigned	13,905,223	25,956	958,482
TOTAL FUND BALANCES	<u>24,985,178</u>	<u>104,944</u>	<u>1,056,027</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 48,238,341</u>	<u>\$ 104,944</u>	<u>\$ 1,061,071</u>

See the accompanying Independent Auditors' Report.

ATHLETICS	COMMUNITY SCHOOLS	PRESCHOOL	TUITION PRESCHOOL	COLORADO PRESCHOOL PROGRAM	TOTAL GENERAL FUND
\$ 398,551	\$ 321,896	\$ 1,019,493	\$ 208,766	\$ 108,855	\$ 43,070,833
-	-	-	-	-	127,709
-	19,666	-	-	-	106,459
-	-	-	-	-	6,749,752
-	-	-	-	-	1,051,062
-	-	-	-	-	345,768
-	-	-	-	-	30,000
<u>\$ 398,551</u>	<u>\$ 341,562</u>	<u>\$ 1,019,493</u>	<u>\$ 208,766</u>	<u>\$ 108,855</u>	<u>\$ 51,481,583</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,976,616
-	-	-	-	-	4,335,516
-	-	123,655	36,195	36,575	12,750,107
96	16,818	2,552	1,765	2,338	1,093,982
-	127,963	-	66,303	-	243,010
-	-	-	-	-	2,273,236
<u>96</u>	<u>144,781</u>	<u>126,207</u>	<u>104,263</u>	<u>38,913</u>	<u>23,672,467</u>
-	-	-	-	-	375,768
99,655	134,578	97,423	27,188	69,942	8,837,606
-	-	-	-	-	2,471,900
<u>298,800</u>	<u>62,203</u>	<u>795,863</u>	<u>77,315</u>	<u>-</u>	<u>16,123,842</u>
<u>398,455</u>	<u>196,781</u>	<u>893,286</u>	<u>104,503</u>	<u>69,942</u>	<u>27,809,116</u>
<u>\$ 398,551</u>	<u>\$ 341,562</u>	<u>\$ 1,019,493</u>	<u>\$ 208,766</u>	<u>\$ 108,855</u>	<u>\$ 51,481,583</u>

Boulder Valley School District RE-2
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GENERAL FUND
Year Ended June 30, 2012

	GENERAL	RISK MANAGEMENT	TECHNOLOGY
REVENUES			
Local Sources	\$ 190,865,215	\$ 94,495	\$ 182,340
State Sources	64,193,205	-	-
TOTAL REVENUES	<u>255,058,420</u>	<u>94,495</u>	<u>182,340</u>
EXPENDITURES			
Current			
Instruction - Regular Programs	128,004,221	-	1,923,986
Instruction - Special Programs	38,651,791	-	-
Student Support Services	8,812,036	-	-
Instructional Staff Services	8,102,022	-	197,670
General Administration	2,853,236	-	-
School Administration	18,289,069	-	-
Business Services	2,731,015	-	-
Operations and Maintenance	20,018,529	-	-
Central Support Services	9,164,274	2,601,473	175,117
Community Services	220,335	-	-
Debt Service			
Principal	3,145,000	-	-
Interest and Fiscal Charges	193,525	-	-
TOTAL EXPENDITURES	<u>240,185,053</u>	<u>2,601,473</u>	<u>2,296,773</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>14,873,367</u>	<u>(2,506,978)</u>	<u>(2,114,433)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	587,605	2,518,191	1,831,226
Transfers Out	(18,167,238)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(17,579,633)</u>	<u>2,518,191</u>	<u>1,831,226</u>
NET CHANGE IN FUND BALANCE	(2,706,266)	11,213	(283,207)
FUND BALANCE, Beginning	<u>27,691,444</u>	<u>93,731</u>	<u>1,339,234</u>
FUND BALANCE, Ending	<u><u>\$ 24,985,178</u></u>	<u><u>\$ 104,944</u></u>	<u><u>\$ 1,056,027</u></u>

See the accompanying Independent Auditors' Report.

ATHLETICS	COMMUNITY SCHOOLS	PRESCHOOL	TUITION PRESCHOOL	COLORADO PRESCHOOL PROGRAM	TOTAL GENERAL FUND
\$ 1,225,756	\$ 5,289,670	\$ -	\$ 846,924	\$ -	\$ 198,504,400
-	-	-	-	-	64,193,205
1,225,756	5,289,670	-	846,924	-	262,697,605
-	-	1,124,869	466,608	-	131,519,684
3,094,803	-	-	323,990	924,211	42,994,795
-	-	793,113	-	-	9,605,149
-	-	345,944	58,292	98,563	8,802,491
63,662	-	-	-	-	2,916,898
-	-	187,642	-	-	18,476,711
-	-	-	-	-	2,731,015
5,327	-	-	-	-	20,023,856
-	-	-	-	-	11,940,864
-	4,446,950	-	-	-	4,667,285
-	-	-	-	-	3,145,000
-	-	-	-	-	193,525
3,163,792	4,446,950	2,451,568	848,890	1,022,774	257,017,273
(1,938,036)	842,720	(2,451,568)	(1,966)	(1,022,774)	5,680,332
1,934,415	-	2,575,015	-	1,064,909	10,511,361
-	(812,605)	-	-	(28,056)	(19,007,899)
1,934,415	(812,605)	2,575,015	-	1,036,853	(8,496,538)
(3,621)	30,115	123,447	(1,966)	14,079	(2,816,206)
402,076	166,666	769,839	106,469	55,863	30,625,322
\$ 398,455	\$ 196,781	\$ 893,286	\$ 104,503	\$ 69,942	\$ 27,809,116



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NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

Capital Projects Funds

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

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

Boulder Valley School District RE-2

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS June 30, 2012

	SPECIAL REVENUE	
	GRANTS	TRANSPORTATION
ASSETS		
Cash and Investments	\$ -	\$ 814,561
Restricted Cash and Investments	-	-
Accounts Receivable	-	-
Taxes Receivable	-	246,376
Grants Receivable	1,838,059	-
	<hr/>	<hr/>
TOTAL ASSETS	\$ 1,838,059	\$ 1,060,937
	<hr/>	<hr/>
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts Payable	\$ 62,562	\$ -
Accrued Summer Salaries	604,898	-
Accrued Salaries and Benefits	185,242	596,996
Due to Other Funds	882,103	-
Deferred Revenue	103,254	-
Deferred Property Taxes	-	95,164
	<hr/>	<hr/>
TOTAL LIABILITIES	1,838,059	692,160
	<hr/>	<hr/>
FUND BALANCES		
Restricted	-	368,777
Assigned	-	-
	<hr/>	<hr/>
TOTAL FUND BALANCES	-	368,777
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,838,059	\$ 1,060,937
	<hr/>	<hr/>

See the accompanying Independent Auditors' Report.

CAPITAL PROJECTS

BUILDING	CAPITAL RESERVE	TOTAL
\$ -	\$ 7,278,155	\$ 8,092,716
7,019,702	-	7,019,702
19,379	-	19,379
-	-	246,376
-	-	1,838,059

<u>\$ 7,039,081</u>	<u>\$ 7,278,155</u>	<u>\$ 17,216,232</u>
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\$ 1,558,202	\$ 66,270	\$ 1,687,034
-	-	604,898
-	-	782,238
-	-	882,103
-	-	103,254
-	-	95,164

<u>1,558,202</u>	<u>66,270</u>	<u>4,154,691</u>
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5,480,879	509,705	6,359,361
-	6,702,180	6,702,180

<u>5,480,879</u>	<u>7,211,885</u>	<u>13,061,541</u>
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<u>\$ 7,039,081</u>	<u>\$ 7,278,155</u>	<u>\$ 17,216,232</u>
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Boulder Valley School District RE-2
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2012

	SPECIAL REVENUE	
	GRANTS	TRANSPORTATION
REVENUES		
Local Sources	\$ 523,146	\$ 7,610,053
State Sources	574,109	2,915,419
Federal Sources	12,282,298	-
TOTAL REVENUES	13,379,553	10,525,472
EXPENDITURES		
Current		
Instruction - Regular Programs	3,020,536	-
Instruction - Special Programs	5,146,030	581,806
Student Support Services	1,090,365	-
Instructional Staff Services	2,951,741	-
School Administration	561,204	-
Business Services	11,179	-
Operations and Maintenance	12,630	225,496
Student Transportation	20,788	11,854,029
Central Support Services	103,391	-
Food Services Operations	52,735	-
Community Services	254,016	-
Adult Education	135,188	-
Capital Outlay	19,750	-
TOTAL EXPENDITURES	13,379,553	12,661,331
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(2,135,859)
OTHER FINANCING SOURCES		
Sale of School Property	-	-
Transfers In	-	2,243,207
TOTAL OTHER FINANCING SOURCES	-	2,243,207
NET CHANGE IN FUND BALANCE	-	107,348
FUND BALANCE, Beginning	-	261,429
FUND BALANCE, Ending	\$ -	\$ 368,777

See the accompanying Independent Auditors' Report.

CAPITAL PROJECTS		
BUILDING	CAPITAL RESERVE	TOTAL
\$ 150,780	\$ 3,944,347	\$ 12,228,326
-	-	3,489,528
-	-	12,282,298
150,780	3,944,347	28,000,152
-	-	3,020,536
-	-	5,727,836
-	-	1,090,365
-	-	2,951,741
-	-	561,204
-	-	11,179
-	-	238,126
-	-	11,874,817
-	-	103,391
-	-	52,735
-	-	254,016
-	-	135,188
35,019,661	10,442,039	45,481,450
35,019,661	10,442,039	71,502,584
(34,868,881)	(6,497,692)	(43,502,432)
-	1,138,960	1,138,960
-	5,854,830	8,098,037
-	6,993,790	9,236,997
(34,868,881)	496,098	(34,265,435)
40,349,760	6,715,787	47,326,976
\$ 5,480,879	\$ 7,211,885	\$ 13,061,541

Boulder Valley School District RE-2

BUDGETARY COMPARISON SCHEDULE

GRANTS FUND

Year Ended June 30, 2012

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Local Sources	\$ 100,000	\$ 520,690	\$ 523,146	\$ 2,456
State Sources	221,870	575,261	574,109	(1,152)
Federal Sources	19,178,130	18,404,049	12,282,298	(6,121,751)
TOTAL REVENUES	19,500,000	19,500,000	13,379,553	(6,120,447)
EXPENDITURES				
Current				
Instruction and Supporting Services-Unallocated	19,500,000	4,322,972	-	4,322,972
Instruction - Regular Programs	-	3,431,056	3,020,536	410,520
Instruction - Special Programs	-	6,015,845	5,146,030	869,815
Student Support Services	-	1,292,181	1,090,365	201,816
Instructional Staff Services	-	3,122,600	2,951,741	170,859
School Administration	-	580,761	561,204	19,557
Business Services	-	11,199	11,179	20
Operations and Maintenance	-	1,792	12,630	(10,838)
Student Transportation	-	137,862	20,788	117,074
Central Support Services	-	109,452	103,391	6,061
Food Services Operations	-	-	52,735	(52,735)
Community Services	-	330,724	254,016	76,708
Adult Education	-	143,056	135,188	7,868
Capital Outlay	-	500	19,750	(19,250)
TOTAL EXPENDITURES	19,500,000	19,500,000	13,379,553	6,120,447
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE, Beginning	-	-	-	-
FUND BALANCE, Ending	\$ -	\$ -	\$ -	\$ -

See the accompanying Independent Auditors' Report.

Boulder Valley School District RE-2

BUDGETARY COMPARISON SCHEDULE

TRANSPORTATION FUND

Year Ended June 30, 2012

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Property Taxes	\$ 7,227,000	\$ 7,227,000	\$ 7,280,697	\$ 53,697
State Transportation Reimbursement	2,675,644	2,848,370	2,915,419	67,049
Other Local Revenue	259,455	259,455	329,356	69,901
TOTAL REVENUES	10,162,099	10,334,825	10,525,472	190,647
EXPENDITURES				
Current				
Instruction - Special Programs	1,166,978	1,179,102	581,806	597,296
Operations and Maintenance	220,641	329,020	225,496	103,524
Student Transportation	10,405,958	10,784,432	11,854,029	(1,069,597)
Emergency Reserves	353,807	368,777	-	368,777
TOTAL EXPENDITURES	12,147,384	12,661,331	12,661,331	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,985,285)	(2,326,506)	(2,135,859)	190,647
OTHER FINANCING SOURCES				
Transfers In	1,715,077	2,065,077	2,243,207	178,130
NET CHANGE IN FUND BALANCE	(270,208)	(261,429)	107,348	368,777
FUND BALANCE, Beginning	270,208	261,429	261,429	-
FUND BALANCE, Ending	\$ -	\$ -	\$ 368,777	\$ 368,777

See the accompanying Independent Auditors' Report.

