

Boulder Valley School District RE-2

Comprehensive Annual Financial Report

For the fiscal year ending June 30, 2000



**Boulder, Colorado
Boulder and Gilpin Counties**

Boulder Valley School District RE-2 Boulder, Colorado

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For the fiscal year ending June 30, 2000**



Prepared by: Finance and Accounting Department

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Boulder Valley **Public Schools**

6500 Arapahoe, P.O. Box 9011
Boulder, Colorado 80301

Finance & Accounting

October 6, 2000

Members of the Board of Education
Dr. George F. Garcia, Superintendent of Schools
Boulder Valley School District RE-2
6500 East Arapahoe
Boulder, CO 80301

It is a pleasure to submit the Comprehensive Annual Financial Report of the Boulder Valley School District RE-2, Boulder and Gilpin Counties, Colorado (the District), for the 1999-00 fiscal year, July 1, 1999 – June 30, 2000. This report presents to the Board of Education, the District taxpayers, citizens, students, employees and investors, comprehensive financial information about the District. The report includes all District funds, account groups, and activities for which the Board of Education is responsible.

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

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

1. The introductory section includes this transmittal letter, the 1999 Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting, a list of the Board of Education members, the District's organizational chart, the list of principal officials, the mission statement and goals of the District.
2. The financial section includes the general-purpose financial statements and the combined and individual fund and account group financial statements and schedules, as well as the auditor's report on the financial statements and schedules. Also included are the required Colorado state reports.

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

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

INTRODUCTORY REMARKS

The Reporting Entity

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

The District

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

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

ECONOMIC CONDITIONS AND OUTLOOK

The District, which encompasses approximately 500 square miles, is located in Boulder and Gilpin Counties, Colorado approximately 30 miles northwest of the City and County of Denver, Colorado. As of 2000, it has an estimated population of 214,000 and its most recent assessed valuation (December 1999) is \$2,801,776,710. Approximately 85% of the District's total geographical area, 99% of its total population and 99% of its total assessed valuation are located in Boulder County.

A significant portion of Boulder County's economy consists of high technology manufacturers and educational institutions. Over the past ten years, the per capita income of residents of Boulder County has been higher than that of residents of the state as a whole. In addition, over the past several years, the unemployment rate for Boulder County has been lower than that for the state as a whole. The economic condition of Boulder County is very strong.

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

US Bank's 2001 Economic Forecast reports, "As the 21st century begins, Colorado's economy is dominated by telecommunications, advanced technology and services, which add stability to the state's economy. People continue to move to the state to fill the good jobs these industries create, fueling commercial and residential construction and the expansion of the existing infrastructure. Colorado's young, well educated population is well suited to the challenges and opportunities of the global economy of the new era."

Through June of 2000, employment expanded by 3.8%, after a 3.7% growth in 1999. The unemployment rate was a low 2.3%, well below the 2.9% average of last year. The labor shortage was acute among both skilled and unskilled workers.

Retail sales growth averaged 6.0% through May, after increasing 6.8% to \$90.5 billion in 1999. Prices rose 3.0% in the Denver metro area in 1999, then another 3.8% in the first half of 2000, continuing to outpace inflation nationally.

Total personal income in the state rose 8.0% last year, boosting per capita income to \$31,678 in 1999, one of the highest in the nation. Real (or inflation adjusted) per capita income, a proxy for the change in the standard of living, posted a respectable 2.4% gain.

Net migration added almost 54,000 people to Colorado in 1999. Colorado's population reached 4.227 million by June 2000. Although the 2000 Census has been completed in Colorado, no data will be available until year-end.

Housing permits fell 3.6% in 1999, to 49,313 units. Single-family increased 6.4%, while multifamily declined 27.6%. The value of nonresidential contracts increased

25% last year, with gains in most sectors. Office contracts fell 3.4%, along with declines in hotel/motel non-manufacturer owned warehouses and religious buildings.

Colorado began the 20th century with a strong economy, continued growth, new industries, and infrastructure construction. Labor shortages, especially in the advanced technology sector, will be the most serious challenge for Colorado businesses.

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

MAJOR INITIATIVES

Current Year Projects

There were several major initiatives in the Boulder Valley School District during 1999-00. The state goals of improving attendance rates, graduation rates and student achievement have been addressed by establishing District priorities and a new strategic plan. Individual school and department goals have been established in accordance with the District strategic priorities.

The Board established five major priorities for the District in 1999-00. Boulder Valley is pleased to report that progress was made on each of the areas.

- Priority 1: Maximize learning and achievement.
- Priority 2: Foster collaboration and partnerships.
- Priority 3: Value diversity and promote understanding.
- Priority 4: Manage assets responsibly.
- Priority 5: Provide a high-quality, committed staff.

Future Projects

Future areas of focus for 2000-01 and beyond include: K-3 literacy efforts, accountability in all programs and all classrooms, continued strengthening of the sense of District unity while respecting diversity, continued curriculum renewal efforts to support the achievement of high academic standards, continued support of educational choices, continued encouragement of community involvement, increased emphasis on communication and the ongoing challenges of providing quality public education with diminished resources.

Department (Area) Focus

Each year the Comprehensive Annual Financial Report includes a section to report special accomplishments or to focus on areas of interest in the District. For the 1999-00 report, the focus of Boulder Valley School District was its Academic Achievement.

Academic achievement has long been a hallmark of the Boulder Valley School District. The 1999-00 school year showed continued trends of quality performance in all academic areas.

- * Seniors exceeded state and national averages on the American College Test and the Scholastic Aptitude Test – the two primary college entrance exams that test both verbal and mathematical skills.
- * Boulder Valley School District's third, fourth and seventh graders achieved some of the state's highest scores on the Colorado Standards Assessment Program tests in reading and writing.
- * The annual dropout rate – an indicator of our success with our most at-risk population – reached a milestone in 1999 when less than 2% of our students dropped out.
- * Fifth and tenth graders who took the Comprehensive Test of Basic Skills, a standardized achievement test, performed better than 70% of the students at the national level.

In its September 3, 2000, relocation guide to Colorado, the Denver Business Journal named Boulder Valley School District the top district in the metro area.

"Students from the Boulder Valley School District had high Scholastic Aptitude Test and American College Testing scores...with more than 27,000 students, the district has a high graduation rate:...Nearly 80 percent of third graders at the 32 elementary schools in the District are proficient or advanced readers, according to their 2000 test scores," the magazine wrote.

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

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

Ensuring that all children in Boulder Valley learn to their maximum ability and potential continues to be the goal of the District.

FINANCIAL INFORMATION

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

Internal Control

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

Single Audit

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

As a part of the District's single audit, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations, contracts and grants. The results of the District's single audit for the fiscal year ended June 30, 2000, shows no instances of material weaknesses.

Budgeting Controls

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

No later than June 30, after conducting public hearings on the budget proposal, the Board adopts a final budget for the succeeding fiscal year. The Board adopts an appropriation resolution specifying the amount of money appropriated to each fund, and certifies to the Boards of County Commissioners of Boulder County and of Gilpin County the separate amounts necessary to be raised from levies against the assessed valuation of all taxable property located within the District for its General Fund and Bond Redemption Fund. State law provides that after adoption of the budget, the Board may review and change the budget, with respect to both revenues and expenditures, at any time prior to October 15 of the fiscal year for which the budget was adopted. The Board cannot expend any monies in excess of the amount appropriated by resolution for a particular fund.

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

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

Financial Overview

The General Fund is the major operating fund of the District, providing the majority of resources for the District's educational and support programs. Total revenues for the fiscal year ended June 30, 2000, for the General Fund were \$159,761,851, while expenditures and other financing sources (uses) totaled \$161,555,187.

REVENUES	AMOUNT	PERCENT OF TOTAL
Local	\$125,233,218	78.39%
State	34,528,633	21.61%
Federal	0	0%
Total Revenues	\$159,761,851	100.000%

EXPENDITURES	AMOUNT	PERCENT OF TOTAL
Regular Instruction	\$76,848,929	47.57%
Special Programs	26,292,949	16.27%
Student Support Services	3,891,422	2.41%
Instructional Staff Support	6,802,862	4.21%
General Administrative Support	1,797,213	1.11%
School Administrative Support	12,857,578	7.96%
Business Services	1,612,993	1.00%
Operation and Maintenance	12,633,242	7.82%
Student Transportation	5,391,969	3.34%
Central Support Services	3,843,509	2.38%
Other Support Services	283,697	0.17%
Enterprise Operations	31,897	0.02%
Community Services	2,003,172	1.24%
Adult Education	49,644	0.03%
Debt Services	1,265,034	0.78%
Insurance Reserve	1,672,969	1.04%
Total Expenditures	\$157,279,079	97.35%

Other Financing (Sources) Uses

Proceeds from the sale of fixed assets	0	0%
Operating transfers out	<u>4,276,108</u>	<u>2.65%</u>

Total Other Financing (Sources) Uses

4,276,108 2.65%

Total Expenditures and Other Financing (Sources) Uses

\$161,555,187 100.00%

Effects of Revenue Limitations

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

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

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

The District's Schedule of Computations required under Article X, Section 20 is included as supplementary information in the Financial Section of this report.

Governmental Fund Types

Combined, Individual Fund and Account Group Statements and Schedules

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

General Fund

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

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes. The Special Revenue Funds consist

of the Governmental Designated Purpose Grants Funds and the Tuition Based Preschool Fund.

Governmental Designated Purpose Grant Fund

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

Tuition Based Preschool Fund

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

Debt Service – Bond Redemption Fund

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

Capital Projects Funds

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

Capital Reserve Fund

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

Energy Conservation Fund

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

Building Funds

The 1994 and 1999 Building Funds are used to account for the proceeds of bond sales, revenues from interest, capital outlay expenditures for land or existing buildings, improvements of grounds, construction of buildings, additions and remodeling of buildings and additions and replacement of equipment as authorized by the Board of Education.

Proprietary Funds

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

Enterprise – Food Service Fund

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

Internal Service – Insurance Reserve Fund

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

Fiduciary Funds

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

Expendable Trust Fund

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

Nonexpendable Trust Fund

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

Agency Fund

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

General Fixed Assets Account Group

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

Long-Term Debt Account Group

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

Pension Operations

The District participates in the State Public Employees' Retirement Association (PERA) system. In 1999-00, this program required a contribution rate of 11.4% of covered salary from school district employers and 8.0% from employee members. The State PERA system is actuarially sound.

Enterprise Operations

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

Food Service operations are in place at 21 preparation/serving kitchens serving 47 schools. Food from the preparation kitchens is distributed on a daily basis to the serving kitchens. Meal prices for the 1999-00 school year were \$1.50 at the elementary level and \$1.75 at the secondary level. The Food Service program operates within the guidelines established by the United States Department of Agriculture and the Colorado Department of Education.

Debt Administration

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

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

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

The State of Colorado limits the total bonded indebtedness of the District to 20% of the latest valuation for assessment of the taxable property in the District, as certified by the County Assessor, or 25% if enrollment has increased by 3% or more over each preceding year in the last three years or six percent of actual value. Based upon the District's 1999 assessed valuation of \$2,801,776,710, the District's debt limitation is \$560,355,342. As of June 30, 2000, the total outstanding indebtedness of the District consisted of its General Obligation Bonds, Series 1999, General Obligation Refunding Bonds, Series 1997A, General Obligation Bonds, Series

1994A and 1994B, and General Obligation Refunding Bonds Series 1992A, which were outstanding in the aggregate principal amount of \$170,405,000.

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

Cash Management

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

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

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

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

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

The District's investment decisions are guided by the "prudent investor" rule which states the "investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived." (Investing Public Funds, p. 28 by Girard Miller, Government Finance Officers Association)

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

Risk Management

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

OTHER INFORMATION

Independent Audit

Government statutes require an annual audit by independent certified public accountants. The accounting firm of Johnson, Holscher & Company, P.C. was appointed by the District's Board of Education to perform the June 30, 2000, fiscal year audit. In addition to meeting the requirements set forth in state statutes, the audit is also designed to meet the requirements of the Single Audit Act of 1984 and related OMB Circular A-133. The auditor's report on the general purpose financial statements and combined and individual fund statements and schedules is included in the Financial Section of this report. The auditor's reports related specifically to the single audit are included in the Single Audit Section.

RECOGNITION FOR FINANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Boulder Valley School District RE-2 for its Comprehensive Annual Financial Report for fiscal year ended June 30, 1999. The Certificate of Achievement is the highest form of recognition for excellence in state and local government reporting.

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

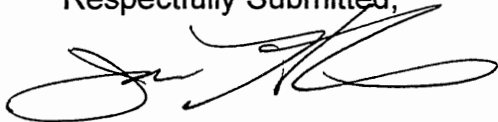
A Certificate of Achievement is valid for a period of one year only. The Boulder Valley School District has received a Certificate of Achievement for the previous nine reports. We believe the current report continues to conform to the Certificate of Achievement program requirements, and are submitting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

Acknowledgments

The publication of this document on a timely basis was made possible by the dedicated service of the entire staff of the Finance and Accounting Department.

Each member has our sincere appreciation for the contributions made in the preparation of this report. Special appreciation is expressed to Charles R. McElwain, CPA, former Accounting Manager, Leslie Stafford, CPA, Senior Accountant, Bill Sutter, Cost Accountant, and Wendy Swanhorst, CPA, of Johnson, Holscher & Company, P.C. for their work in preparation of this Comprehensive Annual Financial Report. We would also like to thank Dr. George Garcia, Superintendent, and the Board of Education for their interest in and support of the financial and business operations of the Boulder Valley School District.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'Jan Harkins', with a large, stylized flourish at the end.

Jan Harkins
Director of Finance and Accounting

se/2162

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Boulder Valley School
District RE-2,
Colorado

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 1999

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.



Cary Brueck
President
Jeffrey L. Essler
Executive Director

BOULDER VALLEY SCHOOL DISTRICT RE-2

BOARD OF EDUCATION MEMBERS

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

<u>Name</u>	<u>Office</u>	<u>Years of Service</u>	<u>Term Expires</u>
Stan Garnett	President	3	2001
Bill De La Cruz	Vice President	3	2003
Angelika Schroeder	Treasurer	1	2003
Jean Bonelli	Director	3	2001
Janusz Okolowicz	Director	5	2003
Julie Phillips	Director	3	2001
Theresa Steele	Director	1	2003

[illegible]

BOULDER VALLEY SCHOOL DISTRICT RE-2

LIST OF PRINCIPAL OFFICIALS

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

GEORGE F. GARCIA, Ed.D., Superintendent

Dr. Garcia was appointed Superintendent for the district in August 2000, after serving as Superintendent for Tucson Unified School District since 1991. Dr. Garcia received a Bachelor of Science degree in secondary education from Northwest Missouri State University; a Master's Degree in history from the University of Iowa; and a Doctorate in educational administration from Drake University, Des Moines, Iowa.