Boulder Valley School District RE-2

BUDGETARY COMPARISON SCHEDULE

BOND REDEMPTION FUND

Year Ended June 30, 2012

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Property Taxes	\$ 28,010,000	\$ 28,419,639	\$ 28,276,635	\$ (143,004)
Investment Earnings	35,000	32,000	21,556	(10,444)
TOTAL REVENUES	<u>28,045,000</u>	<u>28,451,639</u>	<u>28,298,191</u>	<u>(153,448)</u>
EXPENDITURES				
Debt Service				
Principal	11,745,000	11,745,000	11,745,000	-
Interest and Fiscal Charges	16,429,193	16,429,193	16,421,743	7,450
TOTAL EXPENDITURES	<u>28,174,193</u>	<u>28,174,193</u>	<u>28,166,743</u>	<u>7,450</u>
NET CHANGE IN FUND BALANCE	(129,193)	277,446	131,448	(145,998)
FUND BALANCE, Beginning	<u>24,272,087</u>	<u>24,325,632</u>	<u>24,325,632</u>	<u>-</u>
FUND BALANCE, Ending	<u>\$ 24,142,894</u>	<u>\$ 24,603,078</u>	<u>\$ 24,457,080</u>	<u>\$ (145,998)</u>

See the accompanying Independent Auditors' Report.

Boulder Valley School District RE-2

BUDGETARY COMPARISON SCHEDULE

BUILDING FUND

Year Ended June 30, 2012

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Local Sources				
Other Local Revenue	\$ 350,000	\$ 200,000	\$ 150,780	\$ (49,220)
TOTAL REVENUES	350,000	200,000	150,780	(49,220)
EXPENDITURES				
Capital Outlay	22,511,722	33,639,303	35,019,661	(1,380,358)
TOTAL EXPENDITURES	22,511,722	33,639,303	35,019,661	(1,380,358)
NET CHANGE IN FUND BALANCE	(22,161,722)	(33,439,303)	(34,868,881)	(1,429,578)
FUND BALANCE, Beginning	33,379,017	40,349,760	40,349,760	-
FUND BALANCE, Ending	<u>\$ 11,217,295</u>	<u>\$ 6,910,457</u>	<u>\$ 5,480,879</u>	<u>\$ (1,429,578)</u>

See the accompanying Independent Auditors' Report.

Boulder Valley School District RE-2

BUDGETARY COMPARISON SCHEDULE

CAPITAL RESERVE FUND

Year Ended June 30, 2012

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Local Sources	\$ 226,000	\$ 290,300	\$ 3,944,347	\$ 3,654,047
TOTAL REVENUES	<u>226,000</u>	<u>290,300</u>	<u>3,944,347</u>	<u>3,654,047</u>
EXPENDITURES				
Capital Outlay				
Salaries and Benefits	353,779	373,832	338,004	35,828
Building Improvements	1,190,000	1,615,000	1,282,279	332,721
Operating Departments	4,304,580	4,128,655	3,128,058	1,000,597
School Projects	5,689,363	10,872,685	5,693,698	5,178,987
Reserves	346,132	509,705	-	509,705
TOTAL EXPENDITURES	<u>11,883,854</u>	<u>17,499,877</u>	<u>10,442,039</u>	<u>7,057,838</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(11,657,854)</u>	<u>(17,209,577)</u>	<u>(6,497,692)</u>	<u>10,711,885</u>
OTHER FINANCING SOURCES				
Sale of School Property	1,170,000	1,138,960	1,138,960	-
Transfers In	4,453,462	5,854,830	5,854,830	-
TOTAL OTHER FINANCING SOURCES	<u>5,623,462</u>	<u>6,993,790</u>	<u>6,993,790</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>(6,034,392)</u>	<u>(10,215,787)</u>	<u>496,098</u>	<u>10,711,885</u>
FUND BALANCE, Beginning	<u>6,034,392</u>	<u>6,715,787</u>	<u>6,715,787</u>	<u>-</u>
FUND BALANCE, Ending	<u>\$ -</u>	<u>\$ (3,500,000)</u>	<u>\$ 7,211,885</u>	<u>\$ 10,711,885</u>

See the accompanying Independent Auditors' Report.

Boulder Valley School District RE-2

BUDGETARY COMPARISON SCHEDULE

FOOD SERVICES FUND

Year Ended June 30, 2012

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
OPERATING REVENUES				
Regular School Lunch	\$ 2,143,568	\$ 2,207,615	\$ 2,309,615	\$ 102,000
A La Carte	479,047	477,102	345,634	(131,468)
Other	200,420	219,642	168,597	(51,045)
TOTAL OPERATING REVENUES	2,823,035	2,904,359	2,823,846	(80,513)
OPERATING EXPENSES				
Salaries	2,495,951	2,600,000	2,562,573	37,427
Benefits	839,030	872,000	938,118	(66,118)
Purchased Food and Commodities	1,829,877	1,784,717	1,874,074	(89,357)
Nonfood Supplies	250,000	230,000	223,502	6,498
Purchased Services	195,000	175,000	212,243	(37,243)
Depreciation	56,500	56,500	55,728	772
Other	75,331	125,396	80,541	44,855
Emergency Reserves	172,251	175,308	-	175,308
TOTAL OPERATING EXPENSES	5,913,940	6,018,921	5,946,779	72,142
OPERATING INCOME (LOSS)	(3,090,905)	(3,114,562)	(3,122,933)	(8,371)
NONOPERATING REVENUES				
USDA Donated Commodities	260,453	295,142	292,076	(3,066)
Federal Reimbursements	2,326,894	2,333,531	2,367,444	33,913
State Sources	70,000	75,000	54,331	(20,669)
TOTAL NONOPERATING REVENUES	2,657,347	2,703,673	2,713,851	10,178
NET INCOME (LOSS) BEFORE TRANSFERS	(433,558)	(410,889)	(409,082)	1,807
TRANSFERS				
Transfers In	225,000	225,000	398,501	173,501
CHANGE IN NET POSITION	(208,558)	(185,889)	(10,581)	175,308
NET POSITION, Beginning	208,558	185,889	185,889	-
NET POSITION, Ending	\$ -	\$ -	\$ 175,308	\$ 175,308

See the accompanying Independent Auditors' Report.



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INTERNAL SERVICE FUNDS

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

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

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



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Boulder Valley School District RE-2

COMBINING STATEMENT OF NET POSITION

INTERNAL SERVICE FUNDS

June 30, 2012

	HEALTH INSURANCE FUND	DENTAL INSURANCE FUND	TOTAL
ASSETS			
Cash and Investments	\$ 11,076,678	\$ 929,481	\$ 12,006,159
TOTAL ASSETS	11,076,678	929,481	12,006,159
LIABILITIES			
Claims Payable	3,569,513	457,164	4,026,677
TOTAL LIABILITIES	3,569,513	457,164	4,026,677
NET POSITION			
Unrestricted	7,507,165	472,317	7,979,482
TOTAL NET POSITION	\$ 7,507,165	\$ 472,317	\$ 7,979,482

See the accompanying Independent Auditors' Report.

Boulder Valley School District RE-2

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

INTERNAL SERVICE FUNDS

Year Ended June 30, 2012

	HEALTH INSURANCE FUND	DENTAL INSURANCE FUND	TOTAL
OPERATING REVENUES			
Premiums and Services	\$ 24,216,788	\$ 2,152,125	\$ 26,368,913
Other	147,005	900	147,905
	<hr/>	<hr/>	<hr/>
TOTAL OPERATING REVENUES	24,363,793	2,153,025	26,516,818
	<hr/>	<hr/>	<hr/>
OPERATING EXPENSES			
Salaries	111,903	26,580	138,483
Benefits	28,303	6,421	34,724
Insurance Premiums and Claims	23,394,185	1,953,106	25,347,291
Administrative Fees	814,600	161,752	976,352
Other	1,036,243	15,780	1,052,023
	<hr/>	<hr/>	<hr/>
TOTAL OPERATING EXPENSES	25,385,234	2,163,639	27,548,873
	<hr/>	<hr/>	<hr/>
CHANGE IN NET POSITION	(1,021,441)	(10,614)	(1,032,055)
	<hr/>	<hr/>	<hr/>
NET POSITION, Beginning	8,528,606	482,931	9,011,537
	<hr/>	<hr/>	<hr/>
NET POSITION, Ending	\$ 7,507,165	\$ 472,317	\$ 7,979,482
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See the accompanying Independent Auditors' Report.

Boulder Valley School District RE-2

COMBINING STATEMENT OF CASH FLOWS

INTERNAL SERVICE FUNDS

Increase (Decrease) in Cash and Cash Equivalents

Year Ended June 30, 2012

	HEALTH INSURANCE FUND	DENTAL INSURANCE FUND	TOTAL
Cash Flows From Operating Activities			
Premiums Received	\$ 24,363,793	\$ 2,153,025	\$ 26,516,818
Cash Payments for Premiums and Claims	(24,265,590)	(2,118,628)	(26,384,218)
Cash Paid to Employees	(140,206)	(33,001)	(173,207)
Net Cash Provided (Used) by Operating Activities	(42,003)	1,396	(40,607)
Net Change in Cash and Cash Equivalents	(42,003)	1,396	(40,607)
CASH AND CASH EQUIVALENTS, Beginning	11,118,681	928,085	12,046,766
CASH AND CASH EQUIVALENTS, Ending	<u>\$ 11,076,678</u>	<u>\$ 929,481</u>	<u>\$ 12,006,159</u>
RECONCILIATION OF CHANGE IN NET POSITION TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Change in Net Position	\$ (1,021,441)	\$ (10,614)	\$ (1,032,055)
Adjustments to Reconcile Change in Net Position to Net Cash Provided (Used) by Operating Activities			
Changes in Assets and Liabilities Related to Operations			
Accounts Receivable	65,555	64	65,619
Claims Payable	913,883	11,946	925,829
Net Cash Provided (Used) by Operating Activities	<u>\$ (42,003)</u>	<u>\$ 1,396</u>	<u>\$ (40,607)</u>

See the accompanying Independent Auditors' Report.

Boulder Valley School District RE-2

BUDGETARY COMPARISON SCHEDULE

HEALTH INSURANCE FUND

Year Ended June 30, 2012

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
OPERATING REVENUES				
Premiums and Services	\$ 23,077,444	\$ 23,077,444	\$ 24,216,788	\$ 1,139,344
Other	260,000	260,000	147,005	(112,995)
TOTAL OPERATING REVENUES	23,337,444	23,337,444	24,363,793	1,026,349
OPERATING EXPENSES				
Salaries	113,686	117,669	111,903	5,766
Benefits	27,314	27,967	28,303	(336)
Insurance Premiums and Claims	22,725,343	22,725,343	23,394,185	(668,842)
Administrative Fees	993,174	993,174	814,600	178,574
Other	181,000	181,000	1,036,243	(855,243)
Reserves	8,283,345	7,820,897	-	7,820,897
TOTAL OPERATING EXPENSES	32,323,862	31,866,050	25,385,234	6,480,816
CHANGE IN NET POSITION	(8,986,418)	(8,528,606)	(1,021,441)	7,507,165
NET POSITION, Beginning	8,986,418	8,528,606	8,528,606	-
NET POSITION, Ending	\$ -	\$ -	\$ 7,507,165	\$ 7,507,165

See the accompanying Independent Auditors' Report.

Boulder Valley School District RE-2

BUDGETARY COMPARISON SCHEDULE

DENTAL INSURANCE FUND

Year Ended June 30, 2012

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
OPERATING REVENUES				
Premiums and Services	\$ 2,210,184	\$ 2,210,184	\$ 2,152,125	\$ (58,059)
Other	850	500	900	400
TOTAL OPERATING REVENUES	<u>2,211,034</u>	<u>2,210,684</u>	<u>2,153,025</u>	<u>(57,659)</u>
OPERATING EXPENSES				
Salaries	26,400	26,677	26,580	97
Benefits	5,986	6,477	6,421	56
Insurance Premiums and Claims	2,060,157	2,060,157	1,953,106	107,051
Administrative Fees	170,000	170,000	161,752	8,248
Other	11,000	13,000	15,780	(2,780)
Reserves	432,744	417,304	-	417,304
TOTAL OPERATING EXPENSES	<u>2,706,287</u>	<u>2,693,615</u>	<u>2,163,639</u>	<u>529,976</u>
CHANGE IN NET POSITION	(495,253)	(482,931)	(10,614)	472,317
NET POSITION, Beginning	<u>495,253</u>	<u>482,931</u>	<u>482,931</u>	<u>-</u>
NET POSITION, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 472,317</u>	<u>\$ 472,317</u>

See the accompanying Independent Auditors' Report.



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FIDUCIARY FUNDS

Private Purpose Trust Funds

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

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

Agency Fund

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



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Boulder Valley School District RE-2
COMBINING STATEMENT OF FIDUCIARY NET POSITION
PRIVATE PURPOSE TRUST FUNDS
June 30, 2012

	<u>SCHOLARSHIP</u>	<u>TRUST</u>	<u>TOTAL</u>
ASSETS			
Cash and Investments	<u>\$ 60,378</u>	<u>\$ 213,516</u>	<u>\$ 273,894</u>
TOTAL ASSETS	<u>60,378</u>	<u>213,516</u>	<u>273,894</u>
NET POSITION			
Held in Trust for Scholarships	<u>\$ 60,378</u>	<u>\$ 213,516</u>	<u>\$ 273,894</u>

See the accompanying Independent Auditors' Report.

Boulder Valley School District RE-2
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PRIVATE PURPOSE TRUST FUNDS
Year Ended June 30, 2012

	<u>SCHOLARSHIP</u>	<u>TRUST</u>	<u>TOTAL</u>
ADDITIONS			
Contributions	\$ 5,477	\$ 3,800	\$ 9,277
TOTAL ADDITIONS	<u>5,477</u>	<u>3,800</u>	<u>9,277</u>
DEDUCTIONS			
Scholarships and Awards	<u>6,588</u>	<u>2,000</u>	<u>8,588</u>
CHANGE IN HELD IN TRUST FOR SCHOLARSHIPS	(1,111)	1,800	689
HELD IN TRUST FOR SCHOLARSHIPS, Beginning	<u>61,489</u>	<u>211,716</u>	<u>273,205</u>
HELD IN TRUST FOR SCHOLARSHIPS, Ending	<u>\$ 60,378</u>	<u>\$ 213,516</u>	<u>\$ 273,894</u>

See the accompanying Independent Auditors' Report.

Boulder Valley School District RE-2
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
Year Ended June 30, 2012

	<u>Balances 6/30/11</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balances 6/30/12</u>
ASSETS				
Cash and Investments - Student Groups	\$ 2,582,322	\$ 8,716,663	\$ 8,404,732	\$ 2,894,253
Cash and Investments - School Groups	<u>556,922</u>	<u>2,869,807</u>	<u>2,624,547</u>	<u>802,182</u>
 TOTAL ASSETS	 <u>\$ 3,139,244</u>	 <u>\$ 11,586,470</u>	 <u>\$ 11,029,279</u>	 <u>\$ 3,696,435</u>
 LIABILITIES				
Due to Student Groups	\$ 2,582,322	\$ 8,716,663	\$ 8,404,732	\$ 2,894,253
Due to School Groups	<u>556,922</u>	<u>2,869,807</u>	<u>2,624,547</u>	<u>802,182</u>
 TOTAL LIABILITIES	 <u>\$ 3,139,244</u>	 <u>\$ 11,586,470</u>	 <u>\$ 11,029,279</u>	 <u>\$ 3,696,435</u>

See the accompanying Independent Auditors' Report.



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COMPONENT UNITS

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

Boulder Valley School District RE-2

COMBINING STATEMENT OF NET POSITION

COMPONENT UNITS

June 30, 2012

	BOULDER PREP	HORIZONS	PEAK TO PEAK
ASSETS			
Cash and Investments	\$ 303,371	\$ 687,644	\$ 3,871,194
Restricted Cash and Investments	-	-	2,678,876
Accounts Receivable	-	-	-
Grants Receivable	4,099	1,243,605	3,194
Inventories	-	-	926
Prepaid Expenses	-	5,575	-
Debt Issuance Costs, Net of Accumulated Amortization	-	-	503,963
Capital Assets, Not Being Depreciated	-	-	1,756,655
Capital Assets, Net of Accumulated Depreciation	367,539	18,085	15,218,312
	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	675,009	1,954,909	24,033,120
	<hr/>	<hr/>	<hr/>
LIABILITIES			
Accounts Payable	-	1,243,605	291,159
Accrued Summer Salaries	-	155,908	-
Accrued Salaries and Benefits	5,445	12,105	451,698
Unearned Revenues	-	-	51,295
Accrued Interest Payable	-	-	393,158
Noncurrent Liabilities			
Due Within One Year	5,451	49,000	490,000
Due in More Than One Year	224,149	343,000	16,182,119
	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES	235,045	1,803,618	17,859,429
	<hr/>	<hr/>	<hr/>
NET POSITION			
Net Investment in Capital Assets	137,939	18,085	806,811
Restricted for Debt Service	-	-	2,035,597
Restricted for Repairs and Replacements	-	-	250,121
Restricted for Emergencies	38,333	100,055	420,795
Unrestricted	263,692	33,151	2,660,367
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TOTAL NET POSITION	\$ 439,964	\$ 151,291	\$ 6,173,691
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See the accompanying Independent Auditors' Report.

SUMMIT	JUSTICE HIGH	TOTAL
\$ 1,519,305	\$ 129,959	\$ 6,511,473
-	-	2,678,876
-	2,498	2,498
-	-	1,250,898
-	-	926
-	-	5,575
-	-	503,963
-	-	1,756,655
23,619	-	15,627,555
1,542,924	132,457	28,338,419
-	-	1,534,764
128,648	-	284,556
11,942	-	481,190
10,857	-	62,152
-	-	393,158
-	-	544,451
-	-	16,749,268
151,447	-	20,049,539
23,619	-	986,454
-	-	2,035,597
-	-	250,121
98,813	25,220	683,216
1,269,045	107,237	4,333,492
\$ 1,391,477	\$ 132,457	\$ 8,288,880

Boulder Valley School District RE-2

COMBINING STATEMENT OF ACTIVITIES

COMPONENT UNITS

Year Ended June 30, 2012

	BOULDER PREP	HORIZONS	PEAK TO PEAK
EXPENSES			
Instruction	\$ 780,784	\$ 5,604,233	\$ 7,517,103
Supporting Services	399,151	1,700,614	4,926,876
Interest and Fiscal Charges	21,634	6,941	1,217,219
Component Unit	-	-	-
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TOTAL EXPENSES	1,201,569	7,311,788	13,661,198
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PROGRAM REVENUES			
Charges for Services	-	-	1,207,659
Operating Grants and Contributions	26,795	1,041,648	276,529
Capital Grants and Contributions	-	2,881,029	-
	<hr/>	<hr/>	<hr/>
TOTAL PROGRAM REVENUES	26,795	3,922,677	1,484,188
	<hr/>	<hr/>	<hr/>
NET EXPENSE (REVENUE)	(1,174,774)	(3,389,111)	(12,177,010)
	<hr/>	<hr/>	<hr/>
GENERAL REVENUES			
Per Pupil Revenues	777,750	2,020,238	9,019,350
Mill Levy Override	244,701	666,305	2,929,807
Grants and Contributions Not Restricted to Specific Programs	91,746	2,034	427,974
Capital Construction Funding	9,635	12,514	111,813
Investment Earnings	-	-	11,154
Other	-	-	92,091
SPECIAL ITEMS			
Extinguishment of Debt	-	-	-
Loss on Disposal of Capital Assets	-	-	-
	<hr/>	<hr/>	<hr/>
TOTAL GENERAL REVENUES AND SPECIAL ITEMS	1,123,832	2,701,091	12,592,189
	<hr/>	<hr/>	<hr/>
CHANGE IN NET POSITION	(50,942)	(688,020)	415,179
	<hr/>	<hr/>	<hr/>
NET POSITION, Beginning, as Restated	490,906	839,311	5,758,512
	<hr/>	<hr/>	<hr/>
NET POSITION, Ending	<u>\$ 439,964</u>	<u>\$ 151,291</u>	<u>\$ 6,173,691</u>

See the accompanying Independent Auditors' Report.

SUMMIT	JUSTICE HIGH	TOTAL
\$ 1,692,807	\$ 392,972	\$ 15,987,899
1,074,057	487,729	8,588,427
-	-	1,245,794
11,404	-	11,404
2,778,268	880,701	25,833,524
-	-	1,207,659
55,991	120,558	1,521,521
-	-	2,881,029
55,991	120,558	5,610,209
(2,722,277)	(760,143)	(20,223,315)
2,132,006	606,579	14,555,923
674,981	81,938	4,597,732
266,398	36,274	824,426
2,332	7,503	143,797
2,049	-	13,203
-	-	92,091
-	165,690	165,690
-	(282,280)	(282,280)
3,077,766	615,704	20,110,582
355,489	(144,439)	(112,733)
1,035,988	276,896	8,401,613
\$ 1,391,477	\$ 132,457	\$ 8,288,880



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STATISTICAL SECTION



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Boulder Valley School District RE-2

STATISTICAL SECTION

TABLE OF CONTENTS

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

Contents	Tables	Pages
Financial Trends		
These tables contain trend information to help the reader understand how the district's financial condition has changed over time.	1- 4	81 - 84
Revenue Capacity		
These tables contain information to help the reader assess the district's largest revenue source: property taxes.	5 - 8	85 - 88
Debt Capacity		
These tables present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	9 - 11	89 - 91
Demographic and Economic Information		
These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	12 -13	92 - 93
Operating Information		
These tables contain service data to help the reader understand how the information in the financial report relates to the services the district provides and the activities it performs.	14-17	94 - 101

Boulder Valley School District RE-2

NET POSITION BY COMPONENT

Last 10 Fiscal Years

(Unaudited)

	<u>June 30, 2003</u>	<u>June 30, 2004</u>	<u>June 30, 2005</u>	<u>June 30, 2006</u>
Governmental Activities				
Net Investment in Capital Assets	\$ 46,192,989	\$ 47,637,046	\$ 49,692,959	\$ 51,647,224
Restricted	24,918,797	25,332,313	23,690,482	24,912,968
Unrestricted	<u>66,032</u>	<u>8,886,135</u>	<u>14,408,303</u>	<u>18,100,286</u>
Total Governmental Activities	71,177,818	81,855,494	87,791,744	94,660,478
Business-Type Activities				
Net Investment in Capital Assets	335,512	295,298	249,763	241,459
Restricted	155,041	154,940	160,179	156,368
Unrestricted	<u>440,902</u>	<u>667,738</u>	<u>643,460</u>	<u>483,950</u>
Total Business-Type Activities	931,455	1,117,976	1,053,402	881,777
Primary Government				
Net Investment in Capital Assets	46,528,501	47,932,344	49,942,722	51,888,683
Restricted	25,073,838	25,487,253	23,850,661	25,069,336
Unrestricted	<u>506,934</u>	<u>9,553,873</u>	<u>15,051,763</u>	<u>18,584,236</u>
Total Primary Government	<u>\$ 72,109,273</u>	<u>\$ 82,973,470</u>	<u>\$ 88,845,146</u>	<u>\$ 95,542,255</u>

Table 1

<u>June 30, 2007</u>	<u>June 30, 2008</u>	<u>June 30, 2009</u>	<u>June 30, 2010</u>	<u>June 30, 2011</u>	<u>June 30, 2012</u>
\$ 53,686,966	\$ 65,773,525	\$ 69,851,279	\$ 79,862,762	\$ 80,504,664	\$ 85,372,124
32,797,516	31,414,692	36,657,498	39,488,349	33,808,972	33,189,140
20,535,493	16,090,059	10,570,286	13,097,872	32,745,041	31,678,948
<u>107,019,975</u>	<u>113,278,276</u>	<u>117,079,063</u>	<u>132,448,983</u>	<u>147,058,677</u>	<u>150,240,212</u>
217,527	356,784	300,555	247,954	221,203	175,072
163,236	170,927	182,553	176,491	286,940	175,308
190,339	(19,621)	(148,996)	(788,601)	(322,254)	(175,072)
<u>571,102</u>	<u>508,090</u>	<u>334,112</u>	<u>(364,156)</u>	<u>185,889</u>	<u>175,308</u>
53,904,493	66,130,309	70,151,834	80,110,716	80,725,867	85,547,196
32,960,752	31,585,619	36,840,051	39,664,840	34,095,912	33,364,448
20,725,832	16,070,438	10,421,290	12,309,271	32,422,787	31,503,876
<u>\$ 107,591,077</u>	<u>\$ 113,786,366</u>	<u>\$ 117,413,175</u>	<u>\$ 132,084,827</u>	<u>\$ 147,244,566</u>	<u>\$ 150,415,520</u>

Boulder Valley School District RE-2

CHANGES IN NET POSITION

Last 10 Fiscal Years

(Unaudited)