Dr. Garcia has won numerous national and state honors for excellence in leadership. He was selected 1998 Arizona Superintendent of the Year by the American Association of School Administrators. In 1998, he received the University of Arizona Distinguished Service Award and the League of United Latin American Citizens (LULAC) National Presidential Award for Outstanding Leadership in Education. In 1997, he received the prestigious American-Israel Friendship League Partners for Democracy Award. In 1996, Dr. Garcia received the Distinguished Administrator Award from the Arizona School Administrators. In 1994, he received the Dr. Martin Luther King Distinguished Leadership Award. In 1993, *Executive Educator* magazine identified Dr. Garcia as one of the 100 best educational administrators in North America – similar to the *Fortune 500* listing for business and industry. He has been president of the Large City School Superintendents organization and served on the executive committee of the Council of Great City Schools.

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

Dr. Clark has served as Deputy Superintendent for Educational Programs in Boulder Valley since December 1997. He previously functioned as assistant superintendent in Beaverton, Oregon, and Colorado Springs, Colorado. Dr. Clark received a Doctorate of Education from the University of Northern Colorado, Greeley, Colorado, in June 1978 with a major in curriculum and instruction and a minor in social studies. Dr. Clark received his Master of Education degree in May 1972 from Central Missouri State University, Warrensburg, Missouri, with a major in social studies and a minor in educational administration.

Strategic Plan Guides District Decision-Making

Nearly a decade ago, Boulder Valley School District hosted a community-wide discussion about its future. That was the first strategic planning process. Its purpose was to, in a deliberate way, reach agreement and commit to paper the beliefs and priorities that should drive educational decisions in Boulder Valley.

The current school board returned to the strategic plan as a vehicle to re-emphasize key priorities in Boulder Valley. The board wanted to create a roadmap to meet present-day demands for increased performance and accountability.

Drawing largely on the existing plan, the board focused the priorities into five areas and developed belief statements related to each priority.

Below and on the following pages, you will find the adopted priorities and beliefs of Boulder Valley School District, which were approved Feb. 11, 1999. Strategies, action plans and performance indicators are being drafted.

The Priorities

- ◆ Maximize student learning and achievement
- ◆ Foster collaboration and partnerships
- ◆ Value diversity and promote understanding
- ◆ Manage assets responsibly
- ◆ Provide a high-quality, committed staff

The BVSD Mission

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

Definitions:

Boulder Valley School District — includes Boulder, Broomfield, Erie, a small portion of Gilpin County, Gold Hill, Jamestown, Lafayette, Louisville, Nederland, Superior and unincorporated south Boulder County.

Beliefs — an expression of value or ideal to be achieved.

Strategy — a statement which commits to a set of actions over time in order to gain an advantage or improvement.

Action Plan — statements of specific actions to be taken to make progress in strategic priority areas.

Performance Indicators — selected data that individually and as a body of evidence measure performance and achievement.

Parent (s) — parent, guardian or other people responsible for making educational decisions for children.

Academic Areas — math, science, social studies, language arts, physical education, foreign language, music and art.

Diversity — encompasses the individual and group differences that contribute to the uniqueness of every human being. These differences include but are not limited to race, ethnicity, gender, sexual orientation, age, disability and religion.

Maximize Student Learning and Achievement

Beliefs

- ⇒ All students can learn when they are provided with resources and support.
- ⇒ Different student needs require different resources.
- ⇒ High, achievable expectations are essential for the success of all students.
- ⇒ Staff have a critical responsibility for student success.
- ⇒ Parents who have high expectations for their children's success maximize student achievement.
- ⇒ A program that coordinates services and resources best meets students' educational needs.
- ⇒ Learning is a continual, cooperative process among students, parents, the community and teachers.
- ⇒ Different student characteristics are accommodated through a variety of learning options and classroom environments.
- ⇒ Knowledge and skills must be combined with creative thinking and problem-solving so that students can apply what they have learned and succeed in a changing, technologically-advanced society.
- ⇒ Students must be prepared for lifelong learning and citizenship in a free, democratic society.

Foster Collaboration and Partnerships

Beliefs

- ⇒ Schools welcome community members and encourage them to volunteer their time.
- ⇒ Boulder Valley School District staff is accountable to the community for student progress toward established goals.
- ⇒ The district and schools make decisions in partnership with parents, community members, teachers, administrators and school board members.
- ⇒ Community members – from parents, students and staff to business executives, elected officials and neighbors – contribute significantly to the success of Boulder Valley schools and should be involved in school activities.
- ⇒ Parent involvement in activities that support the instructional program enhances their children's school performance.

Value Diversity and Promote Understanding

Beliefs

- ⇒ All human beings have inherent worth.
- ⇒ All students, regardless of diversity, deserve a quality education.
- ⇒ BVSD will not tolerate discrimination, intimidation, harassment or violence based on race, ethnicity, gender, sexual orientation, age, disability or religion.
- ⇒ Healthy school communities respect differences, welcome diversity and promote cultural plurality.
- ⇒ Racial, ethnic and cultural diversity should be evident across all employee groups and central administration.

Manage Assets Responsibly

Beliefs

- ⇒ Student achievement is the first priority in making budget decisions.
- ⇒ Facilities should be maintained to provide environments that promote learning and protect the health and safety of students.
- ⇒ The district is obligated to the taxpayers to spend money effectively and prudently.
- ⇒ The district must address needs of individual students and maintain equitable resource allocations.

Provide a High-Quality, Committed Staff

Beliefs

- ⇒ Boulder Valley School District values all employees.
- ⇒ A highly qualified, committed staff maximizes student learning and achievement.
- ⇒ A highly qualified, committed staff fosters collaboration and partnerships.
- ⇒ A highly qualified, committed staff values diversity and promotes understanding.
- ⇒ A highly qualified, committed staff manages assets responsibly.

RELATIONSHIP OF STRATEGIC PLAN TO 1999-2000 BUDGET

Priority 1: Maximize student learning and achievement

Efforts to improve student achievement are supported through the budgets in Learning Services, Research and Evaluation, Elementary and Secondary Instruction, and the schools. The 1998 referendum funding incorporated in this budget is tied to promises to improve student achievement.

Priority 2: Foster collaboration and partnerships

Efforts to support collaboration and partnerships are supported through the budgets in Communications, Superintendent, and the schools.

Priority 3: Value diversity and promote understanding

Efforts to focus attention and resources toward eliminating racism and developing an appreciation for cultural diversity are supported through the budgets for the schools, Superintendent and Learning Services through the Director of Cultural Diversity. 1998 referendum funding is also directed toward this priority.

Priority 4: Manage assets responsibly

Efforts to promote responsible management of resources are supported by budgets in the Division of Business Services, Operations and Maintenance, and all program budgets.

Priority 5: Provide a high-quality, committed staff

Efforts to provide a high-quality, committed staff are supported in the budget of Human Resources, and staff development funds in the departmental and school budgets.

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

Independent Auditors' Report

We have audited the accompanying general purpose financial statements of the Boulder Valley School District RE-2, as of and for the year ended June 30, 2000, as listed in the table of contents. These general purpose financial statements are the responsibility of the Boulder Valley School District RE-2's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Boulder Valley School District RE-2, as of June 30, 2000, and the results of its operations and the cash flows of its proprietary and nonexpendable trust funds for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 6, 2000, on our consideration of the Boulder Valley School District RE-2's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

The statistical information included in the comprehensive annual financial report was not audited by us, and accordingly, we do not express an opinion on it.

Johnson, Holscher & Company, P.C.

October 6, 2000



GENERAL PURPOSE FINANCIAL STATEMENTS

The General Purpose Financial Statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all funds and account groups as of June 30, 2000.

BOULDER VALLEY SCHOOL DISTRICT RE-2

COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
June 30, 2000

	GOVERNMENTAL FUND TYPES			
	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>
ASSETS				
Equity in pooled cash and temporary cash investments	\$ 22,168,609	\$ 6,630	\$ 14,080,772	\$ 40,803,011
Restricted cash in escrow	142,563	-	-	-
Restricted investments	-	-	-	1,263,134
Property taxes receivable, net	4,966,399	-	416,130	-
Accounts receivable	271,912	1,179,521	-	242,933
Accrued interest receivable	-	-	-	10,385
Due from other funds	-	-	-	-
Inventories	485,142	-	-	-
Prepaid assets	21,229	-	-	-
Land, buildings, and equipment (net where applicable, of accumulated depreciation)	-	-	-	-
OTHER DEBITS				
Amounts available in debt service fund	-	-	-	-
Amounts to be provided for retirement of general long-term debt	-	-	-	-
TOTAL ASSETS AND OTHER DEBITS	\$ <u>28,055,854</u>	\$ <u>1,186,151</u>	\$ <u>14,496,902</u>	\$ <u>42,319,463</u>

(Continued)

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

PROPRIETARY FUND TYPE		FIDUCIARY FUND TYPE	ACCOUNT GROUPS		TOTALS (MEMORANDUM ONLY)	
ENTERPRISE	INTERNAL SERVICE	TRUST AND AGENCY	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	2000	1999
\$ 606,529	\$ 334,104	\$ 2,428,717	\$ -	\$ -	\$ 80,428,372	\$ 114,000,964
-	-	-	-	-	142,563	198,645
-	-	-	-	-	1,263,134	1,230,237
-	-	-	-	-	5,382,529	5,867,785
67,465	653	-	-	-	1,762,484	1,342,755
-	-	-	-	-	10,385	10,773
-	-	-	-	-	-	328,424
185,710	-	-	-	-	670,852	599,513
-	828,005	-	-	-	849,234	1,029,240
460,672	-	-	289,623,070	-	290,083,742	250,839,672
-	-	-	-	14,172,985	14,172,985	14,467,115
-	-	-	-	165,588,812	165,588,812	172,131,790
<u>\$ 1,320,376</u>	<u>\$ 1,162,762</u>	<u>\$ 2,428,717</u>	<u>\$ 289,623,070</u>	<u>\$ 179,761,797</u>	<u>\$ 560,355,092</u>	<u>\$ 562,046,913</u>

BOULDER VALLEY SCHOOL DISTRICT RE-2

COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
June 30, 2000

	GOVERNMENTAL FUND TYPES			
	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>
LIABILITIES				
Accounts payable	\$ 1,172,851	\$ 127,632	\$ 1,801	\$ 7,789,537
Accrued salaries and benefits	19,259,464	630,177	-	6,662
Arbitrage payable	-	-	-	468,679
Retainage payable	-	-	-	2,271,809
Due to other funds	-	-	-	-
Due to student groups	-	-	-	-
Deferred property tax revenue	1,667,710	-	322,116	-
Deferred revenue	109,096	423,057	-	-
General obligation bonds	-	-	-	-
Certificates of participation	-	-	-	-
Compensated absences	-	-	-	-
Early retirement	-	-	-	-
Capital lease obligations	-	-	-	-
Total liabilities	<u>22,209,121</u>	<u>1,180,866</u>	<u>323,917</u>	<u>10,536,687</u>
EQUITY AND OTHER CREDITS				
Contributed capital	-	-	-	-
Investment in general fixed assets	-	-	-	-
Retained earnings				
Reserved for Emergencies	-	-	-	-
Unreserved	-	-	-	-
Fund balances				
Reserved for				
Inventories	485,142	-	-	-
Prepaid Assets	21,229	-	-	-
Debt service	-	-	14,172,985	-
Construction	-	-	-	29,224,258
Endowment	-	-	-	-
Emergencies	4,815,740	-	-	197,629
Unreserved				
Designated for subsequent year expenditures	524,622	-	-	2,360,889
Undesignated	-	5,285	-	-
Total equity and other credits	<u>5,846,733</u>	<u>5,285</u>	<u>14,172,985</u>	<u>31,782,776</u>
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	<u>\$ 28,055,854</u>	<u>\$ 1,186,151</u>	<u>\$ 14,496,902</u>	<u>\$ 42,319,463</u>

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

PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE	ACCOUNT GROUPS		TOTALS (MEMORANDUM ONLY)	
ENTERPRISE	INTERNAL SERVICE	TRUST AND AGENCY	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	2000	1999
\$ 4,159	\$ 51,811	\$ 70,842	\$ -	\$ -	\$ 9,218,633	\$ 3,314,702
81,191	15,889	-	-	-	19,993,383	19,526,438
-	-	-	-	-	468,679	2,487,726
-	-	-	-	-	2,271,809	187,419
-	-	-	-	-	-	328,424
-	-	2,170,782	-	-	2,170,782	1,665,624
-	-	-	-	-	1,989,826	1,630,074
89,036	-	-	-	-	621,189	523,229
-	-	-	-	170,405,000	170,405,000	176,270,000
-	-	-	-	7,925,000	7,925,000	8,695,000
-	-	-	-	1,019,256	1,019,256	1,026,923
-	-	-	-	8,356	8,356	75,063
-	-	-	-	404,185	404,185	531,919
<u>174,386</u>	<u>67,700</u>	<u>2,241,624</u>	<u>-</u>	<u>179,761,797</u>	<u>216,496,098</u>	<u>216,262,541</u>
834,417	-	-	-	-	834,417	834,417
-	-	-	289,623,070	-	289,623,070	250,448,405
131,386	52,618	-	-	-	184,004	198,411
180,187	1,042,444	-	-	-	1,222,631	1,219,132
-	-	-	-	-	485,142	383,930
-	-	-	-	-	21,229	18,516
-	-	-	-	-	14,172,985	14,467,115
-	-	-	-	-	29,224,258	67,935,345
-	-	145,814	-	-	145,814	142,773
-	-	-	-	-	5,013,369	4,682,930
-	-	-	-	-	2,885,511	5,352,432
-	-	41,279	-	-	46,564	100,966
<u>1,145,990</u>	<u>1,095,062</u>	<u>187,093</u>	<u>289,623,070</u>	<u>-</u>	<u>343,858,994</u>	<u>345,784,372</u>
<u>\$ 1,320,376</u>	<u>\$ 1,162,762</u>	<u>\$ 2,428,717</u>	<u>\$ 289,623,070</u>	<u>\$ 179,761,797</u>	<u>\$ 560,355,092</u>	<u>\$ 562,046,913</u>

BOULDER VALLEY SCHOOL DISTRICT RE-2

COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND
Year Ended June 30, 2000

	GOVERNMENTAL FUND TYPES			
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS
REVENUES				
Local Sources	\$ 125,229,650	\$ 454,515	\$ 14,457,473	\$ 4,370,415
State Sources	34,532,201	186,802	-	-
Federal Sources	-	5,540,810	-	-
TOTAL REVENUES	159,761,851	6,182,127	14,457,473	4,370,415
EXPENDITURES				
Current				
Instruction - Regular Programs	76,848,929	2,111,123	-	-
Instruction - Special Programs	26,292,949	2,050,929	-	-
Student Support Services	3,891,422	752,218	-	-
Instructional Staff Services	6,802,862	508,254	-	-
General Administration	1,797,213	17,626	6,383	-
School Administration	12,857,578	454,955	-	-
Business Services	1,612,993	370	-	-
Operations and Maintenance	12,633,242	441	-	-
Pupil Transportation	5,391,969	2,090	-	-
Central Support Services	3,843,509	1,978	-	-
Other Support Services	283,697	-	-	-
Enterprise Operations	31,897	-	-	-
Community Services	2,003,172	334,180	-	-
Adult Education	49,644	-	-	-
Insurance Reserve	1,672,969	-	-	-
Capital Outlay	-	-	-	48,199,794
Scholarships and Awards	-	-	-	-
Bond Issuance Costs	-	-	-	-
Debt Service	1,265,034	-	14,745,220	-
TOTAL EXPENDITURES	157,279,079	6,234,164	14,751,603	48,199,794
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2,482,772	(52,037)	(294,130)	(43,829,379)
OTHER FINANCING SOURCES (USES)				
Proceeds from Sale of Fixed Assets	-	-	-	602,963
Proceeds from Sale of Bonds	-	-	-	-
Operating Transfers In	-	-	-	4,276,108
Operating Transfers (Out)	(4,276,108)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(4,276,108)	-	-	4,879,071
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(1,793,336)	(52,037)	(294,130)	(38,950,308)
FUND BALANCES, BEGINNING	7,640,069	57,322	14,467,115	70,733,084
FUND BALANCES, ENDING	\$ 5,846,733	\$ 5,285	\$ 14,172,985	\$ 31,782,776

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

FIDUCIARY FUND EXPENDABLE TRUST	TOTALS (MEMORANDUM ONLY)	
	2000	1999
\$ 5,714	\$ 144,517,767	\$ 139,803,949
-	34,719,003	33,302,684
-	5,540,810	4,317,364
<u>5,714</u>	<u>184,777,580</u>	<u>177,423,997</u>
-	78,960,052	72,059,525
-	28,343,878	26,111,880
-	4,643,640	3,930,627
-	7,311,116	5,197,693
-	1,821,222	1,939,755
-	13,312,533	11,449,223
-	1,613,363	1,476,452
-	12,633,683	11,474,154
-	5,394,059	4,619,472
-	3,845,487	3,502,308
-	283,697	43,920
-	31,897	58,564
-	2,337,352	2,456,675
-	49,644	35,267
-	1,672,969	1,951,362
-	48,199,794	14,301,645
-	-	4,125
8,079	8,079	-
-	16,010,254	14,723,403
<u>8,079</u>	<u>226,472,719</u>	<u>175,336,050</u>
<u>(2,365)</u>	<u>(41,695,139)</u>	<u>2,087,947</u>
-	602,963	203,284
-	-	63,836,755
-	4,276,108	3,795,794
-	<u>(4,276,108)</u>	<u>(3,795,794)</u>
<u>-</u>	<u>602,963</u>	<u>64,040,039</u>
(2,365)	(41,092,176)	66,127,986
<u>43,644</u>	<u>92,941,234</u>	<u>26,813,248</u>
\$ <u>41,279</u>	\$ <u>51,849,058</u>	\$ <u>92,941,234</u>

BOULDER VALLEY SCHOOL DISTRICT RE-2

**COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (DEFICITS)**

BUDGET AND ACTUAL

GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND (BUDGET BASIS)

Year Ended June 30, 2000

	GENERAL		
	BUDGET	ACTUAL	VARIANCE- FAVORABLE (UNFAVORABLE)
REVENUES			
Local Sources	\$ 126,087,014	\$ 125,229,650	\$ (857,364)
State Sources	33,813,480	34,532,201	718,721
Federal Sources	-	-	-
TOTAL REVENUES	159,900,494	159,761,851	(138,643)
EXPENDITURES			
Current			
Instruction - Regular Programs	80,313,318	76,486,035	3,827,283
Instruction - Special Programs	26,780,015	25,932,900	847,115
Student Support Services	4,066,337	4,089,011	(22,674)
Instructional Staff Services	6,737,382	6,673,858	63,524
General Administration	1,830,898	1,797,213	33,685
School Administration	12,189,895	12,863,392	(673,497)
Business Services	1,769,838	1,612,993	156,845
Operations and Maintenance	14,067,186	12,633,242	1,433,944
Pupil Transportation	4,711,723	5,391,969	(680,246)
Central Support Services	4,082,975	3,832,694	250,281
Other Support Services	2,861	283,697	(280,836)
Enterprise Operations	8,257	31,897	(23,640)
Community Services	2,646,143	2,003,172	642,971
Adult Education	37,434	49,644	(12,210)
Committed Reserves	-	-	-
Reserves	7,895,199	-	7,895,199
Capital Outlay	-	-	-
Scholarships and Awards	-	-	-
Bond Issuance Costs	-	-	-
Debt Service	1,257,158	1,265,034	(7,876)
TOTAL EXPENDITURES	168,396,619	154,946,751	13,449,868
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(8,496,125)	4,815,100	13,311,225

(Continued)

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

SPECIAL REVENUE			DEBT SERVICE		
BUDGET	ACTUAL	VARIANCE- FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE- FAVORABLE (UNFAVORABLE)
\$ 417,213	\$ 454,515	\$ 37,302	\$ 14,945,850	\$ 14,457,473	\$ (488,377)
80,600	186,802	106,202	-	-	-
6,133,567	4,994,845	(1,138,722)	-	-	-
<u>6,631,380</u>	<u>5,636,162</u>	<u>(995,218)</u>	<u>14,945,850</u>	<u>14,457,473</u>	<u>(488,377)</u>
2,158,575	2,087,072	71,503	-	-	-
2,558,351	2,050,929	507,422	-	-	-
632,007	752,218	(120,211)	-	-	-
591,060	508,254	82,806	-	-	-
-	17,626	(17,626)	20,000	6,383	13,617
499,353	454,955	44,398	-	-	-
-	370	(370)	-	-	-
-	441	(441)	-	-	-
7,538	2,090	5,448	-	-	-
6,026	1,978	4,048	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
397,913	334,180	63,733	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	14,745,220	14,745,220	-
<u>6,850,823</u>	<u>6,210,113</u>	<u>640,710</u>	<u>14,765,220</u>	<u>14,751,603</u>	<u>13,617</u>
<u>(219,443)</u>	<u>(573,951)</u>	<u>(354,508)</u>	<u>180,630</u>	<u>(294,130)</u>	<u>(474,760)</u>

BOULDER VALLEY SCHOOL DISTRICT RE-2

**COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (DEFICITS)**

BUDGET AND ACTUAL

GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND (BUDGET BASIS)

Year Ended June 30, 2000

	CAPITAL PROJECTS FUND			EXPENDABLE TRUST FUND		
	BUDGET	ACTUAL	VARIANCE- FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE- FAVORABLE (UNFAVORABLE)
REVENUES						
Local Sources	\$ 2,973,326	\$ 4,370,415	\$ 1,397,089	\$ 25,000	\$ 5,714	\$ (19,286)
State Sources	-	-	-	-	-	-
Federal Sources	-	-	-	-	-	-
TOTAL REVENUES	<u>2,973,326</u>	<u>4,370,415</u>	<u>1,397,089</u>	<u>25,000</u>	<u>5,714</u>	<u>(19,286)</u>
EXPENDITURES						
Current						
Instruction - Regular Programs	-	-	-	-	-	-
Instruction - Special Programs	-	-	-	-	-	-
Student Support Services	-	-	-	-	-	-
Instructional Staff Services	-	-	-	-	-	-
General Administration	-	-	-	-	-	-
School Administration	-	-	-	-	-	-
Business Services	-	-	-	-	-	-
Operations and Maintenance	-	-	-	-	-	-
Pupil Transportation	-	-	-	-	-	-
Central Support Services	-	-	-	-	-	-
Other Support Services	-	-	-	-	-	-
Enterprise Operations	-	-	-	-	-	-
Community Services	-	-	-	-	-	-
Adult Education	-	-	-	-	-	-
Committed Reserves	-	-	-	-	-	-
Reserves	-	-	-	-	-	-
Capital Outlay	62,285,256	48,199,794	14,085,462	-	-	-
Scholarships and Awards	-	-	-	20,000	8,079	11,921
Bond Issuance Costs	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
TOTAL EXPENDITURES	<u>62,285,256</u>	<u>48,199,794</u>	<u>14,085,462</u>	<u>20,000</u>	<u>8,079</u>	<u>11,921</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(59,311,930)</u>	<u>(43,829,379)</u>	<u>15,482,551</u>	<u>5,000</u>	<u>(2,365)</u>	<u>(7,365)</u>

(Continued)

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



BOULDER VALLEY SCHOOL DISTRICT RE-2

**COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (DEFICITS)**

BUDGET AND ACTUAL

GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND (BUDGET BASIS)

Year Ended June 30, 2000

	GENERAL		
	BUDGET	ACTUAL	VARIANCE- FAVORABLE (UNFAVORABLE)
OTHER FINANCING SOURCES (USES)			
Proceeds from Sale of Fixed Assets	-	-	-
Operating Transfers In	-	-	-
Operating Transfers (Out)	(5,979,419)	(5,949,077)	30,342
TOTAL OTHER FINANCING SOURCES (USES)	(5,979,419)	(5,949,077)	30,342
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(14,475,544)	(1,133,977)	13,341,567
Salaries and Benefits Earned but Unpaid:			
Beginning	-	13,691,862	13,691,862
Ending	-	(14,351,221)	(14,351,221)
Revenues Accrued Due to Salaries and Benefits Earned but Unpaid	-	-	-
FUND BALANCES (DEFICITS), BEGINNING	21,540,250	7,640,069	(13,900,181)
FUND BALANCES (DEFICITS), ENDING	\$ 7,064,706	\$ 5,846,733	\$ (1,217,973)

(Continued)

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

SPECIAL REVENUE			DEBT SERVICE		
BUDGET	ACTUAL	VARIANCE- FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE- FAVORABLE (UNFAVORABLE)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(219,443)	(573,951)	(354,508)	180,630	(294,130)	(474,760)
-	521,914	521,914	-	-	-
-	(545,965)	(545,965)	-	-	-
-	545,965	545,965	-	-	-
71,940	57,322	(14,618)	14,227,973	14,467,115	239,142
\$ (147,503)	\$ 5,285	\$ 152,788	\$ 14,408,603	\$ 14,172,985	\$ (235,618)

BOULDER VALLEY SCHOOL DISTRICT RE-2

**COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (DEFICITS)**

BUDGET AND ACTUAL

GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND (BUDGET BASIS)

Year Ended June 30, 2000

	CAPITAL PROJECTS FUND			EXPENDABLE TRUST FUND		
	BUDGET	ACTUAL	VARIANCE- FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE- FAVORABLE (UNFAVORABLE)
OTHER FINANCING SOURCES (USES)						
Proceeds from Sale of Fixed Assets	85,000	602,963	517,963	-	-	-
Operating Transfers In	4,306,450	4,276,108	(30,342)	-	-	-
Operating Transfers (Out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>4,391,450</u>	<u>4,879,071</u>	<u>487,621</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(54,920,480)	(38,950,308)	15,970,172	5,000	(2,365)	(7,365)
Salaries and Benefits Earned but Unpaid:						
Beginning	-	-	-	-	-	-
Ending	-	-	-	-	-	-
Revenues Accrued Due to Salaries and Benefits Earned but Unpaid	-	-	-	-	-	-
FUND BALANCES (DEFICITS), BEGINNING	<u>71,037,231</u>	<u>70,733,084</u>	<u>(304,147)</u>	<u>43,644</u>	<u>43,644</u>	<u>-</u>
FUND BALANCES (DEFICITS), ENDING	<u>\$ 16,116,751</u>	<u>\$ 31,782,776</u>	<u>\$ 15,666,025</u>	<u>\$ 48,644</u>	<u>\$ 41,279</u>	<u>\$ (7,365)</u>

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



BOULDER VALLEY SCHOOL DISTRICT RE-2

**COMBINED STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS/FUND BALANCE
ALL PROPRIETARY FUND TYPES AND NONEXPENDABLE TRUST FUND
Year Ended June 30, 2000**

	PROPRIETARY FUND TYPES		FIDUCIARY FUND
	ENTERPRISE	INTERNAL SERVICE	NONEXPENDABLE TRUST
OPERATING REVENUES			
Food Sales	\$ 3,143,908	\$ -	\$ -
Premiums and Services	-	1,672,969	-
Interest on Investments	-	-	6,841
Other Revenue	74,514	35,143	-
TOTAL OPERATING REVENUES	3,218,422	1,708,112	6,841
OPERATING EXPENSES			
Salaries	1,703,680	636,190	-
Benefits	384,362	143,017	-
Other Expenses	-	297,326	-
Insurance Premiums and Claims	-	283,221	-
Workers Compensation Insurance	-	183,034	-
Purchased Food	1,890,387	-	-
USDA Donated Commodities	164,155	-	-
Nonfood Supplies	103,164	-	-
Capital Outlay	-	3,378	-
Contingency Reserve	-	-	-
Purchased Services	169,262	-	3,800
Depreciation	50,000	-	-
Other	103,203	-	-
TOTAL OPERATING EXPENSES	4,568,213	1,546,166	3,800
OPERATING INCOME (LOSS)	(1,349,791)	161,946	3,041
NON-OPERATING REVENUES			
USDA Donated Commodities	205,703	-	-
State Reimbursement	971,234	-	-
TOTAL NON-OPERATING REVENUES	1,176,937	-	-
NET INCOME (LOSS)	(172,854)	161,946	3,041
RETAINED EARNINGS/ FUND BALANCE, BEGINNING	484,427	933,116	142,773
RETAINED EARNINGS/ FUND BALANCE, ENDING	\$ 311,573	\$ 1,095,062	\$ 145,814

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

TOTALS
(MEMORANDUM ONLY)

	<u>2000</u>		<u>1999</u>
\$	3,143,908	\$	2,929,692
	1,672,969		1,951,362
	6,841		6,777
	<u>109,657</u>		<u>268,326</u>
	<u>4,933,375</u>		<u>5,156,157</u>
	2,339,870		2,010,707
	527,379		422,170
	297,326		321,866
	283,221		553,866
	183,034		517,138
	1,890,387		1,630,449
	164,155		224,146
	103,164		188,687
	3,378		12,042
	-		152,307
	173,062		168,588
	50,000		50,000
	<u>103,203</u>		<u>-</u>
	<u>6,118,179</u>		<u>6,251,966</u>
	<u>(1,184,804)</u>		<u>(1,095,809)</u>
	205,703		224,787
	<u>971,234</u>		<u>991,368</u>
	<u>1,176,937</u>		<u>1,216,155</u>
	(7,867)		120,346
	<u>1,560,316</u>		<u>1,439,970</u>
\$	<u><u>1,552,449</u></u>	\$	<u><u>1,560,316</u></u>