	June 30, 2003	June 30, 2004	June 30, 2005	June 30, 2006
Primary Government Expenses				
Governmental Activities				
Instruction	\$ 138,634,470	\$ 152,350,470	\$ 156,019,891	\$ 159,937,412
Supporting Services	64,857,565	67,708,814	70,880,775	76,041,071
Unallocated Depreciation	7,350,240	-	-	-
Interest Expense	7,717,201	7,251,857	7,041,788	6,732,020
Total Governmental Activities	218,559,476	227,311,141	233,942,454	242,710,503
Business-Type Activities				
Food Services	5,052,501	4,951,365	4,968,538	5,211,811
Total Business-Type Activities	5,052,501	4,951,365	4,968,538	5,211,811
Total Primary Government Expenses	223,611,977	232,262,506	238,910,992	247,922,314
Program Revenues				
Governmental Activities				
Charges for Services				
Instruction	3,800,291	3,845,513	3,938,124	1,071,875
Supporting Services	1,004,044	787,690	1,110,965	8,154,329
Operating Grants and Contributions	16,163,107	17,157,713	19,381,843	19,442,789
Capital Grants and Contributions	-	-	-	-
Total Governmental Activities	20,967,442	21,790,916	24,430,932	28,668,993
Business-Type Activities				
Charges for Services				
Food Services	3,473,272	3,592,297	3,370,264	3,371,042
Operating Grants and Contributions	1,425,402	1,545,589	1,533,700	1,669,144
Total Business-Type Activities	4,898,674	5,137,886	4,903,964	5,040,186
Total Primary Government Program Revenues	25,866,116	26,928,802	29,334,896	33,709,179
Net (Expense) Revenue				
Governmental Activities	(197,592,034)	(205,520,225)	(209,511,522)	(214,041,510)
Business-Type Activities	(153,827)	186,521	(64,574)	(171,625)
Total Primary Government Net (Expense)	(197,745,861)	(205,333,704)	(209,576,096)	(214,213,135)
General Revenues and Transfers				
Governmental Activities				
Property Taxes	146,454,502	152,701,086	148,506,345	154,646,048
Specific Ownership Taxes	11,605,270	11,551,266	11,254,363	10,887,850
State Equalization	42,286,795	45,499,801	49,628,580	51,919,871
State Fiscal Stabilization Fund	-	-	-	-
Unrestricted Grant Revenue	1,635,693	-	-	-
Investment Earnings	487,225	230,215	555,174	1,192,940
Other Revenues	2,212,217	6,215,533	5,503,310	2,263,535
Transfers	-	-	-	-
Total Governmental Activities	204,681,702	216,197,901	215,447,772	220,910,244
Business-Type Activities				
Transfers	-	-	-	-
Total Primary Government Revenues and Transfers	204,681,702	216,197,901	215,447,772	220,910,244
Change in Net Position				
Governmental Activities	7,089,668	10,677,676	5,936,250	6,868,734
Business-type Activities	(153,827)	186,521	(64,574)	(171,625)
Total Primary Government	\$ 6,935,841	\$ 10,864,197	\$ 5,871,676	\$ 6,697,109

Table 2

June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012
\$ 162,839,335	\$ 174,678,565	\$ 184,528,008	\$ 184,537,048	\$ 188,306,226	\$ 200,020,904
85,954,536	94,388,108	91,944,942	93,260,558	102,051,046	103,678,052
-	-	-	-	-	-
8,429,419	9,817,663	13,076,805	16,358,947	16,456,075	15,993,118
257,223,290	278,884,336	289,549,755	294,156,553	306,813,347	319,692,074
5,625,673	5,728,486	5,708,651	6,033,046	5,735,910	5,946,779
5,625,673	5,728,486	5,708,651	6,033,046	5,735,910	5,946,779
262,848,963	284,612,822	295,258,406	300,189,599	312,549,257	325,638,853
729,238	805,306	850,255	885,640	1,049,174	1,253,365
9,737,651	10,496,456	10,908,725	10,934,983	10,931,866	11,245,296
20,948,003	19,718,065	20,861,065	24,748,470	25,719,981	23,819,210
-	-	-	3,747,258	386,381	6,531,809
31,414,892	31,019,827	32,620,045	40,316,351	38,087,402	42,849,680
3,486,250	3,649,198	3,124,504	2,696,927	2,545,086	2,823,846
1,828,748	2,016,276	2,185,169	2,412,851	2,486,869	2,713,851
5,314,998	5,665,474	5,309,673	5,109,778	5,031,955	5,537,697
36,729,890	36,685,301	37,929,718	45,426,129	43,119,357	48,387,377
(225,808,398)	(247,864,509)	(256,929,710)	(253,840,202)	(268,725,945)	(276,842,394)
(310,675)	(63,012)	(398,978)	(923,268)	(703,955)	(409,082)
(226,119,073)	(247,927,521)	(257,328,688)	(254,763,470)	(269,429,900)	(277,251,476)
164,129,499	174,440,943	182,808,375	193,973,616	212,383,487	211,385,970
11,108,990	11,258,208	9,995,765	9,251,558	9,404,630	9,836,876
58,089,462	56,336,553	61,973,644	64,227,060	53,462,090	56,488,225
-	-	-	-	7,628,224	180,742
-	-	-	-	-	-
3,629,865	7,152,235	2,288,518	716,554	444,720	126,883
1,210,079	4,834,871	3,989,195	1,266,334	1,266,488	1,989,913
-	-	-	(225,000)	(1,254,000)	(398,501)
238,167,895	254,022,810	261,055,497	269,210,122	283,335,639	279,610,108
-	-	-	225,000	1,254,000	398,501
238,167,895	254,022,810	261,055,497	269,435,122	284,589,639	280,008,609
12,359,497	6,158,301	4,125,787	15,369,920	14,609,694	2,767,714
(310,675)	(63,012)	(398,978)	(698,268)	550,045	(10,581)
\$ 12,048,822	\$ 6,095,289	\$ 3,726,809	\$ 14,671,652	\$ 15,159,739	\$ 2,757,133

Boulder Valley School District RE-2

FUND BALANCES OF GOVERNMENTAL FUNDS

Last 10 Fiscal Years

(Unaudited)

	2003	2004	2005	2006	2007
General Fund					
Reserved	\$ 5,836,698	\$ 6,088,567	\$ 6,452,971	\$ 6,416,452	\$ 7,039,417
Unreserved	273,456	8,310,252	12,555,719	17,132,787	21,551,939
Subtotal	<u>6,110,154</u>	<u>14,398,819</u>	<u>19,008,690</u>	<u>23,549,239</u>	<u>28,591,356</u>
Other Governmental Funds					
Reserved	170,609	286,639	209,028	501,254	521,385
Unreserved, reported in					
Grants Fund	-	-	-	-	-
Debt Service Fund	15,131,986	17,075,783	15,577,400	15,912,470	23,304,815
Capital Projects Fund	4,001,547	2,141,390	1,575,024	2,310,761	122,941,492
Special Revenue Fund	-	-	-	143,238	682,392
Subtotal	<u>19,304,142</u>	<u>19,503,812</u>	<u>17,361,452</u>	<u>18,867,723</u>	<u>147,450,084</u>
Total Governmental Funds	<u><u>\$ 25,414,296</u></u>	<u><u>\$ 33,902,631</u></u>	<u><u>\$ 36,370,142</u></u>	<u><u>\$ 42,416,962</u></u>	<u><u>\$ 176,041,440</u></u>
General Fund					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Governmental Funds					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Governmental Funds	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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

Table 3

<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$ 7,244,362	\$ 7,543,322	\$ 7,441,515	\$ -	\$ -
14,521,629	12,092,348	12,203,848	-	-
<u>21,765,991</u>	<u>19,635,670</u>	<u>19,645,363</u>	<u>-</u>	<u>-</u>
683,809	1,135,289	1,246,044	-	-
-	-	(1,422,177)	-	-
17,282,227	20,663,878	24,032,073	-	-
93,862,349	169,505,386	101,209,140	-	-
318,922	-	-	-	-
<u>112,147,307</u>	<u>191,304,553</u>	<u>125,065,080</u>	<u>-</u>	<u>-</u>
<u>\$ 133,913,298</u>	<u>\$ 210,940,223</u>	<u>\$ 144,710,443</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ 373,499	\$ 375,768
-	-	-	8,446,994	8,837,606
-	-	-	3,579,393	2,471,900
-	-	-	10,785,148	-
-	-	-	7,440,288	16,123,842
<u>-</u>	<u>-</u>	<u>-</u>	<u>30,625,322</u>	<u>27,809,116</u>
-	-	-	-	-
-	-	-	24,974,541	30,816,441
-	-	-	-	-
-	-	-	46,778,607	6,702,180
-	-	-	(100,540)	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>71,652,608</u>	<u>37,518,621</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 102,277,930</u>	<u>\$ 65,327,737</u>

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

	(Unaudited)			
	2003	2004	2005	2006
Primary Government				
Revenues				
Local Sources				
Current Property Taxes	\$ 145,992,818	\$ 151,789,396	\$ 146,875,553	\$ 155,286,194
Specific Ownership Taxes	11,605,270	11,588,140	11,254,363	10,887,850
Delinquent Property Taxes	420,203	336,249	154,876	197,766
Grants	609,678	891,361	625,824	379,077
Tuition	5,310,851	5,416,755	4,178,361	5,856,936
Interest	444,693	826,866	314,937	1,192,940
Miscellaneous	1,519,558	4,639,448	6,369,584	5,632,801
State Sources				
Equalization	42,286,795	45,510,703	49,628,580	51,919,871
Special Education	3,458,753	3,562,820	3,580,231	4,382,998
State Fiscal Stabilization Fund	-	-	-	-
Transportation	1,740,381	1,666,126	1,817,823	1,812,163
Vocational Education	836,724	740,919	863,334	745,959
Grants	1,911,065	1,283,960	1,708,940	699,254
Medicaid	211,016	195,883	181,471	205,233
Miscellaneous	322,123	298,318	299,121	342,855
Federal Sources				
Grants	8,920,076	8,703,306	10,486,570	10,875,250
Total Revenues	225,590,004	237,450,250	238,339,568	250,417,147
Expenditures				
Regular Instruction	99,197,958	101,172,110	103,615,622	106,537,319
Special Instruction	39,416,453	41,407,709	43,141,666	42,475,585
Instructional Support				
Student Services	5,170,891	5,332,767	5,332,346	5,737,529
Instructional Staff Support	7,910,443	7,340,550	7,943,077	9,200,010
School Administration and Operations				
School Administration	11,116,837	14,119,765	14,292,469	14,968,318
Operations and Maintenance	14,307,963	15,338,688	15,759,700	16,890,272
Student Transportation	6,262,799	6,611,788	6,887,504	7,439,219
District Wide/Community Services				
General Administration	2,756,668	2,607,570	2,715,598	2,832,062
Business Services	1,923,562	1,934,280	2,694,665	2,016,893
Central Services	7,851,084	8,495,520	9,338,785	10,813,212
Enterprise Operations	-	-	107,008	-
Community Services	3,688,237	4,061,211	4,042,492	4,373,239
Adult Basic Education	40,793	41,195	179,308	92,263
Debt Service				
Principal	6,890,000	6,935,000	7,245,000	7,555,000
Interest and Fiscal Charges	7,741,948	7,606,483	7,051,265	6,741,497
Debt Issuance Costs	-	-	-	-
Capital Outlay	4,961,792	7,713,867	5,525,552	7,171,042
Total Expenditures	219,237,428	230,718,503	235,872,057	244,843,460
Other Financing Sources (Uses)				
Sale of School Property	-	-	-	-
Transfers In	6,392,244	6,916,416	4,232,179	11,644,143
Transfers Out	(6,392,244)	(6,916,416)	(4,232,179)	(11,171,010)
Certificates of Participation Issued	-	7,275,000	-	-
Bonds Issued	-	-	-	-
Bond Premium	-	-	-	-
Payment to Escrow Agent	-	(5,518,412)	-	-
Total Other Financing Sources (Uses)	-	1,756,588	-	473,133
Net Change in Fund Balances	6,352,576	8,488,335	2,467,511	6,046,820
Fund Balance, Beginning	19,061,720	25,414,296	33,902,631	36,370,142
Fund Balance, Ending	\$ 25,414,296	\$ 33,902,631	\$ 36,370,142	\$ 42,416,962
Debt Service as a Percentage of Noncapital Expenditures	6.73%	6.42%	6.13%	5.90%