BOULDER VALLEY SCHOOL DISTRICT RE-2

COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES AND NONEXPENDABLE TRUST FUND
Increase (Decrease) in Cash
Year Ended June 30, 2000

	<u>PROPRIETARY FUND TYPES</u>		<u>FIDUCIARY FUND</u>
	<u>ENTERPRISE</u>	<u>INTERNAL SERVICE</u>	<u>NONEXPENDABLE TRUST</u>
Cash Flows From Operating Activities			
Receipts from Premiums and Services	\$ -	\$ 1,672,316	\$ -
Contributions	-	-	-
Cash Received from Operations	3,351,075	-	-
Other Operating Receipts	-	35,143	-
Cash Payments for Premiums and Claims	-	(283,536)	-
Cash Paid to Suppliers and Employees	<u>(4,521,414)</u>	<u>(1,089,819)</u>	<u>(3,800)</u>
Net Cash Provided (Used) by Operating Activities	(1,170,339)	334,104	(3,800)
Cash Flows From Noncapital Financing Activities			
Cash Received from National School Lunch Program	971,234	-	-
Cash Flows From Capital Financing Activities			
Purchase of Equipment	(119,405)	-	-
Cash Flows From Investing Activities			
Interest Received	<u>-</u>	<u>-</u>	<u>6,841</u>
NET INCREASE (DECREASE) IN CASH	(318,510)	334,104	3,041
CASH, BEGINNING	<u>925,039</u>	<u>-</u>	<u>142,773</u>
CASH, ENDING	\$ <u><u>606,529</u></u>	\$ <u><u>334,104</u></u>	145,814
Cash, Expendable Trust and Agency Funds			<u>2,282,903</u>
CASH, FIDUCIARY FUND TYPES			\$ <u><u>2,428,717</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	\$ <u>(1,349,791)</u>	\$ <u>161,946</u>	\$ <u>3,041</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Depreciation	50,000	-	-
Donated Commodities	205,703	-	-
Interest Reported as Operating Income	-	-	(6,841)
Changes in Assets and Liabilities Related to Operations			
Accounts Receivable	(66,947)	(653)	-
Inventory	29,873	-	-
Prepaid assets	-	182,719	-
Due to Other Funds	-	-	-
Accounts Payable	(44,889)	46,119	-
Accrued Liabilities	-	5,358	-
Accrued Salaries and Benefits	11,815	-	-
Accrued Compensated Absences	-	-	-
Deferred Revenue	<u>(6,103)</u>	<u>(61,385)</u>	<u>-</u>
Total Adjustments	<u>179,452</u>	<u>172,158</u>	<u>(6,841)</u>
Net Cash Provided (Used) by Operating Activities	\$ <u><u>(1,170,339)</u></u>	\$ <u><u>334,104</u></u>	\$ <u><u>(3,800)</u></u>

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

TOTALS
(MEMORANDUM ONLY)

	<u>2000</u>		<u>1999</u>
\$	1,672,316	\$	2,316,751
	-		10,122
	3,351,075		2,930,853
	35,143		258,427
	(283,536)		(1,870,965)
	<u>(5,615,033)</u>		<u>(4,395,869)</u>
	(840,035)		(750,681)
	971,234		991,368
	(119,405)		(74,997)
	<u>6,841</u>		<u>6,777</u>
	18,635		172,467
	<u>1,067,812</u>		<u>895,345</u>
\$	<u>1,086,447</u>	\$	<u>1,067,812</u>

\$	<u>(1,184,804)</u>	\$	<u>(1,095,809)</u>
	50,000		50,000
	205,703		224,787
	(6,841)		(6,777)
	(67,600)		1,385
	29,873		38,101
	182,719		(29,134)
	-		59,971
	1,230		1,540
	5,358		-
	11,815		456
	-		14,646
	<u>(67,488)</u>		<u>(9,847)</u>
	<u>344,769</u>		<u>345,128</u>
\$	<u>(840,035)</u>	\$	<u>(750,681)</u>

BOULDER VALLEY SCHOOL DISTRICT RE-2

NOTES TO FINANCIAL STATEMENTS

June 30, 2000

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. Following is a summary of the more significant policies:

Reporting Entity

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

Based upon the application of this criteria, no additional organizations are includable within the District's reporting entity.

Basis of Presentation - Fund Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

Governmental Fund Types

These are the funds through which most governmental functions typically are financed. The funds included in this category are as follows:

BOULDER VALLEY SCHOOL DISTRICT RE-2

NOTES TO FINANCIAL STATEMENTS

June 30, 2000

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation - Fund Accounting (Continued)

General Fund -- This fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds (Governmental Designated Purpose Grants Fund, Tuition Based Preschool Fund) -- These funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Capital Projects Funds (Capital Reserve Fund, Energy Conservation Fund, Building Fund 1994, Building Fund 1999) -- These funds are used to account for the issuance of debt and the construction of general fixed assets.

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

Proprietary Fund Types

These funds account for operations that are organized to be self-supporting through user charges. The funds included in this category are the Enterprise Fund and Internal Service Funds.

Enterprise Fund (Food Service Fund) -- This fund is established to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent is that costs of providing goods or services on a continuing basis be financed or recovered primarily through user charges.

Internal Service Fund (Insurance Reserve Fund) -- This fund is used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the District and to other District units, on a cost reimbursement basis.

Fiduciary Funds

Fiduciary funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. The funds included in this category are the Trust and Agency Funds.

BOULDER VALLEY SCHOOL DISTRICT RE-2

NOTES TO FINANCIAL STATEMENTS

June 30, 2000

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation - Fund Accounting (Continued)

Fiduciary Funds (Continued)

Trust and Agency Funds (Expendable Trust Fund, Nonexpendable Trust Fund, Agency Fund) -- These funds are used to account for the money and property held in trust by the District for student organizations, teachers, scholarships, and awards. These funds are purely custodial and do not involve the measurement of results of operations.

Account Groups

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

Fixed assets used in governmental fund type operations are accounted for in the General Fixed Asset Account Group rather than in the governmental funds. All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are recorded at estimated fair market value on the date of receipt. No depreciation has been provided on general fixed assets.

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group, not in the governmental funds.

The general obligation bonds reflected in the General Long-Term Debt Account Group are serviced from property taxes and other revenues of the Debt Service (Bond Redemption) Fund. Capital leases are serviced from property taxes and other revenue of the Capital Reserve Fund. Certificates of participation are paid from General Fund sources. Compensated absences and early retirement benefits are serviced from property taxes and other revenue by respective fund type from future appropriations.

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

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent liabilities. Since they

BOULDER VALLEY SCHOOL DISTRICT RE-2

NOTES TO FINANCIAL STATEMENTS

June 30, 2000

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation - Fund Accounting (Continued)

Account Groups (Continued)

do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are, instead, reported as liabilities in the General Long-Term Debt Account Group.

Basis of Accounting

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

Governmental, Expendable Trust and Agency Funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Taxpayer-assessed income is considered "measurable" when in the hands of intermediary collecting governments and is recognized as revenue at that time. Property taxes are reported as a receivable and a deferred revenue when levied and as a revenue when due for collection in the following year. Grant and entitlement revenues are recognized to the extent of related expenditures or when compliance with matching requirements are met. A receivable is established when the related expenditures exceed revenue receipts and a deferred revenue account is established when receipts exceed the related expenditures.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include principal and interest on general long-term debt which is recognized when due.

The accrual basis of accounting with a flow of economic resources measurement focus is utilized by the Proprietary and Nonexpendable Trust Funds. Under this accounting basis, revenues are recognized when earned and expenses are recognized when incurred. The measurement focus in these funds is on income determination, and expenses rather than expenditures are recorded in the statement of revenue and expenses. The District has elected to apply all applicable Governmental Accounting Standards Board (GASB) pronouncements as well as all applicable Financial Accounting Standards Board (FASB) pronouncements in accounting and reporting issued on or before November 30, 1989, unless those pronouncements conflict GASB pronouncements.

BOULDER VALLEY SCHOOL DISTRICT RE-2

NOTES TO FINANCIAL STATEMENTS

June 30, 2000

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets and Legal Compliance

For the year ended June 30, 2000, the District followed these procedures in establishing the budgetary data reflected in these financial statements:

1. On April 8, 1999, the Superintendent submitted to the Board of Education a preliminary proposed budget for the period commencing July 1, 1999. The budget included proposed expenditures and the means for financing them.
2. Public hearings were conducted at regular Board of Education meetings to obtain taxpayer comments.
3. On June 10, 1999, the budget was legally adopted by the Board of Education.
4. On October 14, 1999, the revised budget was legally adopted by the Board of Education.
5. The budget was used in the integrated financial management system as a management control device for all funds.

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

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

Colorado Budget Law requires that all funds have legally adopted budgets and appropriations. Total expenditures for each fund may not exceed the amount appropriated. Appropriations for a fund may be increased provided they are offset by unanticipated revenue. All appropriation lapse at the end of each fiscal year. Authorization to transfer budget amounts between programs and/or departments within any fund and the reallocation of budget line items within any program and/or department rests with the Superintendent of Schools. Revisions and/or supplemental appropriations that alter the total expenditures of any fund must be approved by the Board of Education no later than September 30 of the current budget year.

BOULDER VALLEY SCHOOL DISTRICT RE-2

NOTES TO FINANCIAL STATEMENTS

June 30, 2000

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets and Legal Compliance (Continued)

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

Encumbrances

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

Property Taxes

Under Colorado law, all property taxes become due and payable in the year following that in which they are levied. Property taxes are recognized as revenue when received by the County Treasurer. The 2000 fiscal year property tax calendar for Boulder and Gilpin Counties was as follows:

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

Assets, Liabilities and Fund Equity

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

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

Investments -- Investments are recorded at fair value.

BOULDER VALLEY SCHOOL DISTRICT RE-2

NOTES TO FINANCIAL STATEMENTS

June 30, 2000

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Fund Equity (Continued)

Receivables -- 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 1999 but not received as of June 30, 2000, are identified as property taxes receivable and are presented net of an allowance for uncollectible taxes of 1% of the gross amounts. Any taxes not collected by August 31, 2000 are recorded as deferred revenue.

Prepaid items -- Payments made to vendors for services that will benefit periods beyond June 30, 2000 are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of payment, and an expenditure/expense is reported in the year in which the services are consumed.

Inventories -- Materials and supplies inventories are stated at average cost.

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

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

Fixed Assets -- General fixed assets used in governmental fund type operations are accounted for in the General Fixed Assets Account Group. Public domain (infrastructure) general fixed assets consisting of certain improvements other than buildings, such as sidewalks and parking lots, are not capitalized. Property and equipment acquired or constructed for general governmental operations are recorded as expenditures in the fund making the expenditure and capitalized at cost in the General Fixed Assets Account Group. No depreciation has been provided on general fixed assets of the District.

Property and equipment acquired for the proprietary funds are capitalized in those funds.

Property and equipment is stated at cost. Where cost could not be determined from the available records, estimated historical cost was used to record the estimated value of the assets. Assets acquired by gift or bequest are recorded at their fair market value at the date of transfer.

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

BOULDER VALLEY SCHOOL DISTRICT RE-2

NOTES TO FINANCIAL STATEMENTS

June 30, 2000

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Fund Equity (Continued)

Deferred Revenues -- Deferred revenues include grant funds which have been collected but corresponding expenditures have not been incurred.

Long-Term Debt -- Long-term obligations of the governmental fund types are reported in the General Long-Term Debt Account Group.

Fund Equity -- The District designates a portion of the ending fund equity for the subsequent year's expenditures in amounts determined by the Board of Education.

Revenues and Expenditures/Expenses

Revenues and Expenditures/Expenses -- Revenues for governmental funds are recorded when they are determined to be both measurable and available. Generally, fees and non-tax revenues are recognized when received. Grants from other governments are recognized when qualifying expenditures are incurred. Expenditures for governmental funds are recorded when the related liability is incurred.

Revenues and expenses of proprietary funds are recognized in essentially the same manner as in commercial accounting.

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

Compensated Absences -- District policy allows unlimited accumulation of sick and personal leave and accumulation of vacation to a maximum of 40 days for certain personnel classifications. Accrued vacation is paid to those eligible employees upon termination of employment. Payment for unused sick and personal leave days is made upon an employee's retirement at varying rates based upon longevity and classification. The payment of unused sick and personal leave at the time of retirement is made in a lump sum or over a period of up to five years.

These compensated absences are recognized as current salary costs when accrued in the Proprietary Fund Types and when paid in the Governmental Fund Types. A long-term liability has been recorded in the General Long-Term Debt Account Group representing the District's intent to fund such costs from future revenues.

BOULDER VALLEY SCHOOL DISTRICT RE-2

NOTES TO FINANCIAL STATEMENTS

June 30, 2000

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Comparative Data

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the District's financial position and operations. However, comparative (i.e., presentation of prior year totals by fund type) data has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

Total Columns

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

NOTE 2: BUDGETARY BASIS OF ACCOUNTING

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

The following Schedules identify these differences:

	<u>General Fund</u>	<u>Governmental Designated- Purpose Grants Fund</u>
<u>Expenditures</u>		
Expenditures Reported on a GAAP Basis	\$ 157,279,079	\$ 6,038,611
Effect of Salaries Earned but Unpaid	(659,359)	(24,051)
Less Transfers to Insurance Reserve Fund	<u>(1,672,969)</u>	<u>-</u>
Expenditures Reported on a Budget Basis	<u>\$ 154,946,751</u>	<u>\$ 6,014,560</u>

Salaries of teachers and certain other employees are paid over a 12 month period ending August 21; however, most salaries are earned over the school year of August through June. For salaries and benefits earned prior to June 30 but paid until July and August of the following year, the District has consistently followed a practice of budgeting and appropriating these expenditures in the period paid.

BOULDER VALLEY SCHOOL DISTRICT RE-2

NOTES TO FINANCIAL STATEMENTS

June 30, 2000

NOTE 2: BUDGETARY BASIS OF ACCOUNTING (Continued)

Revenue in the Grants Fund is recognized to the extent expenditures are incurred. Payments from the General Fund to the Insurance Reserve Fund are treated as a transfer for budgetary purposes and as an expenditure and revenue for GAAP purposes. Budget to GAAP differences for these funds are as follows:

	<u>Governmental Designated- Purpose Grants Fund</u>	<u>Internal Service Fund</u>
<u>Revenues</u>		
Revenues Reported on a GAAP Basis	\$ 6,021,310	\$ 1,708,112
Effect of Summer Salaries Earned but Unpaid	(545,965)	-
Premiums and Services	<u>-</u>	<u>(1,672,969)</u>
	<u>\$ 5,475,345</u>	<u>\$ 35,143</u>
<u>Operating Transfers</u>		
Operating Transfers from General Fund Reported on a GAAP Basis	\$ -	\$ -
Premiums and Services	<u>-</u>	<u>1,672,969</u>
Operating Transfers from General Fund Reported on a Budget Basis	<u>\$ -</u>	<u>\$ 1,672,969</u>

NOTE 3: CASH AND INVESTMENTS

At June 30, 2000, the District had the following cash and investments:

Cash on Hand	\$ 23,495
Deposits	1,835,763
Investments	78,746,824
Restricted Investments	<u>1,227,987</u>
Total	<u>\$ 81,834,069</u>

Deposits

The Colorado Public Deposit Protection Act, (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to

BOULDER VALLEY SCHOOL DISTRICT RE-2

NOTES TO FINANCIAL STATEMENTS

June 30, 2000

NOTE 3: CASH AND INVESTMENTS (Continued)

Deposits (Continued)

create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. Deposits are categorized by type of credit risk: (1) Insured or collateralized with securities held by the District or by its agent in the District's name. (2) Collateralized with securities held by the pledging financial institution's trust department or agent in the District's name. (3) Uncollateralized, including any bank balance that is collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the District's name.

At June 30, 2000, the District's deposits had a carrying balance of \$1,835,763 and a corresponding bank balance as follows:

	<u>Bank Balance</u>
Insured - Category (1)	\$ 288,668
Deposits Collateralized in Trust Department or with Agent - Category (2)	<u>4,351,765</u>
Total Deposits	<u><u>\$ 4,640,433</u></u>

Investments

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

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

The District's investments are categorized below:

Category 1 -- Investments that are insured or registered or for which the securities are held by the District or its agent in the District's name.

Category 2 -- Uninsured and unregistered investments for which the securities are held by a counterparty's trust department or agent in the District's name.

BOULDER VALLEY SCHOOL DISTRICT RE-2

NOTES TO FINANCIAL STATEMENTS

June 30, 2000

NOTE 3: CASH AND INVESTMENTS (Continued)

Investments (Continued)

Category 3 -- Uninsured and unregistered investments for which the securities are held by a counterparty's trust department or agent, but not in the District's name.

The District had the following investments as of June 30, 2000:

	<u>Fair Value</u>
Repurchase Agreements, collateralized by securities with fair values totaling \$1,278,298 (Category 1)	\$ 1,227,987
Local Government Investment Pool (Colotrust)	<u>78,746,824</u>
 Total Investments	 <u>\$ 79,974,811</u>

During the year ended June 30, 2000, the District invested funds in the Colorado Government Liquid Asset Trust (Colotrust). This is an investment trust established for local government entities in Colorado to pool surplus funds, and is regulated by the State Securities Commissioner. It operates similarly to a money market fund and each share is equal in value to \$1.00. Investments consist of U.S. Treasury and U.S. Agency securities and repurchase agreements collateralized by U.S. Treasury and U.S. Agency securities. A designated custodial bank provides safekeeping and depository services to Colotrust in connection with the direct investment and withdrawal functions of the trusts. Substantially all securities owned by Colotrust are held by the Federal Reserve Bank in the account maintained for the custodial banks. The custodians' internal records identify the investments owned by the District.

The investments in Colotrust are not categorized because they are not evidenced by specific securities.

NOTE 4: FIXED ASSETS

Activity for general fixed assets which are capitalized by the District is summarized below:

	<u>BALANCES</u> <u>7-1-99</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCES</u> <u>6-30-00</u>
Land and sites	\$ 4,559,168	\$ -	\$ -	\$ 4,559,168
Buildings	137,099,228	58,617,683	120,404	195,596,507
Equipment	37,851,088	3,395,401	6,358,930	34,887,559
Construction in progress	<u>70,938,921</u>	<u>42,106,438</u>	<u>58,465,523</u>	<u>54,579,836</u>
 TOTALS	 <u>\$ 250,448,405</u>	 <u>\$ 104,119,522</u>	 <u>\$ 64,944,857</u>	 <u>\$ 289,623,070</u>

BOULDER VALLEY SCHOOL DISTRICT RE-2

NOTES TO FINANCIAL STATEMENTS

June 30, 2000

NOTE 4: FIXED ASSETS (Continued)

Included in the deletions column of the above report are adjustments relating to an inventory of fixed assets for the District. The amount of these adjustment were \$1,608,306.

A summary of changes in Food Service Fund equipment is presented below:

	BALANCES			BALANCES
	7-1-99	ADDITIONS	DELETIONS	6-30-00
Equipment	\$ 1,064,350	\$ 119,405	\$ -	\$ 1,183,755
Less Accumulated Depreciation	(673,083)	(50,000)	-	(723,083)
TOTALS	\$ 391,267	\$ 69,405	\$ -	\$ 460,672

NOTE 5: ACCRUED SALARIES AND BENEFITS

Salaries and benefits of certain contractually employed personnel are paid over a twelve month period from September to August, but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, as of June 30, 2000, for the District were \$19,993,383. Accordingly, the accrued compensation is reflected as a liability in the accompanying financial statements of the General, Governmental Designated-Purpose Grant, Tuition Based Preschool, Capital Reserve, Building Fund 1999 and Food Service Funds.

NOTE 6: LONG-TERM DEBT

The following is a summary of long-term obligation transactions of the District for the year ended June 30, 2000:

	BALANCES			BALANCES
	7-1-99	ADDITIONS	PAYMENTS	6-30-00
GENERAL LONG-TERM DEBT				
ACCOUNT GROUP				
General Obligation Bonds	\$ 176,270,000	\$ -	\$ 5,865,000	\$ 170,405,000
Certificates of Participation	8,695,000	-	770,000	7,925,000
Compensated Absences	1,026,923	-	7,667	1,019,256
Early Retirement	75,063	-	66,707	8,356
Capital Lease Obligations	531,919	-	127,734	404,185
TOTAL	\$ 186,598,905	\$ -	\$ 6,837,108	\$ 179,761,797

BOULDER VALLEY SCHOOL DISTRICT RE-2

NOTES TO FINANCIAL STATEMENTS

June 30, 2000

NOTE 6: LONG-TERM DEBT (Continued)

General Obligation Bonds

General Obligation Bonds payable at June 30, 2000 are comprised of the following issues:

\$63,655,000 General Obligation Bonds, Series 1999.
Issued to implement a District wide capital improvement program. Principal payments due on December 1 and interest payments due on December and June 1 through 2018. Interest accruing at rates ranging from 4% to 5.13%. \$ 62,355,000

\$43,650,000 General Obligation Bonds, Series 1992A.
Issued to refund Series 1989A bonds. Principal payments due on October 15 and interest payments due on October and April 15 through 2015. Interest accruing at rates ranging from 2.9% to 6.25%. 29,375,000

\$77,170,000 General Obligation Bonds, Series 1994A.
Issued to implement a District capital improvement program. Principal payments due on December 1 and interest payments due on December 1 and June 1 through 2004. Interest accruing at rates ranging from 5.35% to 5.65%. 8,090,000

\$11,830,000 General Obligation Bonds, Series 1994B.
Issued to implement a District capital improvement program. Principal payments due on December 1 and interest payments due on December 1 and June 1 through 2000. Interest accruing at rates ranging from 5.10% to 6.00%. 2,265,000

\$68,810,000 General Obligation Bonds, Series 1997. Issued to refund certain general obligation bonds. Principal payments due on December 1 and interest payments due on December 1 and June 1 through 2014. Interest accruing at rates ranging from 3.75% to 5.00%. 68,320,000

Total General Obligation Bonds \$ 170,405,000

Bond payments, to maturity, are as follows:

BOULDER VALLEY SCHOOL DISTRICT RE-2

NOTES TO FINANCIAL STATEMENTS

June 30, 2000

NOTE 6: LONG-TERM DEBT (Continued)

General Obligation Bonds (Continued)

YEAR ENDED

<u>JUNE 30,</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2001	\$ 5,335,000	\$ 8,592,111	\$ 13,927,111
2002	5,625,000	8,301,286	13,926,286
2003	5,935,000	7,990,945	13,925,945
2004	6,265,000	7,659,425	13,924,425
2005	6,620,000	7,304,810	13,924,810
Thereafter	<u>140,625,000</u>	<u>54,361,683</u>	<u>194,986,683</u>
Total	<u>\$ 170,405,000</u>	<u>\$ 94,210,260</u>	<u>\$ 264,615,260</u>

Certificates of Participation

The District issued certificates of participation in 1992 and 1995 for energy conservation projects and to refinance a telecommunication lease. The terms are 15 and 12 years with interest rates ranging from 5.9% to 6.22%. The District's obligation will terminate in 2006.

Certificates of Participation maturities for future payments are as follows:

2001	\$ 1,254,318
2002	1,257,773
2003	1,252,497
2004	1,252,927
2005	1,249,162
Thereafter	3,615,882
Less Interest	<u>(1,957,559)</u>
Total	<u>\$ 7,925,000</u>

Amounts were appropriated in the General Fund to meet the payments of the Certificates of Participation due in the fiscal year ending June 30, 2000.

Capital Lease Obligations

Lease obligations and transactions for the year ended June 30, 2000 are comprised of the following:

BOULDER VALLEY SCHOOL DISTRICT RE-2

NOTES TO FINANCIAL STATEMENTS

June 30, 2000

NOTE 6: LONG-TERM DEBT (Continued)**Capital Lease Obligations (Continued)**

	Balances <u>07/01/99</u>	<u>Additions</u>	<u>Payments</u>	Balances <u>06/30/00</u>
Capital Lease, Kodak copier. Lease term of 5 years with an interest rate of 8.195%; monthly payments of \$751; terminating in 2001.	\$ 14,403	\$ -	\$ 7,950	\$ 6,453
Capital Lease, SASI software. Lease term of 5 years with an interest rate of 4.92%; monthly payments of \$11,876; terminating in 2003.	<u>517,516</u>	<u>-</u>	<u>119,784</u>	<u>397,732</u>
Totals	<u>\$ 531,919</u>	<u>\$ -</u>	<u>\$ 127,734</u>	<u>\$ 404,185</u>

These leases provide for the following minimum annual lease payments:

2001	\$ 151,523
2002	142,508
2003	142,508
Less Interest	<u>(32,354)</u>
Total	<u>\$ 404,185</u>

Refunded Bonds

The proceeds of the General Obligation Refunding Series 1985A, 1992A, and 1997A have been placed in a special escrow account and have been invested in direct obligations of the U.S. government. The maturities of these investments coincide with the principal and interest payment dates of the refunded debt and are sufficient to pay all principal and interest on the bonds when due. Therefore, the refunded debt is not reported as a liability and the escrow account is not reported as an asset at year-end. The outstanding balance of District refunded general obligation debt at June 30, 2000 is \$62,860,000.

BOULDER VALLEY SCHOOL DISTRICT RE-2

NOTES TO FINANCIAL STATEMENTS

June 30, 2000

NOTE 7: EXPENDITURES IN EXCESS OF BUDGETED AMOUNTS

The Food Service Fund and the Agency Fund exceeded their budgeted expenditures by \$57,304 and \$920,317, respectively, for the year ended June 30, 2000. These may be violations of State statute.

NOTE 8: RISK MANAGEMENT

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

Joint School District Workers' Compensation Self-Insurance Pool

The District, along with Aurora, Cherry Creek, and Littleton School Districts, combined to form the Joint School District Pool for Workers' Compensation (the JSD Pool) which is a public entity risk pool currently operating as a common risk management and insurance program for the school district members noted above. The JSD Pool is administered by a Board of Directors consisting of one individual from each of the four school districts, generally the District's chief financial officer. The Board exercises control over the Pool and has contracted the management of the Pool operations to third parties. The participating districts make annual contributions to the JSD Pool based on the size of their respective payrolls. The contributions are retroactively adjusted based on the districts' actual loss experience.

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

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

At June 30, 2000, the District had prepaid its premiums to the pool by \$828,005. This amount is recorded as a prepaid asset in the Insurance Reserve Internal Service Fund.

BOULDER VALLEY SCHOOL DISTRICT RE-2

NOTES TO FINANCIAL STATEMENTS

June 30, 2000

NOTE 8: RISK MANAGEMENT (Continued)

Colorado School Districts Self-Insurance Pool

The Colorado School Districts Self-Insurance Pool (CSDSIP), sponsored by the Colorado Association of School Boards, 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 the Colorado Association of School Boards (CASB), with the remaining five members being appointed by the Board of Directors of CASB. The District pays an annual premium to the CSDSIP for various types of property and liability insurance coverage. The Pool Agreement provides that the CSDSIP will be self-sustaining through member premiums and will reinsure through a duly authorized insurer. The reinsurance covers claims against the CSDSIP in excess of specific claim amounts and in the aggregate in an amount and at limits determined by the CSDSIP to be adequate to protect the solvency of the CSDSIP.

NOTE 9: DEFINED BENEFIT PENSION PLAN

Plan Description - The District contributes to the Combined State and School Division Trust Fund (CSSDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA).

CSSDTF provides retirement and disability, annual increases, and death benefits for members or their beneficiaries. All employees of the District are members of the CSSDTF. 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 CSSDTF. That report may be obtained by writing to PERA of Colorado, 1300 Logan Street, Denver, Colorado 80203 or by calling PERA at 303-832-9550 or 1-800-759-PERA (7372).

Funding Policy - Plan members and the District are required to contribute at a rate set by statute. The contribution requirements of plan members and the District are established under Title 24, Article 51, Part 4 of the CRS, as amended. The contribution rate for members is 8.0% and for the District is 11.4% of covered salary. A portion of the District's contribution (1.1% of covered salary) is allocated for the Health Care Fund (See Note 10). The District's contributions to CSSDTF for the years ending June 30, 2000, 1999, and 1998 were \$12,155,378, \$12,174,054, and \$11,443,085, respectively, equal to their required contributions for each year.

BOULDER VALLEY SCHOOL DISTRICT RE-2

NOTES TO FINANCIAL STATEMENTS

June 30, 2000

NOTE 10: POSTEMPLOYMENT HEALTHCARE BENEFITS

Plan Description - The District contributes to the Health Care Fund (HCF), a cost-sharing multiple-employer postemployment healthcare plan administered by the PERA. The HCF provides a health care premium subsidy to PERA participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the CRS, as amended, assigns the authority to establish the HCF benefit provisions to the State Legislature. PERA issues a publicly available annual financial report that includes financial statements and required supplementary information for the HCF. That report may be obtained by writing to PERA of Colorado, 1300 Logan Street, Denver, Colorado 80203 or by calling PERA at 303-832-9550 or 1-800-759-PERA (7372).

Funding Policy - The District is required to contribute at a rate of 1.1% 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 health care fund is established under Title 24, Article 51, Section 208 of the Colorado Revised Statutes, as amended. The District's contributions to HCF for the years ending June 30, 2000, 1999, and 1998 were \$1,172,866, \$854,393, and \$804,154, respectively, equal to their required contributions for each year.