Table 4

2007	2008	2009	2010	2011	2012
\$ 165,456,960	\$ 174,006,259	\$ 181,017,953	\$ 193,830,522	\$ 212,310,056	\$ 211,261,417
11,108,990	11,258,208	9,995,765	9,251,558	9,404,630	9,836,876
988,215	147,499	248,156	115,978	227,096	282,202
415,434	425,429	739,098	570,743	643,019	523,146
4,978,744	5,026,167	5,868,843	5,856,442	6,068,801	6,543,035
3,629,864	7,152,235	2,288,518	716,554	444,720	126,883
5,185,099	11,110,467	9,879,333	10,977,773	7,565,108	10,457,358
58,089,462	56,336,553	61,973,644	64,227,060	53,462,090	56,488,225
4,325,948	4,450,546	4,449,466	4,525,751	4,300,112	4,695,420
-	-	-	-	2,116,382	-
1,953,274	1,629,616	2,244,747	2,506,921	2,730,405	2,915,419
1,382,780	945,566	1,098,195	1,391,921	1,059,030	907,589
1,431,036	39,200	198,448	649,220	830,508	574,109
1,512	306,245	381,501	529,192	908,801	1,335,538
594,242	432,416	400,302	733,858	776,173	766,433
10,843,777	11,489,046	11,349,308	12,418,687	21,405,952	12,282,298
270,385,337	284,755,452	292,133,277	308,302,180	324,252,883	318,995,948
111,167,575	118,137,145	124,512,216	129,345,449	129,694,776	134,540,220
44,666,239	48,087,295	48,462,119	48,778,916	48,672,908	48,722,631
6,127,364	7,202,651	7,726,360	8,338,184	7,821,093	10,695,514
11,265,749	11,976,063	11,489,131	12,228,132	11,839,653	11,754,232
15,818,323	16,473,185	17,865,922	18,299,706	18,178,756	19,037,915
16,915,946	18,005,709	18,855,666	20,526,501	20,406,434	20,261,982
7,727,513	8,952,362	9,218,669	10,146,947	10,954,306	11,874,817
3,132,739	3,253,790	2,757,510	2,678,408	2,783,571	2,916,898
2,121,958	2,211,860	2,693,872	2,803,873	2,593,077	2,742,194
11,302,707	10,887,214	10,956,736	10,173,778	10,299,898	12,044,255
-	-	-	-	90,810	52,735
4,815,749	5,010,135	4,981,140	5,034,613	5,065,759	4,921,301
117,797	147,949	116,098	97,140	149,707	135,188
7,880,000	10,535,000	10,105,000	9,870,000	11,570,000	14,890,000
6,427,353	11,172,641	12,477,695	17,036,074	17,075,900	16,615,268
687,174	124,702	1,330,325	453,110	-	-
8,002,276	46,175,383	112,036,962	76,734,547	66,234,748	45,481,450
258,176,462	318,353,084	395,585,421	372,545,378	363,431,396	356,686,600
-	-	-	-	-	1,138,960
8,032,741	10,484,082	4,754,381	5,281,112	12,051,538	8,098,037
(8,032,741)	(14,584,082)	(4,979,381)	(5,506,112)	(15,305,538)	(8,496,538)
-	-	-	-	-	-
120,000,000	49,910,000	176,800,000	53,645,000	-	-
1,415,603	2,824,044	3,904,069	2,385,564	-	-
-	(57,164,554)	-	(57,792,146)	-	-
121,415,603	(8,530,510)	180,479,069	(1,986,582)	(3,254,000)	740,459
133,624,478	(42,128,142)	77,026,925	(66,229,780)	(42,432,513)	(36,950,193)
42,416,962	176,041,440	133,913,298	210,940,223	144,710,443	102,277,930
\$ 176,041,440	\$ 133,913,298	\$ 210,940,223	\$ 144,710,443	\$ 102,277,930	\$ 65,327,737
5.87%	7.80%	8.34%	9.18%	9.30%	9.97%

Boulder Valley School District RE-2
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last 10 Fiscal Years

(Unaudited)

Collection Year	Taxable Assessed Value				Total Direct Tax Rate*
	Residential Property	Commercial Property	All Other	Total	
2003	1,894,344,086	1,594,437,769	355,916,948	3,844,698,803	38.524
2004	1,952,680,540	1,667,504,239	352,499,975	3,972,684,754	38.255
2005	1,974,598,660	1,681,144,196	319,779,595	3,975,522,451	37.423
2006	2,064,990,490	1,766,828,760	322,566,613	4,154,385,863	37.685
2007	2,096,273,840	1,764,603,370	304,095,073	4,164,972,283	39.564
2008	2,334,001,690	1,956,154,040	337,926,058	4,628,081,788	37.865
2009	2,334,456,140	2,047,735,440	299,416,056	4,681,607,636	39.113
2010	2,451,438,580	1,562,360,162	864,866,444	4,878,665,186	39.999
2011	2,470,710,400	1,656,952,142	737,801,555	4,865,464,097	43.838
2012	2,429,617,885	1,599,185,710	699,134,869	4,727,938,464	44.843

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

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

Table 5

Estimated Actual Value	Ratio of Estimated Actual Value to Assessed Value	Assessment Rate	
		Residential	All Other
27,573,225,209	7.1718	9.15%	29.00%
31,624,551,624	7.9605	7.96%	29.00%
31,834,021,863	8.0075	7.96%	29.00%
33,273,880,826	8.0093	7.96%	29.00%
33,586,945,608	8.0641	7.96%	29.00%
36,648,062,817	7.9186	7.96%	29.00%
37,827,103,800	8.0799	7.96%	29.00%
38,364,291,949	7.8637	7.96%	29.00%
38,538,770,816	7.9209	7.96%	29.00%
39,739,863,309	8.4053	7.96%	29.00%

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

Levy Year	Collection Year	Total Tax Levy	Current Tax Collections	Percent of Current Tax Collected	Delinquent Tax Collections	Total Collections	
						Amount	Percent of Levy
2002	2003	148,091,114	147,139,163	99.36%	387,790	147,526,953	99.62%
2003	2004	152,358,541	151,722,942	99.58%	336,249	152,059,191	99.80%
2004	2005	149,047,366	147,225,944	98.78%	139,537	147,365,481	98.87%
2005	2006	156,558,031	155,286,194	99.19%	197,766	155,483,960	99.31%
2006	2007	164,782,963	161,992,586	98.31%	96,132	162,088,718	98.36%
2007	2008	175,242,316	172,742,380	98.57%	47,942	172,790,322	98.60%
2008	2009	183,111,718	178,265,743	97.35%	184,636	178,450,379	97.45%
2009	2010	195,141,729	190,148,336	97.44%	80,169	190,228,505	97.48%
2010	2011	213,292,216	208,270,983	97.65%	149,647	208,420,630	97.72%
2011	2012*	212,014,945	207,164,133	97.71%	167,457	207,331,590	97.79%

* Collections through July 31, 2012

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



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

(Unaudited)

	2003	2004	2005	2006
Boulder Valley School District RE-2				
General Fund				
School Finance Act	26.412	26.049	26.049	25.023
Budget Election	8.469	8.201	8.193	7.862
Abatements and Refunds	0.125	0.128	0.176	0.461
Subtotal General Fund	35.006	34.378	34.418	33.346
Transportation Fund	-	-	-	1.065
Bond Redemption Fund	3.518	3.877	3.005	3.274
Total Boulder Valley School District RE-2	38.524	38.255	37.423	37.685
Boulder County	20.087	20.088	21.267	21.867
Cities and Towns				
Boulder	9.640	9.860	10.005	9.643
Broomfield	28.986	28.986	28.986	28.968
Lafayette	10.994	10.832	10.710	11.848
Louisville	5.184	6.710	6.710	6.710
Jamestown	14.843	14.680	21.400	21.400
Nederland	15.455	14.462	14.765	14.572
Superior	1.906	8.805	8.805	8.805
Ward	3.474	2.616	2.709	2.300
	90.482	96.951	104.090	104.246
Special Districts (Ranges)	.531 to 98.746	.533 to 84.319	.538 to 89.500	.538 to 99.000
Fire Districts (Ranges)	2.500 to 11.715	2.500 to 11.434	2.500 to 11.433	2.500 to 11.325
Water/Sanitation Districts (Ranges)	.245 to 16.795	.243 to 17.365	.230 to 17.957	.222 to 18.141

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

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

Table 7

Assessment Year					
2007	2008	2009	2010	2011	2012
25.023	25.023	25.023	25.023	25.023	25.023
7.842	7.057	6.977	6.695	11.338	12.096
0.288	0.229	0.125	0.220	0.186	0.181
33.153	32.309	32.125	31.938	36.547	37.300
1.509	1.414	1.559	1.496	1.500	1.544
4.902	4.142	5.429	6.565	5.791	5.999
39.564	37.865	39.113	39.999	43.838	44.843
22.467	22.467	23.067	23.667	24.645	24.645
9.889	9.201	9.841	10.295	10.818	11.981
28.968	28.968	28.968	28.968	28.968	28.968
11.779	10.641	15.515	15.009	14.334	14.387
6.710	6.710	6.710	6.710	6.710	6.710
21.400	21.400	21.000	21.000	21.000	21.000
14.572	14.070	15.051	14.883	15.156	16.527
8.805	8.050	8.050	8.050	9.480	9.480
2.730	2.699	2.792	3.480	3.399	3.700
104.853	101.739	107.927	108.395	109.865	112.753
.542 to 49.500	.507 to 49.500	.528 to 74.771	.508 to 79.366	.523 to 80.420	.566 to 78.265
2.500 to 11.747	2.500 to 11.747	2.500 to 15.256	2.500 to 15.192	2.500 to 15.130	2.500 to 15.454
.214 to 18.482	.197 to 21.825	.194 to 22.755	.184 to 22.283	.184 to 17.545	.184 to 17.746



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Boulder Valley School District RE-2

Table 8

PRINCIPAL PROPERTY TAXPAYERS

January 1, 2012 and 9 Years Ago

(Unaudited)

Taxpayer	2012			2003		
	Rank	Assessed Valuation	Percentage of Total Assessed Valuation	Rank	Assessed Valuation	Percentage of Total Assessed Valuation
Xcel Energy	1	73,809,278	1.56%	1	60,580,300	1.58%
Oracle Corporation	2	43,779,080	0.93%			
IBM Corporation	3	38,737,971	0.82%	5	53,699,320	1.40%
Flatiron Holding LLC	4	38,280,000	0.81%	6	21,404,060	0.56%
Qwest Corporation	5	32,236,304	0.68%	3	56,855,800	1.48%
Ball Corporation	6	28,425,431	0.60%			
Level 3 Communications	7	27,984,520	0.59%	4	56,551,140	1.47%
Macerich Twenty Ninth Street LLC	8	25,735,968	0.54%			
Roche Colorado Corporation	9	19,308,741	0.41%	8	14,983,000	0.39%
FSP Corp (380 & 390 Interlocken)	10	18,488,950	0.39%			
Sun Microsystems				2	60,023,980	1.56%
Storage Technology Corporation				7	18,777,730	0.49%
Amgen Boulder Inc.				9	13,401,000	0.34%
Hunter Douglas Inc				10	12,961,720	0.34%
Subtotal		<u>346,786,243</u>	<u>7.33%</u>		<u>369,238,050</u>	<u>9.61%</u>
Remaining Assessed Valuation		<u>4,381,152,221</u>	<u>92.67%</u>		<u>3,475,460,753</u>	<u>90.39%</u>
Total Assessed Valuation		<u><u>\$ 4,727,938,464</u></u>	<u><u>100.00%</u></u>		<u><u>\$ 3,844,698,803</u></u>	<u><u>100.00%</u></u>

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

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

Source: Boulder County and Broomfield County Assessors Office

Boulder Valley School District RE-2

RATIOS OF OUTSTANDING DEBT BY TYPE

Last 10 Fiscal Years

(Unaudited)

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Bond Redemption Fund	Total	Percentage of Actual Taxable Value of Property*	Per Capita**
2003	153,515,000	14,973,430	138,541,570	0.502449637	499
2004	147,065,000	15,131,986	131,933,014	0.417185406	472
2005	140,310,000	17,075,783	123,234,217	0.387114822	438
2006	133,250,000	15,577,400	117,672,600	0.353648559	415
2007	245,875,000	15,912,470	229,962,530	0.684678305	791
2008	230,175,000	23,304,815	206,870,185	0.564477817	705
2009	397,400,000	20,663,878	376,736,122	0.995942285	1,255
2010	385,285,000	24,032,073	361,252,927	0.941638458	1,183
2011	374,280,000	24,325,632	349,954,368	0.908057939	1,136
2012	362,535,000	24,457,080	338,077,920	0.850727436	1,124

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

** Personal Income and Population data may be found on Table 12

Source: Boulder Valley School District RE-2

Table 9

Other Governmental Activities Debt				
Certificates of Participation	Capital Leases	Total Primary Government	Percentage of Personal Income**	Per Capita**
5,350,000	-	143,891,570	1.26%	518
6,790,000	-	138,723,014	1.16%	497
6,300,000	-	129,534,217	1.01%	461
5,805,000	-	123,477,600	0.91%	435
5,300,000	-	235,262,530	1.64%	810
4,785,000	-	211,655,185	1.39%	722
4,255,000	-	380,991,122	2.34%	1,269
3,710,000	-	364,962,927	2.12%	1,196
3,145,000	-	353,099,368	1.92%	1,157
-	-	338,077,920	2.13%	1,124

Boulder Valley School District RE-2

LEGAL DEBT MARGIN INFORMATION

Last 10 Fiscal Years

(Unaudited)

Assessed Valuation

Debt Limit Percentage

Legal Debt Limit

Debt Outstanding

Legal Debt Margin

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Debt Limit	\$ 771,327,974	\$ 796,541,845	\$ 796,554,878	\$ 830,877,173	\$ 832,994,457
Debt Applicable To Limit	<u>153,515,000</u>	<u>147,065,000</u>	<u>140,310,000</u>	<u>133,250,000</u>	<u>245,875,000</u>
Legal Debt Margin	<u>\$ 617,812,974</u>	<u>\$ 649,476,845</u>	<u>\$ 656,244,878</u>	<u>\$ 697,627,173</u>	<u>\$ 587,119,457</u>
Total Debt Applicable As A Percentage Of Debt Limit	19.90%	18.46%	17.61%	16.04%	29.52%

Table 10

\$ 4,727,938,464

20.00%

945,587,693

362,535,000

\$ 583,052,693

<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$ 925,616,358	\$ 936,321,527	\$ 975,733,037	\$ 973,092,819	\$ 945,587,693
<u>230,175,000</u>	<u>397,400,000</u>	<u>385,285,000</u>	<u>374,280,000</u>	<u>362,535,000</u>
<u><u>\$ 695,441,358</u></u>	<u><u>\$ 538,921,527</u></u>	<u><u>\$ 590,448,037</u></u>	<u><u>\$ 598,812,819</u></u>	<u><u>\$ 583,052,693</u></u>
24.87%	42.44%	39.49%	38.46%	38.34%