NOTE 11: COMMITMENTS AND CONTINGENCIES

Claims and Judgments -- The District participates in a number of federal, state, and county 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. As of June 30, 2000, significant amounts of grant expenditures have not been audited but the District believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

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

Construction -- The District has several significant construction projects in progress at June 30, 2000. The District has approximately \$30,000,000 of commitments on these construction projects which is expected to be paid from the 1994 and 1999 Building Funds.

BOULDER VALLEY SCHOOL DISTRICT RE-2

NOTES TO FINANCIAL STATEMENTS

June 30, 2000

NOTE 11: COMMITMENTS AND CONTINGENCIES (Continued)

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

Fiscal year 1993 provides the basis for limits in future years to which may be applied allowable increases for inflation and assessed valuation. 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 Tabor Amendment. The Tabor Amendment is subject to many interpretations, but the District believes it is in substantial compliance with the Amendment.

The Tabor Amendment requires the District to establish a reserve for emergencies. At June 30, 2000, reserves of \$5,013,369 and \$184,004 were recorded as reservations of fund balance and retained earnings, respectively.

COMBINING AND INDIVIDUAL FUND AND ACCOUNT GROUP STATEMENTS AND SCHEDULES

The Combining and Individual Fund and Account Group Statements and Schedules represent the second and third levels of financial reporting for the District. These financial statements present more detailed information for the individual funds and account groups in a format that segregates information by fund type. For those fund types with a single fund, individual fund financial statements are presented.

GENERAL FUND

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

BOULDER VALLEY SCHOOL DISTRICT RE-2**GENERAL FUND**
COMPARATIVE BALANCE SHEETS
June 30, 2000

	<u>2000</u>	<u>1999</u>
ASSETS		
Equity in Pooled Cash and Temporary Cash Investments	\$ 22,168,609	\$ 23,244,305
Restricted Cash in Escrow	142,563	198,645
Property Taxes Receivable, Net	4,966,399	5,311,763
Accounts Receivable	271,912	318,672
Due from Other Funds	-	328,424
Inventories	485,142	383,930
Prepaid Assets	21,229	18,516
TOTAL ASSETS	<u>\$ 28,055,854</u>	<u>\$ 29,804,255</u>
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts Payable	\$ 1,172,851	\$ 1,709,566
Accrued Salaries and Benefits	19,259,464	18,891,315
Deferred Revenue		
Property Taxes	1,667,710	1,478,662
Other	109,096	84,643
TOTAL LIABILITIES	<u>22,209,121</u>	<u>22,164,186</u>
FUND BALANCES		
Reserved for Inventories	485,142	383,930
Reserved for Prepaid Assets	21,229	18,516
Reserved for Emergencies	4,815,740	4,520,923
Unreserved - Designated for Subsequent Year Expenditures	524,622	2,716,700
TOTAL FUND BALANCES	<u>5,846,733</u>	<u>7,640,069</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 28,055,854</u>	<u>\$ 29,804,255</u>

See the accompanying Independent Auditors' Report.

BOULDER VALLEY SCHOOL DISTRICT RE-2

GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (DEFICIT)
Year Ended June 30, 2000

	<u>2000</u>	<u>1999</u>
REVENUES		
Taxes	\$ 120,222,545	\$ 115,261,087
Tuition	2,653,920	3,408,518
Interest on Investments	507,953	499,766
Other Local Revenue	1,845,232	3,780,598
State Equalization	29,110,241	27,821,878
State Reimbursement Programs	2,110,529	2,277,738
Special Education	3,171,964	2,956,640
English Language Proficiency Act	139,467	113,595
Federal Sources	-	17,086
TOTAL REVENUES	<u>159,761,851</u>	<u>156,136,906</u>
EXPENDITURES		
Instruction - Regular Programs	76,848,929	70,046,988
Instruction - Special Programs	26,292,949	24,781,211
Student Support Services	3,891,422	3,333,077
Instructional Staff Services	6,802,862	4,874,521
General Administration	1,797,213	1,923,201
School Administration	12,857,578	11,167,773
Business Services	1,612,993	1,476,452
Operations and Maintenance	12,633,242	11,473,734
Pupil Transportation	5,391,969	4,619,472
Central Support Services	3,843,509	3,500,910
Other Support Service	283,697	43,920
Enterprise Operations	31,897	58,564
Community Services	2,003,172	2,202,873
Adult Education	49,644	35,267
Debt Services	1,265,034	1,264,129
Insurance Reserves	1,672,969	1,951,362
TOTAL EXPENDITURES	<u>157,279,079</u>	<u>142,753,454</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>2,482,772</u>	<u>13,383,452</u>
OTHER FINANCING SOURCES (USES)		
Proceeds from the Sale of Fixed Assets	-	31,743
Operating Transfers Out	<u>(4,276,108)</u>	<u>(3,795,794)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(4,276,108)</u>	<u>(3,764,051)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(1,793,336)	9,619,401
FUND BALANCE (DEFICITS), BEGINNING	<u>7,640,069</u>	<u>(1,979,332)</u>
FUND BALANCE (DEFICITS), ENDING	<u>\$ 5,846,733</u>	<u>\$ 7,640,069</u>

See the accompanying Independent Auditors' Report.

BOULDER VALLEY SCHOOL DISTRICT RE-2

**GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGET BASIS)
Year Ended June 30, 2000**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Taxes	\$ 120,399,617	\$ 120,222,545	\$ (177,072)
Tuition	3,104,721	2,653,920	(450,801)
Interest on Investments	730,000	507,953	(222,047)
Other Local Revenue	1,852,676	1,845,232	(7,444)
State Equalization	28,473,406	29,110,241	636,835
State Reimbursement Programs	2,058,933	2,110,529	51,596
Special Education	3,156,141	3,171,964	15,823
English Language Proficiency Act	125,000	139,467	14,467
TOTAL REVENUES	<u>159,900,494</u>	<u>159,761,851</u>	<u>(138,643)</u>
EXPENDITURES			
Instruction - Regular Programs	80,313,318	76,486,035	3,827,283
Instruction - Special Programs	26,780,015	25,932,900	847,115
Student Support Services	4,066,337	4,089,011	(22,674)
Instructional Staff Services	6,737,382	6,673,858	63,524
General Administration	1,830,898	1,797,213	33,685
School Administration	12,189,895	12,863,392	(673,497)
Business Services	1,769,838	1,612,993	156,845
Operations and Maintenance	14,067,186	12,633,242	1,433,944
Pupil Transportation	4,711,723	5,391,969	(680,246)
Central Support Services	4,082,975	3,832,694	250,281
Other Support Service	2,861	283,697	(280,836)
Enterprise Operations	8,257	31,897	(23,640)
Community Services	2,646,143	2,003,172	642,971
Adult Education	37,434	49,644	(12,210)
Debt Services	1,257,158	1,265,034	(7,876)
Reserves	7,895,199	-	7,895,199
TOTAL EXPENDITURES	<u>168,396,619</u>	<u>154,946,751</u>	<u>13,449,868</u>
 EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	 (8,496,125)	 4,815,100	 13,311,225
OTHER FINANCING SOURCES (USES)			
Operating Transfers Out	<u>(5,979,419)</u>	<u>(5,949,077)</u>	<u>30,342</u>
 EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	 (14,475,544)	 (1,133,977)	 13,341,567
 Salaries and Benefits Earned but Unpaid:			
Beginning	-	13,691,862	13,691,862
Ending	-	(14,351,221)	(14,351,221)
FUND BALANCE, BEGINNING	<u>21,540,250</u>	<u>7,640,069</u>	<u>(13,900,181)</u>
FUND BALANCE, ENDING	<u>\$ 7,064,706</u>	<u>\$ 5,846,733</u>	<u>\$ (1,217,973)</u>

See the accompanying Independent Auditors' Report.

SPECIAL REVENUE FUNDS

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

The District has the following 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.

Tuition Based Preschool

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

BOULDER VALLEY SCHOOL DISTRICT RE-2

SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEETS
June 30, 2000

	GOVERNMENTAL DESIGNATED- PURPOSE GRANTS FUND	TUITION BASED PRESCHOOL	TOTALS	
			2000	1999
ASSETS				
Equity in Pooled Cash and Temporary Cash Investments	\$ (31,720)	\$ 38,350	\$ 6,630	\$ 106,728
Accounts Receivable	<u>1,179,521</u>	<u>-</u>	<u>1,179,521</u>	<u>934,233</u>
TOTAL ASSETS	\$ <u><u>1,147,801</u></u>	\$ <u><u>38,350</u></u>	\$ <u><u>1,186,151</u></u>	\$ <u><u>1,040,961</u></u>
LIABILITIES AND FUND BALANCES (DEFICITS)				
LIABILITIES				
Accounts Payable	\$ 127,632	\$ -	\$ 127,632	\$ 88,010
Accrued Salaries and Benefits	629,032	1,145	630,177	552,182
Deferred Revenue	<u>423,057</u>	<u>-</u>	<u>423,057</u>	<u>343,447</u>
TOTAL LIABILITIES	1,179,721	1,145	1,180,866	983,639
FUND BALANCES (DEFICITS)				
Unreserved	<u>(31,920)</u>	<u>37,205</u>	<u>5,285</u>	<u>57,322</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	\$ <u><u>1,147,801</u></u>	\$ <u><u>38,350</u></u>	\$ <u><u>1,186,151</u></u>	\$ <u><u>1,040,961</u></u>

See the accompanying Independent Auditors' Report.

BOULDER VALLEY SCHOOL DISTRICT RE-2

**SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (DEFICITS)
Year Ended June 30, 2000**

	GOVERNMENTAL DESIGNATED- PURPOSE GRANTS FUND	TUITION BASED PRESCHOOL	TOTALS	
			2000	1999
REVENUES				
Local Revenue	\$ 293,698	\$ 160,817	\$ 454,515	\$ 384,345
State Grants	186,802	-	186,802	132,833
Federal Grants	5,540,810	-	5,540,810	4,300,278
TOTAL REVENUES	6,021,310	160,817	6,182,127	4,817,456
EXPENDITURES				
Current				
Instruction - Regular Programs	2,111,123	-	2,111,123	2,012,537
Instruction - Special Programs	2,050,929	-	2,050,929	1,330,669
Student Support Services	752,218	-	752,218	597,550
Instruction Staff Services	508,254	-	508,254	323,172
General Administration	17,626	-	17,626	9,974
School Administration	454,955	-	454,955	281,450
Business Services	370	-	370	-
Operations and Maintenance	441	-	441	420
Student Transportation	2,090	-	2,090	-
Central Support Services	1,978	-	1,978	1,398
Community Services	138,627	195,553	334,180	253,802
TOTAL EXPENDITURES	6,038,611	195,553	6,234,164	4,810,972
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(17,301)	(34,736)	(52,037)	6,484
FUND BALANCE (DEFICIT), BEGINNING	(14,619)	71,941	57,322	50,838
FUND BALANCE (DEFICIT), ENDING	\$ (31,920)	\$ 37,205	\$ 5,285	\$ 57,322

See the accompanying Independent Auditors' Report.

BOULDER VALLEY SCHOOL DISTRICT RE-2

SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (DEFICITS)
BUDGET AND ACTUAL (BUDGET BASIS)
Year Ended June 30, 2000

	GOVERNMENTAL DESIGNATED PURPOSE GRANTS		
	BUDGET	ACTUAL	VARIANCE- FAVORABLE (UNFAVORABLE)
REVENUES			
Local Revenue	\$ 251,135	\$ 293,698	\$ 42,563
State Revenue	80,600	186,802	106,202
Federal Revenue	6,133,567	4,994,845	(1,138,722)
TOTAL REVENUES	6,465,302	5,475,345	(989,957)
EXPENDITURES			
Current			
Instruction - Regular Programs	2,158,575	2,087,072	71,503
Instruction - Special Programs	2,558,351	2,050,929	507,422
Student Support Services	632,007	752,218	(120,211)
Instruction Staff Services	591,060	508,254	82,806
General Administration	-	17,626	(17,626)
School Administration	499,353	454,955	44,398
Business Services	-	370	(370)
Operations and Maintenance	-	441	(441)
Student Transportation	7,538	2,090	5,448
Central Support Services	6,026	1,978	4,048
Community Services	159,895	138,627	21,268
TOTAL EXPENDITURES	6,612,805	6,014,560	598,245
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(147,503)	(539,215)	(391,712)
Salaries and Benefits Earned but Unpaid:			
Beginning	-	521,914	521,914
Ending	-	(545,965)	(545,965)
Revenues Accrued Due to Salaries and Benefits Earned but Unpaid	-	545,965	545,965
FUND BALANCE (DEFICIT), BEGINNING	-	(14,619)	(14,619)
FUND BALANCE (DEFICIT), ENDING	\$ (147,503)	\$ (31,920)	\$ 115,583

See the accompanying Independent Auditor's Report.

TUITION BASED PRESCHOOL			TOTAL		
BUDGET	ACTUAL	VARIANCE- FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE- FAVORABLE (UNFAVORABLE)
\$ 166,078	\$ 160,817	\$ (5,261)	\$ 417,213	\$ 454,515	\$ 37,302
-	-	-	80,600	186,802	106,202
-	-	-	6,133,567	4,994,845	(1,138,722)
166,078	160,817	(5,261)	6,631,380	5,636,162	(995,218)
-	-	-	2,158,575	2,087,072	71,503
-	-	-	2,558,351	2,050,929	507,422
-	-	-	632,007	752,218	(120,211)
-	-	-	591,060	508,254	82,806
-	-	-	-	17,626	(17,626)
-	-	-	499,353	454,955	44,398
-	-	-	-	370	(370)
-	-	-	-	441	(441)
-	-	-	7,538	2,090	5,448
-	-	-	6,026	1,978	4,048
238,018	195,553	42,465	397,913	334,180	63,733
238,018	195,553	42,465	6,850,823	6,210,113	640,710
(71,940)	(34,736)	37,204	(219,443)	(573,951)	(354,508)
-	-	-	-	521,914	521,914
-	-	-	-	(545,965)	(545,965)
-	-	-	-	545,965	545,965
71,940	71,941	1	71,940	57,322	(14,618)
\$ -	\$ 37,205	\$ 37,205	\$ (147,503)	\$ 5,285	\$ 152,788



DEBT SERVICE FUND

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

The District has one debt service fund as follows:

Bond Redemption Fund

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

BOULDER VALLEY SCHOOL DISTRICT RE-2

DEBT SERVICE BOND REDEMPTION FUND
COMPARATIVE BALANCE SHEETS

June 30, 2000

	<u>2000</u>	<u>1999</u>
ASSETS		
Equity in Pooled Cash and		
Temporary Cash Investments	\$ 14,080,772	\$ 14,063,361
Property Taxes Receivable, Net	<u>416,130</u>	<u>556,022</u>
TOTAL ASSETS	\$ <u>14,496,902</u>	\$ <u>14,619,383</u>
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts Payable	\$ 1,801	\$ 856
Deferred Property Tax Revenue	<u>322,116</u>	<u>151,412</u>
TOTAL LIABILITIES	323,917	152,268
FUND BALANCES		
Reserved for Debt Service	<u>14,172,985</u>	<u>14,467,115</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ <u>14,496,902</u>	\$ <u>14,619,383</u>

See the accompanying Independent Auditors' Report.

BOULDER VALLEY SCHOOL DISTRICT RE-2

DEBT SERVICE BOND REDEMPTION FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
Year Ended June 30, 2000

	<u>2000</u>	<u>1999</u>
REVENUES		
Property Taxes	\$ 13,872,203	\$ 14,225,312
Delinquent Taxes	(26,189)	8,602
Earnings on Investments	<u>611,459</u>	<u>487,507</u>
TOTAL REVENUES	<u>14,457,473</u>	<u>14,721,421</u>
EXPENDITURES		
Debt Service		
Principal Retirements	5,865,000	6,400,000
Interest on Debt	8,880,220	7,059,274
Other Expenses	<u>6,383</u>	<u>6,580</u>
TOTAL EXPENDITURES	<u>14,751,603</u>	<u>13,465,854</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(294,130)	1,255,567
FUND BALANCE, BEGINNING	<u>14,467,115</u>	<u>13,211,548</u>
FUND BALANCE, ENDING	<u>\$ 14,172,985</u>	<u>\$ 14,467,115</u>

See the accompanying Independent Auditors' Report.

BOULDER VALLEY SCHOOL DISTRICT RE-2

DEBT SERVICE BOND REDEMPTION FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended June 30, 2000

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Property Taxes	\$ 14,370,485	\$ 13,872,203	\$ (498,282)
Delinquent Taxes	-	(26,189)	(26,189)
Earnings on Investments	<u>575,365</u>	<u>611,459</u>	<u>36,094</u>
 TOTAL REVENUES	 <u>14,945,850</u>	 <u>14,457,473</u>	 <u>(488,377)</u>
EXPENDITURES			
Debt Service			
Principal Retirements	5,865,000	5,865,000	-
Interest on Debt	8,880,220	8,880,220	-
Other Expenses	<u>20,000</u>	<u>6,383</u>	<u>13,617</u>
 TOTAL EXPENDITURES	 <u>14,765,220</u>	 <u>14,751,603</u>	 <u>13,617</u>
 EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	 180,630	 (294,130)	 (474,760)
 FUND BALANCE, BEGINNING	 <u>14,227,973</u>	 <u>14,467,115</u>	 <u>239,142</u>
 FUND BALANCE, ENDING	 <u>\$ 14,408,603</u>	 <u>\$ 14,172,985</u>	 <u>\$ (235,618)</u>

See the accompanying Independent Auditors' Report.

CAPITAL PROJECTS FUNDS

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

The District has the following capital projects funds:

Capital Reserve Fund

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

Energy Conservation Fund

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

Building Fund 1994

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

Building Fund 1999

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

BOULDER VALLEY SCHOOL DISTRICT RE-2

CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEETS
June 30, 2000

	<u>CAPITAL RESERVE FUND</u>	<u>ENERGY CONSERVATION FUND</u>
ASSETS		
Equity in Pooled Cash and Temporary Cash Investments	\$ 1,527,253	\$ -
Restricted Investments	-	1,263,134
Accounts Receivable	121,023	-
Accrued Interest Receivable	<u>-</u>	<u>10,385</u>
TOTAL ASSETS	\$ <u>1,648,276</u>	\$ <u>1,273,519</u>
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts Payable	\$ 361,603	\$ 248
Accrued Salaries and Benefits	1,426	-
Arbitrage Payable	-	-
Retainage Payable	-	-
Due to Other Funds	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>363,029</u>	<u>248</u>
FUND BALANCES		
Reserved for Construction	-	-
Reserved for Emergencies	191,385	6,244
Unreserved		
Designated for Subsequent Year Expenditures	<u>1,093,862</u>	<u>1,267,027</u>
TOTAL FUND BALANCES	<u>1,285,247</u>	<u>1,273,271</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ <u>1,648,276</u>	\$ <u>1,273,519</u>

See the accompanying Independent Auditors' Report.

BUILDING FUND 1994	BUILDING FUND 1999	TOTALS	
		2000	1999
\$ 5,459,750	\$ 33,816,008	\$ 40,803,011	\$ 73,809,490
-	-	1,263,134	1,230,237
-	121,910	242,933	89,332
-	-	10,385	10,773
<u>\$ 5,459,750</u>	<u>\$ 33,937,918</u>	<u>\$ 42,319,463</u>	<u>\$ 75,139,832</u>
\$ 103,237	\$ 7,324,449	\$ 7,789,537	\$ 1,461,530
-	5,236	6,662	3,034
262,293	206,386	468,679	2,487,726
24,381	2,247,428	2,271,809	187,419
-	-	-	267,039
<u>389,911</u>	<u>9,783,499</u>	<u>10,536,687</u>	<u>4,406,748</u>
5,069,839	24,154,419	29,224,258	67,935,345
-	-	197,629	162,007
-	-	2,360,889	2,635,732
<u>5,069,839</u>	<u>24,154,419</u>	<u>31,782,776</u>	<u>70,733,084</u>
<u>\$ 5,459,750</u>	<u>\$ 33,937,918</u>	<u>\$ 42,319,463</u>	<u>\$ 75,139,832</u>

BOULDER VALLEY SCHOOL DISTRICT RE-2

CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
Year Ended June 30, 2000

	<u>CAPITAL RESERVE FUND</u>	<u>ENERGY CONSERVATION FUND</u>
REVENUES		
Earnings on Investments	\$ -	\$ 86,935
Other Local Sources	<u>515,967</u>	<u>-</u>
 TOTAL REVENUES	 <u>515,967</u>	 <u>86,935</u>
EXPENDITURES		
Capital Outlay		
Facilities Acquisition	272,399	-
Building Improvements	1,067,257	-
Instructional Technology	325,677	-
Operating Departments	2,041,904	174,980
School Projects	<u>1,324,455</u>	<u>-</u>
 TOTAL EXPENDITURES	 <u>5,031,692</u>	 <u>174,980</u>
 EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	 <u>(4,515,725)</u>	 <u>(88,045)</u>
OTHER FINANCING SOURCES		
Operating Transfers In	4,276,108	-
Proceeds from Sale of Fixed Assets	88,441	-
Proceeds from Sale of Bonds	<u>-</u>	<u>-</u>
 TOTAL OTHER FINANCING SOURCES	 <u>4,364,549</u>	 <u>-</u>
 EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	 <u>(151,176)</u>	 <u>(88,045)</u>
FUND BALANCES, BEGINNING	<u>1,436,423</u>	<u>1,361,316</u>
FUND BALANCES, ENDING	\$ <u><u>1,285,247</u></u>	\$ <u><u>1,273,271</u></u>

See the accompanying Independent Auditors' Report.

BUILDING FUND 1994	BUILDING FUND 1999	TOTALS	
		2000	1999
\$ 224,882	\$ 2,466,326	\$ 2,778,143	\$ 1,688,188
5,000	1,071,305	1,592,272	53,405
<u>229,882</u>	<u>3,537,631</u>	<u>4,370,415</u>	<u>1,741,593</u>
1,344,867	41,648,255	43,265,521	10,492,516
-	-	1,067,257	761,453
-	-	325,677	481,245
-	-	2,216,884	1,284,886
-	-	1,324,455	1,281,545
<u>1,344,867</u>	<u>41,648,255</u>	<u>48,199,794</u>	<u>14,301,645</u>
<u>(1,114,985)</u>	<u>(38,110,624)</u>	<u>(43,829,379)</u>	<u>(12,560,052)</u>
-	-	4,276,108	3,795,794
-	514,522	602,963	171,541
-	-	-	63,836,755
<u>-</u>	<u>514,522</u>	<u>4,879,071</u>	<u>67,804,090</u>
(1,114,985)	(37,596,102)	(38,950,308)	55,244,038
<u>6,184,824</u>	<u>61,750,521</u>	<u>70,733,084</u>	<u>15,489,046</u>
\$ <u>5,069,839</u>	\$ <u>24,154,419</u>	\$ <u>31,782,776</u>	\$ <u>70,733,084</u>

BOULDER VALLEY SCHOOL DISTRICT RE-2

CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
Year Ended June 30, 2000

	CAPITAL RESERVE FUND		
	BUDGET	ACTUAL	VARIANCE- FAVORABLE (UNFAVORABLE)
REVENUES			
Earnings on Investments	\$ -	\$ -	\$ -
Other Local Sources	692,000	515,967	(176,033)
TOTAL REVENUES	692,000	515,967	(176,033)
EXPENDITURES			
Capital Outlay			
Facilities Acquisition	277,125	272,399	4,726
Building Improvements	1,174,500	1,067,257	107,243
Instructional Technology	363,163	325,677	37,486
Operating Departments	2,293,209	2,041,904	251,305
School Projects	2,271,488	1,324,455	947,033
Reserves	191,385	-	191,385
TOTAL EXPENDITURES	6,570,870	5,031,692	1,539,178
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(5,878,870)	(4,515,725)	1,363,145
OTHER FINANCING SOURCES			
Operating Transfers In	4,306,450	4,276,108	(30,342)
Proceeds from Sale of Fixed Assets	85,000	88,441	3,441
TOTAL OTHER FINANCING SOURCES	4,391,450	4,364,549	(26,901)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	(1,487,420)	(151,176)	1,336,244
FUND BALANCES, BEGINNING	1,487,420	1,436,423	(50,997)
FUND BALANCES, ENDING	\$ -	\$ 1,285,247	\$ 1,285,247

(Continued)

See the accompanying Independent Auditor's Report.

ENERGY CONSERVATION FUND			BUILDING FUND 1994		
BUDGET	ACTUAL	VARIANCE- FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE- FAVORABLE (UNFAVORABLE)
\$ 83,307	\$ 86,935	\$ 3,628	\$ 100,000	\$ 224,882	\$ 124,882
-	-	-	-	5,000	5,000
83,307	86,935	3,628	100,000	229,882	129,882
-	-	-	5,500,000	1,344,867	4,155,133
-	-	-	-	-	-
-	-	-	-	-	-
208,142	174,980	33,162	-	-	-
-	-	-	-	-	-
6,244	-	6,244	-	-	-
214,386	174,980	39,406	5,500,000	1,344,867	4,155,133
(131,079)	(88,045)	43,034	(5,400,000)	(1,114,985)	4,285,015
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(131,079)	(88,045)	43,034	(5,400,000)	(1,114,985)	4,285,015
1,361,316	1,361,316	-	11,064,653	6,184,824	(4,879,829)
\$ 1,230,237	\$ 1,273,271	\$ 43,034	\$ 5,664,653	\$ 5,069,839	\$ (594,814)

BOULDER VALLEY SCHOOL DISTRICT RE-2

CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (Continued)
Year Ended June 30, 2000

	BUILDING FUND 1999		
	BUDGET	ACTUAL	VARIANCE- FAVORABLE (UNFAVORABLE)
REVENUES			
Earnings on Investments	\$ 2,098,019	\$ 2,466,326	\$ 368,307
Other Local Sources	-	1,071,305	1,071,305
TOTAL REVENUES	2,098,019	3,537,631	1,439,612
EXPENDITURES			
Capital Outlay			
Facilities Acquisition	50,000,000	41,648,255	8,351,745
Building Improvements	-	-	-
Instructional Technology	-	-	-
Operating Departments	-	-	-
School Projects	-	-	-
Reserves	-	-	-
TOTAL EXPENDITURES	50,000,000	41,648,255	8,351,745
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(47,901,981)	(38,110,624)	9,791,357
OTHER FINANCING SOURCES			
Operating Transfers In	-	-	-
Proceeds from Sale of Fixed Assets	-	514,522	514,522
TOTAL OTHER FINANCING SOURCES	-	514,522	514,522
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	(47,901,981)	(37,596,102)	10,305,879
FUND BALANCES, BEGINNING	57,123,842	61,750,521	4,626,679
FUND BALANCES, ENDING	\$ 9,221,861	\$ 24,154,419	\$ 14,932,558

See the accompanying Independent Auditor's Report.

TOTAL		
BUDGET	ACTUAL	VARIANCE- FAVORABLE (UNFAVORABLE)
\$ 2,281,326	\$ 2,778,143	\$ 496,817
692,000	1,592,272	900,272
2,973,326	4,370,415	1,397,089
55,777,125	43,265,521	12,511,604
1,174,500	1,067,257	107,243
363,163	325,677	37,486
2,501,351	2,216,884	284,467
2,271,488	1,324,455	947,033
197,629	-	197,629
62,285,256	48,199,794	14,085,462
(59,311,930)	(43,829,379)	15,482,551
4,306,450	4,276,108	(30,342)
85,000	602,963	517,963
4,391,450	4,879,071	487,621
(54,920,480)	(38,950,308)	15,970,172
71,037,231	70,733,084	(304,147)
\$ 16,116,751	\$ 31,782,776	\$ 15,666,025



ENTERPRISE FUND

Enterprise funds account for operations that are financed and operated in a manner similar to private enterprises, where the cost of providing goods or services to the general public is financed or recovered primarily by user charges.

The District has one enterprise fund as follows:

Food Service Fund

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

BOULDER VALLEY SCHOOL DISTRICT RE-2**FOOD SERVICE ENTERPRISE FUND**
COMPARATIVE BALANCE SHEETS

June 30, 2000

	<u>2000</u>	<u>1999</u>
ASSETS		
CURRENT ASSETS		
Equity in Pooled Cash and Temporary Cash Investments	\$ 606,529	\$ 925,039
Accounts Receivable	67,465	518
Inventories		
Purchased Food	62,696	77,793
USDA Donated Commodities	89,036	95,139
Supplies	33,978	42,651
	<hr/>	<hr/>
TOTAL CURRENT ASSETS	859,704	1,141,140
EQUIPMENT	1,183,755	1,064,350
Less Accumulated Depreciation	(723,083)	(673,083)
	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 1,320,376</u>	<u>\$ 1,532,407</u>
LIABILITIES AND FUND EQUITY		
CURRENT LIABILITIES		
Accounts Payable	\$ 4,159	\$ 49,048
Accrued Salaries	81,191	62,124
Accrued Benefits	-	7,252
Deferred Revenue	89,036	95,139
	<hr/>	<hr/>
TOTAL CURRENT LIABILITIES	174,386	213,563
FUND EQUITY		
Contributed Capital	834,417	834,417
Retained Earnings		
Reserved for Emergencies	131,386	122,953
Unreserved	180,187	361,474
	<hr/>	<hr/>
TOTAL FUND EQUITY	1,145,990	1,318,844
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 1,320,376</u>	<u>\$ 1,532,407</u>

See the accompanying Independent Auditors' Report.