Boulder Valley School District RE-2

Table 11

COMPUTATION OF DIRECT AND OVERLAPPING GENERAL OBLIGATION DEBT

June 30, 2012

(Unaudited)

	Outstanding General Obligation Debt	Percentage Applicable to the District (3)	Amount of Outstanding Debt Applicable to the District
Overlapping Debt (1)			
Berthoud Fire Protection District	1,078,075	100.00%	1,078,075
Boulder Central Area General Improvement District	15,105,000	100.00%	15,105,000
Boulder Rural Fire	3,182,830	100.00%	3,182,830
City of Boulder	90,695,000	100.00%	90,695,000
City of Lafayette	5,750,000	100.00%	5,750,000
City of Louisville	5,020,000	100.00%	5,020,000
Colorado Tech Center Metropolitan District	5,860,000	100.00%	5,860,000
East Boulder County Water District	1,295,000	100.00%	1,295,000
Hoover Hill Water and Sanitation District	124,421	100.00%	124,421
Interlocken Consolidated Metropolitan District	91,258,484	100.00%	91,258,484
North Metro Fire Rescue District	22,755,000	20.88%	4,751,244
Nederland Community Library District	1,791,057	100.00%	1,791,057
Nederland Fire Protection District	805,000	100.00%	805,000
Northern Colorado Water Conservancy District	4,657,275	41.05%	1,911,811
Pine Brook Water District	4,345,000	100.00%	4,345,000
Rocky Mountain Fire	9,355,000	100.00%	9,355,000
Superior/McCaslin Interchange District	4,180,000	100.00%	4,180,000
Superior Metropolitan District #2	4,120,000	100.00%	4,120,000
Superior Metropolitan District #3	1,960,000	100.00%	1,960,000
Town of Erie	16,440,000	1.96%	322,224
Town of Nederland	1,035,000	100.00%	1,035,000
Town of Superior	5,255,000	100.00%	5,255,000
Subtotal Overlapping Debt			259,200,146
School District Direct Debt (2)			362,535,000
Total Direct and Overlapping Debt			<u>\$ 621,735,146</u>

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

Notes:

- (1) Balances as of December 31, 2011
- (2) Balance as of June 30, 2012
- (3) The Percentage Applicable to the district is calculated by taking the percentage of the government's assessed value which is located within the boundaries of the district.

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

Boulder Valley School District RE-2

Table 12

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last 10 Fiscal Years

(Unaudited)

Fiscal Year	*Estimated Population(1)	**Personal Income(1) (millions)	**Per Capita Personal Income(1)	***Enrollment (Student (Funded FTE))	****Unemployment Rate(1)
2003	277,813	11,399	41,034	26,629.5	5.809%
2004	279,227	11,994	42,955	26,643.5	4.924%
2005	281,195	12,765	45,394	26,789.5	4.402%
2006	283,644	13,550	47,770	26,741.0	4.009%
2007	290,580	14,385	50,141	26,914.5	3.896%
2008	293,232	15,267	52,601	27,222.5	4.900%
2009	300,136	16,251	55,319	27,455.2	7.500%
2010	305,268	17,241	57,978	27,673.3	6.500%
2011	308,005	18,351	60,962	28,148.8	6.500%
2012	300,823	15,884	52,942	28,317.5	6.200%

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



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Boulder Valley School District RE-2

Table 13

PRINCIPAL EMPLOYERS January 1, 2012 and 9 Years Ago

(Unaudited)

Employer	2012			2003		
	Rank	Number of Employees	Percentage of Total County Employment	Rank	Number of Employees	Percentage of Total County Employment
University of Colorado	1	7,260	3.51%	1	7,500	3.98%
Boulder Valley School District	2	4,000	1.93%	3	4,200	2.23%
International Business Machines	3	3,400	1.64%	2	4,800	2.54%
Oracle Corporation	4	3,300	1.60%			
St. Vrain Valley School District	5	3,238	1.57%			
Ball Aerospace	6	3,100	1.50%	6	2,250	1.19%
Level 3 Communications	7	2,298	1.11%	9	1,900	1.01%
Boulder County	8	1,808	0.87%			
Boulder Community Hospital	9	1,674	0.81%	7	2,102	1.11%
Exempla Good Samaritan	10	1,374	0.66%			
Sun Microsystems, Inc.				4	3,200	1.70%
Storage Technology Corporation				5	2,735	1.45%
Electronic Data Systems				8	2,000	1.06%
City of Boulder				10	1,600	0.85%
Subtotal		31,452	15.21%		32,287	17.12%
Other Employers		175,334	84.79%		156,352	82.88%
Total		206,786	100.00%		188,639	100.00%

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

Boulder Valley School District RE-2

DISTRICT EMPLOYEES - FULL TIME EQUIVALENTS

Last 10 Fiscal Years

(Unaudited)

	2003	2004	2005	2006	2007
Administrators					
Superintendent	1.00	1.00	1.00	1.00	1.00
Assistant Superintendent	7.00	7.70	6.80	5.00	6.40
Non-Instructional Director	17.60	18.70	18.20	21.40	21.50
Instructional Director	11.40	10.00	9.00	13.90	11.00
Principal	55.20	49.40	49.60	53.60	51.90
Assistant Principal	35.60	35.90	37.60	35.60	32.90
Instructional Program Coord.	-	6.80	1.00	2.40	2.00
Non-Instructional Program Coord.	-	-	-	-	-
Subtotal	127.80	129.50	123.20	132.90	126.70
Professional-Instructional					
Teacher, Regular	1,482.10	1,420.50	1,465.40	1,460.20	1,504.60
Teacher, Special Education	204.40	189.40	199.40	199.00	191.90
Teacher, Title I	25.70	19.50	11.80	15.40	13.50
Counselor	54.20	54.80	55.40	56.40	57.70
Curriculum Specialist Consultant	7.80	8.00	6.50	7.80	13.50
Dean	1.30	2.10	1.60	3.40	4.00
Education Diagnostician	-	-	-	-	2.60
Instructional Program Consultant	-	8.70	1.00	0.80	2.60
Librarian/Media Consultant	38.10	39.30	40.10	41.70	44.10
Teacher Mentor	30.70	36.40	40.60	45.70	58.40
Audiologist	2.60	2.00	2.00	2.00	2.00
Licensed Practical Nurse	-	-	-	-	1.10
Registered Nurse	11.00	10.90	13.50	13.40	11.30
Occupational Therapist	13.50	14.90	14.60	14.10	14.50
Physical Therapist	1.80	1.80	1.80	1.90	2.00
Psychologist	20.60	20.70	21.10	23.30	19.70
Social Worker	20.30	20.60	22.00	22.30	20.00
Speech-Language Pathologist	32.70	31.70	34.00	34.90	32.40
Subtotal	1,946.80	1,881.30	1,930.80	1,942.30	1,995.90
Professional-Other	85.30	97.80	87.60	107.10	96.90
Paraprofessionals	542.80	666.90	666.40	674.60	672.30
Office/Administrative Support	297.90	261.30	261.80	265.10	266.60
Crafts, Trades, and Services					
Bus Driver	128.50	133.50	163.20	152.10	164.20
Food Service Workers	72.00	48.60	55.70	44.60	55.70
Custodian	165.60	152.70	152.60	155.70	154.90
Maintenance Workers	109.40	136.20	131.30	125.60	119.00
Subtotal	475.50	471.00	502.80	478.00	493.80
Total	<u>3,476.10</u>	<u>3,507.80</u>	<u>3,572.60</u>	<u>3,600.00</u>	<u>3,652.20</u>

Source: Boulder Valley School District RE-2

Table 14

2008	2009	2010	2011	2012
1.00	1.00	1.00	1.00	1.00
9.50	13.80	12.30	10.50	10.60
22.70	18.90	17.50	17.30	16.60
7.70	14.04	15.57	15.02	13.00
54.10	54.40	54.80	54.80	52.50
37.00	40.70	38.70	37.60	41.10
2.50	2.00	2.00	2.48	5.60
-	-	-	-	3.77
134.50	144.84	141.87	138.70	144.17
1,538.20	1,549.50	1,517.40	1,490.20	1,493.00
190.47	178.60	180.16	172.87	191.57
16.10	15.70	18.90	21.80	22.70
65.70	68.20	61.80	54.80	66.00
10.97	9.60	4.70	4.10	3.50
3.20	4.70	3.00	2.10	2.00
4.33	4.60	2.76	-	-
8.79	1.00	1.25	-	2.00
43.50	42.60	41.60	40.30	39.00
54.90	49.20	48.90	45.77	45.98
1.52	2.06	1.98	1.50	1.29
2.10	-	-	-	-
15.74	14.91	14.73	12.60	14.86
14.12	15.03	15.13	14.30	15.43
2.16	1.76	2.06	2.00	2.30
22.10	46.66	25.81	26.04	28.80
26.40	24.47	21.63	18.60	18.71
28.72	34.62	29.73	36.26	37.99
2,049.02	2,063.21	1,991.54	1,943.24	1,985.13
112.40	132.75	132.36	130.46	134.56
675.52	757.90	727.88	686.77	708.69
269.00	268.70	254.77	241.58	238.32
165.80	198.00	196.10	190.60	176.90
78.30	84.50	100.60	91.80	81.70
153.50	155.70	160.30	150.70	145.70
101.40	95.90	92.10	88.60	88.60
499.00	534.10	549.10	521.70	492.90
3,739.44	3,901.50	3,797.52	3,662.45	3,703.77

Boulder Valley School District RE-2

SCHOOL BUILDING INFORMATION

Last 10 Fiscal Years

(Unaudited)

School	2003	2004	2005	2006	2007	2008	2009
<u>Elementary Schools</u>							
Aurora 7							
Square Feet	0	0	0	0	0	0	0
Capacity	0	0	0	0	0	0	0
Enrollment	0	0	0	0	0	0	0
Bear Creek							
Square Feet	39,549	39,549	39,549	39,549	39,549	39,549	39,549
Capacity	379	310	350	370	350	350	350
Enrollment	336	343	337	348	343	361	362
Birch							
Square Feet	44,714	44,714	44,714	44,714	44,714	44,714	44,714
Capacity	502	440	438	463	463	463	463
Enrollment	391	400	403	409	415	425	448
BCSIS							
Square Feet	25,922	25,922	25,922	25,922	25,922	25,922	25,922
Capacity	211	210	230	230	230	230	230
Enrollment	217	229	259	285	287	287	290
Coal Creek							
Square Feet	53,916	53,916	53,916	53,916	53,916	53,916	53,916
Capacity	555	473	460	460	465	465	465
Enrollment	524	537	511	491	478	470	470
Columbine							
Square Feet	48,078	48,078	48,078	48,078	48,078	48,078	48,078
Capacity	499	341	352	413	431	431	431
Enrollment	305	312	346	384	402	368	379
Community Montessori							
Square Feet	42,583	42,583	42,583	42,583	42,583	42,583	42,583
Capacity	144	126	140	180	200	200	200
Enrollment	153	148	148	193	215	228	225
Creekside							
Square Feet	46,976	46,976	46,976	46,976	46,976	46,976	46,976
Capacity	416	308	289	316	316	316	316
Enrollment	309	293	285	269	329	330	344
Crest View							
Square Feet	55,007	55,007	55,007	55,007	55,007	55,007	67,266
Capacity	493	385	485	510	530	530	530
Enrollment	473	492	494	501	510	511	532
Douglass							
Square Feet	54,772	54,772	54,772	54,772	54,772	54,772	54,772
Capacity	451	410	435	435	435	435	435
Enrollment	469	476	482	469	455	439	409
Eisenhower							
Square Feet	53,601	53,601	53,601	53,601	53,601	53,601	53,601
Capacity	611	548	548	500	525	525	525
Enrollment	422	420	436	449	440	468	453
Emerald							
Square Feet	56,300	56,300	56,300	56,300	56,300	56,300	56,300
Capacity	585	420	384	377	377	377	377
Enrollment	411	382	384	376	390	384	386
Fireside							
Square Feet	60,307	60,307	60,307	60,307	60,307	60,307	60,307
Capacity	504	440	465	460	440	440	440
Enrollment	443	416	454	449	433	444	418
Flatirons							
Square Feet	33,469	33,469	33,469	33,469	33,469	33,469	33,469
Capacity	237	300	295	315	320	320	320
Enrollment	241	307	297	298	307	295	288
Foothill							
Square Feet	57,819	57,819	57,819	57,819	57,819	57,819	57,819
Capacity	504	435	440	485	510	510	510
Enrollment	419	430	463	486	504	526	528

Table 15

2010	2011	2012
0	0	0
0	0	0
0	0	0
39,549	54,853	54,853
350	355	475
352	367	378
44,714	51,192	51,192
440	405	436
426	443	401
31,745	31,745	31,745
280	280	312
284	300	295
53,916	52,476	57,305
485	490	496
448	464	467
50,938	68,294	68,787
431	455	579
398	410	453
42,588	42,588	42,588
280	280	287
237	251	258
46,976	50,661	50,661
334	441	484
345	348	353
66,884	66,884	66,884
595	670	685
594	627	625
54,901	54,901	59,705
480	480	491
423	430	433
53,601	59,525	59,525
555	580	613
445	474	453
56,300	62,542	62,573
413	473	454
370	345	341
60,307	60,307	61,486
465	515	475
437	445	464
43,857	43,857	43,857
305	325	337
272	279	306
75,951	76,021	76,021
610	610	644
572	564	583

Boulder Valley School District RE-2

SCHOOL BUILDING INFORMATION

Last 10 Fiscal Years

(Unaudited)

School	2003	2004	2005	2006	2007	2008	2009
<u>Elementary Schools (continued)</u>							
Gold Hill							
Square Feet	3,316	3,316	3,316	3,316	3,316	3,316	3,316
Capacity	51	41	41	41	41	41	41
Enrollment	33	37	34	26	26	25	25
Heatherwood							
Square Feet	52,016	52,016	52,016	52,016	52,016	52,016	52,016
Capacity	421	316	312	319	321	321	321
Enrollment	332	350	332	323	340	368	382
High Peaks							
Square Feet	24,521	24,521	24,521	24,521	24,521	24,521	24,521
Capacity	248	240	240	287	240	240	240
Enrollment	278	279	296	299	293	299	301
Jamestown							
Square Feet	5,030	5,030	5,030	5,030	5,030	5,030	5,030
Capacity	27	18	18	18	18	18	18
Enrollment	18	22	12	15	16	22	21
Kohl							
Square Feet	54,113	54,113	54,113	54,113	54,113	54,113	54,113
Capacity	509	480	480	460	480	480	480
Enrollment	445	437	442	467	453	469	488
Lafayette							
Square Feet	56,764	56,764	56,764	56,764	56,764	60,673	67,638
Capacity	381	296	298	298	350	350	350
Enrollment	387	331	333	353	396	475	534
Louisville							
Square Feet	57,018	57,018	57,018	57,018	57,018	57,018	57,018
Capacity	504	460	460	460	460	460	460
Enrollment	430	440	432	404	409	427	440
Majestic Heights							
Square Feet	0	0	0	0	0	0	0
Capacity	0	0	0	0	0	0	0
Enrollment	0	0	0	0	0	0	0
Mapleton							
Square Feet	21,387	0	0	0	0	0	0
Capacity	184	0	0	0	0	0	0
Enrollment	128	0	0	0	0	0	0
Martin Park							
Square Feet	0	0	0	0	0	0	0
Capacity	0	0	0	0	0	0	0
Enrollment	0	0	0	0	0	0	0
Mesa							
Square Feet	45,670	45,670	45,670	45,670	45,670	45,670	45,670
Capacity	349	310	330	315	315	315	315
Enrollment	347	348	346	319	357	355	384
Nederland							
Square Feet	61,470	61,470	61,470	61,470	61,470	61,470	61,470
Capacity	390	345	332	345	355	355	355
Enrollment	312	302	331	317	319	285	307
Pioneer							
Square Feet	72,398	72,398	72,398	72,398	72,398	72,398	72,398
Capacity	443	355	329	341	348	348	348
Enrollment	339	356	396	404	427	414	429
Ryan							
Square Feet	49,176	49,176	49,176	49,176	49,176	49,176	49,176
Capacity	479	369	363	350	357	357	357
Enrollment	411	390	383	390	398	430	406
Sanchez							
Square Feet	49,887	49,887	49,887	49,887	49,887	49,887	49,887
Capacity	422	301	278	316	334	334	334
Enrollment	296	288	262	280	286	280	278

Table 15
(continued)

2010	2011	2012
3,316	3,316	3,316
41	36	37
21	29	26
51,975	60,797	60,797
440	540	552
363	385	381
32,983	32,983	32,983
280	280	312
311	306	303
5,030	5,030	5,030
18	18	19
27	25	21
54,113	57,417	57,417
490	490	521
478	498	473
62,208	62,203	62,203
492	555	623
603	636	606
57,018	63,034	63,034
485	535	572
459	502	540
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
45,670	54,963	55,195
375	385	485
365	378	371
61,470	61,470	61,470
375	405	432
278	287	280
72,398	74,874	74,864
419	391	477
433	423	422
49,352	54,913	54,912
377	460	512
422	419	443
49,900	55,320	55,320
266	294	301
286	295	330

Boulder Valley School District RE-2

SCHOOL BUILDING INFORMATION

Last 10 Fiscal Years

(Unaudited)

School	2003	2004	2005	2006	2007	2008	2009
<u>Elementary Schools (continued)</u>							
Superior							
Square Feet	69,765	69,765	69,765	69,765	69,765	69,765	69,765
Capacity	524	480	500	500	500	500	500
Enrollment	570	589	600	629	650	633	664
University Hill							
Square Feet	68,696	68,696	68,696	68,696	68,696	68,696	68,696
Capacity	467	510	492	314	375	375	375
Enrollment	336	503	391	307	322	306	321
Washington							
Square Feet	29,959	0	0	0	0	0	0
Capacity	344	0	0	0	0	0	0
Enrollment	285	0	0	0	0	0	0
Whittier							
Square Feet	35,122	35,122	35,122	35,122	35,122	35,122	35,122
Capacity	291	300	320	300	325	325	325
Enrollment	239	303	328	319	323	320	347
<u>Middle Schools</u>							
Angevine							
Square Feet	121,676	121,676	121,676	121,676	121,676	121,676	121,676
Capacity	971	862	902	863	906	906	906
Enrollment	650	668	616	587	536	550	546
Baseline							
Square Feet	76,668	0	0	0	0	0	0
Capacity	553	0	0	0	0	0	0
Enrollment	416	0	0	0	0	0	0
Broomfield Heights							
Square Feet	107,385	107,385	107,385	107,385	107,385	107,385	107,385
Capacity	935	935	914	914	914	914	914
Enrollment	572	551	562	555	565	523	536
Burbank							
Square Feet	83,572	0	0	0	0	0	0
Capacity	503	0	0	0	0	0	0
Enrollment	258	0	0	0	0	0	0
Casey							
Square Feet	84,007	84,007	84,007	84,007	84,007	84,007	84,007
Capacity	582	582	612	612	535	535	535
Enrollment	317	341	361	366	313	345	292
Centennial							
Square Feet	99,556	99,556	99,556	99,556	99,556	99,556	99,556
Capacity	750	750	750	750	772	772	772
Enrollment	648	641	596	588	559	583	596
Louisville							
Square Feet	88,887	88,887	88,887	88,887	88,887	74,206	74,206
Capacity	695	673	651	651	651	651	651
Enrollment	575	547	541	546	560	567	548
Manhattan							
Square Feet	0	83,572	83,572	83,572	83,572	83,572	83,572
Capacity	0	590	579	605	618	618	618
Enrollment	0	587	449	443	422	413	455
Platt							
Square Feet	117,573	117,573	117,573	117,573	117,573	117,573	117,573
Capacity	790	729	729	707	707	707	707
Enrollment	530	529	524	531	549	556	540
Southern Hills							
Square Feet	72,260	72,260	72,260	72,260	72,260	70,194	70,194
Capacity	539	503	503	503	503	503	503
Enrollment	480	523	537	503	478	487	496

Table 15
(continued)

2010	2011	2012
69,725	69,673	71,464
505	505	521
635	591	573
67,276	69,701	69,701
402	427	426
338	358	385
0	0	0
0	0	0
0	0	0
35,123	46,517	46,517
325	380	371
334	369	394
121,676	121,676	121,961
902	946	968
581	545	587
0	0	0
0	0	0
0	0	0
107,239	107,239	111,379
932	932	935
530	526	561
0	0	0
0	0	0
0	0	0
44,923	106,458	106,458
521	743	743
349	440	546
99,515	99,515	117,772
750	750	750
627	562	554
101,483	101,483	101,483
669	669	673
569	603	623
93,632	93,542	93,542
638	642	642
498	468	466
81,495	117,552	123,958
888	827	860
546	533	502
98,342	98,340	98,340
701	701	701
539	545	535

Boulder Valley School District RE-2

SCHOOL BUILDING INFORMATION

Last 10 Fiscal Years

(Unaudited)

School	2003	2004	2005	2006	2007	2008	2009
<u>High Schools</u>							
Boulder							
Square Feet	229,281	229,281	229,281	229,281	229,281	218,717	218,717
Capacity	2015	2015	2015	1994	1900	1900	1900
Enrollment	1919	1929	1970	1932	1093	1851	1808
Broomfield							
Square Feet	218,163	218,163	218,163	218,163	218,163	218,163	218,163
Capacity	1565	1593	1599	1599	1606	1606	1606
Enrollment	1337	1321	1375	1413	1407	1438	1388
Centaurus							
Square Feet	190,610	190,610	190,610	190,610	190,610	196,089	198,329
Capacity	1638	1616	1530	1607	1581	1581	1581
Enrollment	1060	1003	990	996	1051	1051	1135
Fairview							
Square Feet	256,392	256,392	256,392	256,392	256,392	256,392	256,392
Capacity	1889	1861	1861	1861	1840	1840	1840
Enrollment	1916	1880	1891	1871	1903	1907	1903
Monarch							
Square Feet	228,827	228,827	228,827	228,827	228,827	228,827	230,134
Capacity	1728	1728	1728	1728	1728	1728	1728
Enrollment	1576	1626	1679	1633	1562	1526	1508
New Vista							
Square Feet	42,583	76,668	76,668	76,668	76,668	76,668	76,668
Capacity	342	345	637	659	659	659	659
Enrollment	344	332	341	339	337	324	324
<u>Combination Schools</u>							
Aspen Creek K-8							
Square Feet	114,478	114,478	114,478	114,478	114,478	115,918	115,918
Capacity	995	948	969	969	969	969	969
Enrollment	787	817	870	875	869	912	913
Eldorado K-8							
Square Feet	117,336	117,336	117,336	117,336	117,336	117,336	117,336
Capacity	966	899	942	876	876	876	876
Enrollment	869	956	938	935	994	1012	967
Halcyon							
Square Feet	8,736	8,736	8,736	8,736	8,736	8,736	8,736
Capacity	na	na	na	na	na	na	na
Enrollment	13	15	12	14	11	17	6
Monarch K-8							
Square Feet	108,802	108,802	108,802	108,802	108,802	108,802	108,802
Capacity	782	746	753	753	766	766	766
Enrollment	671	719	709	696	741	757	769
Nederland Middle/Senior							
Square Feet	97,080	97,080	97,080	97,080	97,080	97,080	97,080
Capacity	650	650	650	650	650	650	650
Enrollment	422	387	387	391	385	377	457
<u>Vocational/Technical Schools</u>							
Arapahoe Ridge and Technical Education Center							
Square Feet	129,579	129,579	129,579	129,579	129,579	129,579	129,579
Capacity	904	882	876	820	925	925	925
Enrollment	138	308	281	279	223	216	199
<u>Charter Schools</u>							
Boulder Preparatory High School							
Square Feet	5,938	5,938	5,938	5,938	5,938	5,938	5,938
Capacity	na	na	na	na	na	na	na
Enrollment	78	84	88	103	125	149	131
Horizons K-8 School							
Square Feet	30,814	30,814	30,814	30,814	30,814	30,814	30,814
Capacity	403	330	351	315	342	342	342
Enrollment	320	309	309	321	320	340	324

Table 15
(continued)

2010	2011	2012
245,772	245,971	245,971
1900	1900	1900
1786	1775	1790
240,535	240,535	240,535
1805	1805	1805
1401	1437	1329
194,687	194,687	194,687
1874	1874	1874
1092	1029	1008
262,019	264,007	264,007
1958	1990	1990
1913	1971	2065
233,909	233,909	241,819
1728	1728	1728
1511	1527	1514
76,668	76,668	77,966
659	659	654
317	299	309
115,918	115,917	122,111
892	919	990
921	916	929
120,210	120,207	123,343
926	926	1003
983	987	972
10,168	10,203	10,203
na	na	na
27	24	21
108,802	108,802	114,491
856	904	926
748	790	814
97,080	97,080	97,080
674	630	718
340	333	299
130,707	152,954	152,954
981	1099	1099
175	204	200
5,938	5,938	5,938
na	na	na
158	142	122
30,810	30,814	43,426
404	404	440
325	332	332

Boulder Valley School District RE-2

SCHOOL BUILDING INFORMATION

Last 10 Fiscal Years

(Unaudited)

School	2003	2004	2005	2006	2007	2008	2009
<u>Charter Schools (continued)</u>							
Peak To Peak K-12 School							
Square Feet	104,365	104,365	116,679	116,679	116,679	116,679	116,679
Capacity	na	na	na	na	na	na	na
Enrollment	1027	1107	1175	1236	1292	1341	1405
Summit Middle School							
Square Feet	29,894	29,894	29,894	29,894	29,894	41,161	52,434
Capacity	320	278	337	337	337	337	337
Enrollment	303	308	309	307	312	312	319
Sojourner K-8 School							
Square Feet	na	0	0	0	0	0	0
Capacity	na	0	0	0	0	0	0
Enrollment	34	0	0	0	0	0	0
Justice High 6-12 School							
Square Feet	0	0	na	na	na	2,409	2,409
Capacity	0	0	na	na	na	na	na
Enrollment	0	0	0	0	79	75	97

Source: Boulder Valley School District RE-2

Table 15
(continued)

2010	2011	2012
134,284	139,990	139,990
na	na	na
1425	1443	1446
49,934	49,935	49,935
480	493	493
324	336	334
0	0	0
0	0	0
0	0	0
2,409	6,590	6,590
na	na	na
129	111	96

Boulder Valley School District RE-2

TEACHER STATISTICS

Last 6 School Years*

(Unaudited)

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

* Amounts Prior to 2007 are not available

Source: Boulder Valley School District RE-2

Table 16

2011	2012
144	137
63	70
56	53
52	44
217	216
450	467
198	207
142	151
132	154
413	411
42	45
4	3
1,913	1,958
37,280	38,096
42,411	42,170
44,701	47,842
46,883	46,682
56,109	56,472
51,143	50,470
54,988	56,963
61,192	60,165
61,602	61,704
69,845	69,924
68,594	68,211
63,248	62,089

Boulder Valley School District RE-2

MISCELLANEOUS STATISTICAL DATA

Last 10 School Years

(Unaudited)

	2003	2004	2005	2006
Student Teacher Ratio*				
Elementary	22.94	22.60	22.27	22.19
Middle	20.57	20.33	20.54	20.52
Senior	22.49	22.83	23.21	23.31
Governmental Activities Expenses	\$ 218,559,476	\$ 227,311,141	\$ 233,942,454	\$ 242,710,503
Cost Per Student	\$ 7,860	\$ 8,159	\$ 8,378	\$ 8,692
Enrollment Data				
Student Full Time Equivalent				
Elementary	11,019.5	10,888.5	10,950.0	10,921.5
Middle	6,733.5	6,731.0	6,528.5	6,420.5
Senior	8,643.0	8,811.0	9,102.5	9,146.0
Other	233.5	213.0	208.5	252.5
Total	26,629.5	26,643.5	26,789.5	26,740.5
Total Enrollment				
K-12 Enrollment	27,493.0	27,604.0	27,651.0	27,593.0
Pre-K Enrollment	314.0	256.0	271.0	329.0
Total	27,807.0	27,860.0	27,922.0	27,922.0
Number of Students Eligible to Receive School Lunches Free Or At Reduced Cost				
Elementary	2,141	2,213	2,249	2,460
Combination	195	201	204	224
Middle	779	805	818	895
Senior	778	804	818	895
Total	3,893	4,023	4,089	4,474
Percent of Students Receiving Free or Reduced Cost Meals	14.00%	14.44%	14.64%	16.02%

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

Source: Boulder Valley School District RE-2

Table 17

2007	2008	2009	2010	2011	2012
22.29	22.32	22.29	22.35	22.54	23.22
20.66	20.64	20.53	20.86	20.93	22.34
22.91	22.57	22.50	22.88	24.30	23.63
\$ 257,223,290	\$ 278,784,336	\$ 289,549,755	\$ 294,156,553	\$ 306,813,347	\$ 319,692,074
\$ 9,123	\$ 9,742	\$ 10,118	\$ 10,200	\$ 10,464	\$ 10,821
11,147.0	11,331.0	11,658.2	11,716.8	12,029.8	12,055.5
6,324.0	6,385.5	6,356.0	6,576.0	6,536.0	6,671.0
9,155.5	9,204.0	9,142.0	9,128.0	9,324.5	9,305.0
288.0	302.0	299.0	252.5	258.5	286.0
26,914.5	27,222.5	27,455.2	27,673.3	28,148.8	28,317.5
27,798.0	28,173.0	28,171.00	28,344.00	28,815.00	28,986.00
398.0	445.0	445.00	494.00	505.00	558.00
28,196.0	28,618.0	28,616.0	28,838.0	29,320.0	29,544.0
2,498	2,544	2,529	2,473	2,646	2,714
221	191	207	256	317	342
877	900	864	893	946	1,033
777	963	1,101	1,025	1,177	1,223
4,373	4,598	4,701	4,647	5,086	5,312
15.51%	16.07%	16.43%	16.11%	17.35%	17.98%



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SINGLE AUDIT



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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component units and remaining fund information of the Boulder Valley School District RE-2 as of and for the year ended June 30, 2012, which collectively comprise the basic financial statements of the Boulder Valley School District RE-2, and have issued our report thereon dated November 8, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of the discretely presented component units were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Boulder Valley School District RE-2's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of the Boulder Valley School District RE-2's internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

We noted certain matters that we reported to management and the Board of Education of the Boulder Valley School District RE-2 in a separate letter dated November 8, 2012.

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

Shaulanty Aunpany III

November 8, 2012



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

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH
REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL
EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Compliance

We have audited the Boulder Valley School District RE-2's compliance with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012. The Boulder Valley School District RE-2's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Boulder Valley School District RE-2's management. Our responsibility is to express an opinion on the Boulder Valley School District RE-2's compliance based on our audit.

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

In our opinion, the Boulder Valley School District RE-2 complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

Internal Control Over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

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

Shawn L. Murphy III

November 8, 2012

BOULDER VALLEY SCHOOL DISTRICT RE-2
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2012

Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: unqualified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted?

_____ yes x no

Federal Awards

Internal control over major programs:

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

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

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

_____ yes x no

Identification of major programs:

10.553 School Breakfast Program
10.555 National School Lunch Program
10.559 Summer Food Service Program for Children
84.287 Twenty-First Century Community Learning Centers
84.367 Improving Teacher Quality

Dollar threshold used to distinguish between type A and type B programs: \$442,137

Auditee qualified as low-risk auditee? x yes _____ no

Financial Statement Findings

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

Federal Awards Findings and Questioned Costs

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

**BOULDER VALLEY SCHOOL DISTRICT RE-2
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2012**

2011-1 Procurement and Suspension and Debarment

Corrective action was taken regarding this prior audit finding.



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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component units and remaining fund information of the Boulder Valley School District RE-2 as of and for the year ended June 30, 2012, which collectively comprise the basic financial statements of the Boulder Valley School District RE-2, and have issued our report thereon dated November 8, 2012, which contained an unqualified opinion on those financial statements. The financial statements are the responsibility of the Boulder Valley School District RE-2's management. Our responsibility is to express opinions on the financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Boulder Valley School District RE-2's financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling the information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

November 8, 2012



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Boulder Valley School District RE-2
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2012

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass- Through Entity Grant Code	Accrued (Deferred) Revenue 6/30/2011	Receipts	Disbursements	Accrued (Deferred) Revenue 6/30/2012
U.S. Department of Education						
Direct Programs						
Indian Education	84.060		\$ 5,399	\$ 20,049	\$ 22,251	\$ 7,601
Safe and Drug Free Schools and Communities	84.184		108,576	120,749	12,173	-
Passed Through State Department of Education						
Adult Education	84.002	5002	2,659	97,391	101,871	7,139
Title I	84.010	4010/5010	577,147	3,358,819	3,559,832	778,160
Special Education	84.027	4027	949,542	6,387,604	5,912,493	474,431
Special Education Preschool	84.173	4173	13,849	97,825	110,892	26,916
Education for Homeless Children and Youth	84.196	5196	9,423	57,915	56,174	7,682
21st Century Community Learning Centers	84.287	5287	168,712	499,193	510,979	180,498
Education Technology	84.318	4318/5318	124,541	151,805	32,327	5,063
Special Education-State Personnel Development	84.323A	6323	-	4,000	4,000	-
English Language Acquisition	84.365	4365/7365	23,453	185,125	286,887	125,215
Improving Teacher Quality	84.367	4367	140,298	871,572	828,657	97,383
School Improvement	84.377	5377	13,800	14,131	331	-
ARRA Education Technology	84.386	4386	19,166	19,236	70	-
ARRA Education for Homeless Children and Youth	84.387	5387	14,134	14,134	-	-
ARRA Title I	84.389	4389	363,411	477,870	114,459	-
ARRA Special Education	84.391	4391	279,470	280,741	1,271	-
ARRA Special Education Preschool	84.392	4392	27,803	27,803	-	-
ARRA State Fiscal Stabilization Fund	84.394	4394	445,027	445,027	-	-
Education Jobs Fund	84.410	4410	1,068,573	1,249,315	180,742	-
Passed Through State Department of Human Services						
Rehabilitation Services	84.126		35,279	161,746	194,445	67,978
Passed Through State Community College System						
Career and Technical Education	84.048		18,747	119,920	125,730	24,557
TOTAL U.S. DEPARTMENT OF EDUCATION			<u>4,409,009</u>	<u>14,661,970</u>	<u>12,055,584</u>	<u>1,802,623</u>
U.S. Department of Agriculture						
Passed Through State Department of Human Services						
Donated Commodities	10.555		-	292,076	292,076	-
Passed Through State Department of Education						
Team Nutrition Grant	10.574	4574	-	41,332	51,023	9,691
National School Lunch Program	10.555	4555	180,748	1,787,258	1,790,336	183,826
School Breakfast Program	10.553	4553	52,286	489,879	494,159	56,566
Summer Food Service Program for Children	10.559	4559	17,083	26,553	31,926	22,456
TOTAL U.S. DEPARTMENT OF AGRICULTURE			<u>250,117</u>	<u>2,637,098</u>	<u>2,659,520</u>	<u>272,539</u>
U.S. Department of Transportation						
Passed Through State Department of Transportation						
Highway Planning and Construction	20.205		77,032	82,720	12,840	7,152
U.S. Department of Energy						
Passed Through State of Colorado Governor's Energy Office						
State Energy Program	81.041		(940)	9,000	9,940	-
TOTAL FEDERAL FINANCIAL ASSISTANCE			<u>\$ 4,735,218</u>	<u>\$ 17,390,788</u>	<u>\$ 14,737,884</u>	<u>\$ 2,082,314</u>

See the accompanying Independent Auditors' Report.

Boulder Valley School District RE-2
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2012

NOTE 1: **BASIS OF PRESENTATION**

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

STATE COMPLIANCE



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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component units and remaining fund information of the Boulder Valley School District RE-2 as of and for the year ended June 30, 2012, which collectively comprise the basic financial statements of the Boulder Valley School District RE-2, and have issued our report thereon dated November 8, 2012, which contained an unqualified opinion on those financial statements. The financial statements are the responsibility of the Boulder Valley School District RE-2's management. Our responsibility is to express opinions on the financial statements based on our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Boulder Valley School District RE-2's financial statements as a whole. The accompanying auditor's integrity report is presented for purposes of additional analysis as required by State of Colorado statutes and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling the information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the auditor's integrity report is fairly stated in all material respects in relation to the financial statements as a whole.

Swanhorst & Company LLC

November 8, 2012



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Colorado Department of Education
Fiscal Year 2011-2012
Colorado School District/BOCES
Auditor's Integrity Report

BOULDER BOULDER VALLEY RE 2
District Code: 0480

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*) +	1000 - 5999 Total Revenues & Other Sources -	0001 - 0999 Total Expenditures & Other Uses =	6700 - 6799 & Prior Per Adj (6880*) Ending Fund Balance
-----	-----	-----	-----	-----
Governmental				
10 General Fund	30,475,727	231,031,774	233,873,272	27,634,229
18 Risk Mgmt Sub-Fund of General Fund	93,731	2,612,686	2,601,473	104,944
19 Colorado Preschool Program Fund	55,863	1,036,853	1,022,774	69,942
Subtotal	30,625,321	234,681,313	237,497,519	27,809,115
11 Charter School Fund	8,528,147	26,550,272	27,543,512	7,534,907
20,26-29 Special Revenue Fund	0	0	0	0
21 Capital Reserve Spec Revenue Fund	0	0	0	0
22 Govt Designated-Purpose Grants Fund	-0	13,379,553	13,379,553	0
23 Pupil Activity Special Revenue Fund	0	0	0	0
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	261,429	12,768,679	12,661,331	368,777
31 Bond Redemption Fund	24,325,632	28,298,191	28,166,743	24,457,080
39 Non-Voter Approved Debt Service Fund	0	0	0	0
41 Building Fund	40,349,760	150,780	35,019,661	5,480,879
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	6,715,787	10,938,137	10,442,039	7,211,885
TOTALS	110,806,076	326,766,926	364,710,358	72,862,644
Proprietary				
51 Food Service Fund	185,889	5,936,198	5,946,779	175,308
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	9,011,537	147,905	1,179,960	7,979,482
TOTALS	9,197,426	6,084,103	7,126,739	8,154,791
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	273,205	9,277	8,588	273,894
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	3,139,244	11,586,470	11,029,279	3,696,435
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
TOTALS	3,412,449	11,595,748	11,037,867	3,970,329

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



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