BOULDER VALLEY SCHOOL DISTRICT RE-2

FOOD SERVICE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
Year Ended June 30, 2000

	<u>2000</u>	<u>1999</u>
OPERATING REVENUES		
Regular School Lunch	\$ 1,535,107	\$ 1,528,165
Sandwich Line	1,608,801	1,401,527
Other Revenue	<u>74,514</u>	<u>62,930</u>
 TOTAL OPERATING REVENUES	 <u>3,218,422</u>	 <u>2,992,622</u>
 OPERATING EXPENSES		
Salaries	1,703,680	1,481,176
Benefits	384,362	304,200
Purchased Food	1,890,387	1,630,449
USDA Donated Commodities	164,155	224,146
Nonfood Supplies	103,164	188,687
Purchased Services	169,262	155,061
Depreciation	50,000	50,000
Other	<u>103,203</u>	<u>-</u>
 TOTAL OPERATING EXPENSES	 <u>4,568,213</u>	 <u>4,033,719</u>
 OPERATING INCOME (LOSS)	 <u>(1,349,791)</u>	 <u>(1,041,097)</u>
 NONOPERATING REVENUES		
USDA Donated Commodities	205,703	224,787
State Reimbursement	<u>971,234</u>	<u>991,368</u>
 TOTAL NONOPERATING REVENUES	 <u>1,176,937</u>	 <u>1,216,155</u>
 NET INCOME (LOSS)	 (172,854)	 175,058
 RETAINED EARNINGS, BEGINNING	 <u>484,427</u>	 <u>309,369</u>
 RETAINED EARNINGS, ENDING	 <u>\$ 311,573</u>	 <u>\$ 484,427</u>

See the accompanying Independent Auditors' Report.

BOULDER VALLEY SCHOOL DISTRICT RE-2

FOOD SERVICE ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
BUDGET AND ACTUAL
Year Ended June 30, 2000

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
OPERATING REVENUES			
Regular School Lunch	\$ 1,604,275	\$ 1,535,107	\$ (69,168)
Sandwich Line	1,463,832	1,608,801	144,969
Other Revenue	67,533	74,514	6,981
TOTAL OPERATING REVENUES	<u>3,135,640</u>	<u>3,218,422</u>	<u>82,782</u>
OPERATING EXPENSES			
Salaries	1,743,675	1,703,680	39,995
Benefits	368,165	384,362	(16,197)
Purchased Food	1,598,803	1,890,387	(291,584)
USDA Donated Commodities	238,374	164,155	74,219
Nonfood Supplies	130,248	103,164	27,084
Purchased Services	140,800	169,262	(28,462)
Depreciation	50,000	50,000	-
Other	109,458	103,203	6,255
Reserves	131,386	-	131,386
TOTAL OPERATING EXPENSES	<u>4,510,909</u>	<u>4,568,213</u>	<u>(57,304)</u>
OPERATING INCOME (LOSS)	<u>(1,375,269)</u>	<u>(1,349,791)</u>	<u>25,478</u>
NONOPERATING REVENUES			
USDA Donated Commodities	238,374	205,703	(32,671)
State Reimbursement	964,796	971,234	6,438
TOTAL NONOPERATING REVENUES	<u>1,203,170</u>	<u>1,176,937</u>	<u>(26,233)</u>
NET INCOME (LOSS)	<u>(172,099)</u>	<u>(172,854)</u>	<u>(755)</u>
RETAINED EARNINGS, BEGINNING	<u>500,452</u>	<u>484,427</u>	<u>(16,025)</u>
RETAINED EARNINGS, ENDING	<u>\$ 328,353</u>	<u>\$ 311,573</u>	<u>\$ (16,780)</u>

See the accompanying Independent Auditors' Report.

BOULDER VALLEY SCHOOL DISTRICT RE-2

FOOD SERVICE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS

Increase (Decrease) in Cash
Year Ended June 30, 2000

	<u>2000</u>	<u>1999</u>
Cash Flows From Operating Activities		
Cash Received from Operations	\$ 3,351,075	\$ 2,993,783
Cash Paid to Suppliers and Employees	<u>(4,521,414)</u>	<u>(3,711,137)</u>
Net Cash Provided (Used) by Operating Activities	<u>(1,170,339)</u>	<u>(717,354)</u>
Cash Flows From Noncapital Financing Activities		
Cash Received from National School Lunch Program	<u>971,234</u>	<u>991,368</u>
Cash Flows From Capital Financing Activities		
Purchase of Equipment	<u>(119,405)</u>	<u>(74,997)</u>
NET INCREASE (DECREASE) IN CASH	(318,510)	199,017
CASH, BEGINNING	<u>925,039</u>	<u>726,022</u>
CASH, ENDING	\$ <u><u>606,529</u></u>	\$ <u><u>925,039</u></u>
RECONCILIATION OF OPERATING INCOME		
(LOSS) TO NET CASH PROVIDED (USED) BY		
OPERATING ACTIVITIES		
Operating Income (Loss)	\$ <u>(1,349,791)</u>	\$ <u>(1,041,097)</u>
Adjustments to Reconcile Operating Income (Loss) to		
Net Cash Provided (Used) by Operating Activities		
Depreciation	50,000	50,000
Donated Commodities	205,703	224,787
Changes in Assets and Liabilities Related to Operations		
Accounts Receivable	(66,947)	1,161
Inventory	29,873	38,101
Accounts Payable	(44,889)	11,789
Accrued Salaries and Benefits	11,815	7,752
Deferred Revenue	<u>(6,103)</u>	<u>(9,847)</u>
Total Adjustments	<u>179,452</u>	<u>323,743</u>
Net Cash Provided (Used) by Operating Activities	\$ <u><u>(1,170,339)</u></u>	\$ <u><u>(717,354)</u></u>

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



INTERNAL SERVICE FUND

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

The District has the following Internal Service Fund:

Insurance Reserve Fund

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

BOULDER VALLEY SCHOOL DISTRICT RE-2

INSURANCE RESERVE INTERNAL SERVICE FUND
COMPARATIVE BALANCE SHEETS

June 30, 2000

	<u>2000</u>	<u>1999</u>
ASSETS		
Equity in Pooled Cash and		
Temporary Cash Investments	\$ 334,104	\$ -
Other Accounts Receivable	653	-
Prepaid Assets	<u>828,005</u>	<u>1,010,724</u>
TOTAL ASSETS	\$ <u>1,162,762</u>	\$ <u>1,010,724</u>
LIABILITIES AND FUND EQUITY		
LIABILITIES		
Accounts Payable	\$ 51,811	\$ 5,692
Due to Other Funds	-	61,385
Accrued Salaries and Benefits	<u>15,889</u>	<u>10,531</u>
TOTAL LIABILITIES	<u>67,700</u>	<u>77,608</u>
FUND EQUITY		
Retained Earnings		
Reserved for Emergencies	52,618	75,458
Unreserved	<u>1,042,444</u>	<u>857,658</u>
TOTAL FUND EQUITY	<u>1,095,062</u>	<u>933,116</u>
TOTAL LIABILITIES AND FUND EQUITY	\$ <u>1,162,762</u>	\$ <u>1,010,724</u>

See the accompanying Independent Auditors' Report.

BOULDER VALLEY SCHOOL DISTRICT RE-2

INSURANCE RESERVE INTERNAL SERVICE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
Year Ended June 30, 2000

	<u>2000</u>	<u>1999</u>
OPERATING REVENUES		
Premiums and Services	\$ 1,672,969	\$ 1,951,362
Other Revenue	<u>35,143</u>	<u>195,274</u>
 TOTAL OPERATING REVENUES	 <u>1,708,112</u>	 <u>2,146,636</u>
 OPERATING EXPENSES		
Salaries	636,190	529,531
Benefits	143,017	117,970
Other Expenses	297,326	321,866
Insurance Premiums and Claims	283,221	553,866
Workers Compensation Insurance	183,034	517,138
Capital Outlay	3,378	12,042
Contingency Reserve	<u>-</u>	<u>152,307</u>
 TOTAL OPERATING EXPENSES	 <u>1,546,166</u>	 <u>2,204,720</u>
 NET INCOME (LOSS)	 161,946	 (58,084)
 RETAINED EARNINGS, BEGINNING	 <u>933,116</u>	 <u>991,200</u>
 RETAINED EARNINGS, ENDING	 <u>\$ 1,095,062</u>	 <u>\$ 933,116</u>

See the accompanying Independent Auditors' Report.

BOULDER VALLEY SCHOOL DISTRICT RE-2**INSURANCE RESERVE INTERNAL SERVICE FUND****STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
BUDGET AND ACTUAL (BUDGET BASIS)****Year Ended June 30, 2000**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
OPERATING REVENUES			
Other Revenue	\$ 363,604	\$ 35,143	\$ (328,461)
OPERATING EXPENSES			
Salaries	640,151	636,190	3,961
Benefits	130,794	143,017	(12,223)
Other Expenses	590,000	297,326	292,674
Insurance Premiums and Claims	391,498	283,221	108,277
Workers Compensation Insurance	1,500	183,034	(181,534)
Capital Outlay	-	3,378	(3,378)
Emergency Reserve	52,618	-	52,618
TOTAL OPERATING EXPENSES	<u>1,806,561</u>	<u>1,546,166</u>	<u>260,395</u>
OPERATING INCOME (LOSS)	(1,442,957)	(1,511,023)	(68,066)
OPERATING TRANSFER IN			
General Fund	<u>1,672,969</u>	<u>1,672,969</u>	<u>-</u>
NET INCOME (LOSS)	230,012	161,946	(68,066)
RETAINED EARNINGS, BEGINNING	<u>538,592</u>	<u>933,116</u>	<u>394,524</u>
RETAINED EARNINGS, ENDING	<u>\$ 768,604</u>	<u>\$ 1,095,062</u>	<u>\$ 326,458</u>

See the accompanying Independent Auditors' Report.

BOULDER VALLEY SCHOOL DISTRICT RE-2

INSURANCE RESERVE INTERNAL SERVICE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS

Increase (Decrease) in Cash
Year Ended June 30, 2000

	<u>2000</u>	<u>1999</u>
Cash Flows From Operating Activities		
Receipts from premiums and services	\$ 1,672,316	\$ 2,316,751
Other operating receipts	35,143	195,497
Cash payments for premiums and claims	(283,536)	(1,870,965)
Cash Paid to Suppliers and Employees	<u>(1,089,819)</u>	<u>(668,409)</u>
Net Cash Provided (Used) by Operating Activities	<u>334,104</u>	<u>(27,126)</u>
NET INCREASE (DECREASE) IN CASH	334,104	(27,126)
CASH, BEGINNING	<u>-</u>	<u>27,126</u>
CASH, ENDING	\$ <u><u>334,104</u></u>	\$ <u><u>-</u></u>
 RECONCILIATION OF NET INCOME (LOSS)		
TO NET CASH PROVIDED (USED) BY		
OPERATING ACTIVITIES		
Net Income (Loss)	\$ <u>161,946</u>	\$ <u>(58,084)</u>
Adjustments to Reconcile Net Income (Loss)		
to Net Cash Provided (Used) by Operating Activities		
Changes in Assets and Liabilities		
Accounts Receivable	(653)	224
Prepaid Asset	182,719	(29,134)
Accounts Payable	46,119	(8,867)
Accrued Vacation Payable	5,358	7,350
Due to Other Funds	<u>(61,385)</u>	<u>61,385</u>
Total Adjustments	<u>172,158</u>	<u>30,958</u>
Net Cash Provided (Used) by Operating Activities	\$ <u><u>334,104</u></u>	\$ <u><u>(27,126)</u></u>

See the accompanying Independent Auditors' Report.



TRUST AND AGENCY FUNDS

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

The District has the following trust and agency funds:

Expendable Trust Funds

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

Nonexpendable Trust Funds

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

Agency Fund

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

BOULDER VALLEY SCHOOL DISTRICT RE-2**TRUST AND AGENCY FUNDS**
COMBINING BALANCE SHEET

June 30, 2000

	TRUST FUNDS		AGENCY FUND
	<u>EXPENDABLE</u>	<u>NONEXPENDABLE</u>	
ASSETS			
Equity in Pooled Cash and Temporary Cash Investments	\$ 41,879	\$ 145,814	\$ 2,241,024
TOTAL ASSETS	<u>\$ 41,879</u>	<u>\$ 145,814</u>	<u>\$ 2,241,024</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 600	\$ -	\$ 70,242
Due to Student Groups	-	-	2,170,782
TOTAL LIABILITIES	<u>600</u>	<u>-</u>	<u>2,241,024</u>
FUND BALANCES			
Reserved for Endowment	-	145,814	-
Unreserved - Undesignated	41,279	-	-
TOTAL FUND BALANCES	<u>41,279</u>	<u>145,814</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 41,879</u>	<u>\$ 145,814</u>	<u>\$ 2,241,024</u>

See the accompanying Independent Auditors' Report.

TOTALS

<u>2000</u>	<u>1999</u>
\$ <u>2,428,717</u>	\$ <u>1,852,041</u>
\$ <u><u>2,428,717</u></u>	\$ <u><u>1,852,041</u></u>
\$ <u>70,842</u>	\$ <u>-</u>
<u>2,170,782</u>	<u>1,665,624</u>
<u>2,241,624</u>	<u>1,665,624</u>
145,814	142,773
<u>41,279</u>	<u>43,644</u>
<u>187,093</u>	<u>186,417</u>
\$ <u><u>2,428,717</u></u>	\$ <u><u>1,852,041</u></u>

BOULDER VALLEY SCHOOL DISTRICT RE-2

**EXPENDABLE TRUST FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended June 30, 2000**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Local Sources			
Interest on Investments	\$ -	\$ 3,706	\$ 3,706
Gifts and Donations	<u>25,000</u>	<u>2,008</u>	<u>(22,992)</u>
Total Revenues	<u>25,000</u>	<u>5,714</u>	<u>(19,286)</u>
EXPENDITURES			
Scholarships and Awards	<u>20,000</u>	<u>8,079</u>	<u>11,921</u>
EXCESS OF REVENUE OVER EXPENDITURES	5,000	(2,365)	(7,365)
FUND BALANCE, BEGINNING	<u>43,644</u>	<u>43,644</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 48,644</u>	<u>\$ 41,279</u>	<u>\$ (7,365)</u>

See the accompanying Independent Auditors' Report.

BOULDER VALLEY SCHOOL DISTRICT RE-2

EXPENDABLE TRUST FUND
STATEMENT OF REVENUES, EXPENDITURES
AND FUND BALANCE
Year Ended June 30, 2000

	Fund Balance July 1, 1999	Revenue	Expenditures	Fund Balance June 30, 2000
Metcalf Scholarship	\$ 524	\$ 25	\$ 500	\$ 49
Parmerlee Grant Scholarship	2,650	1,128	430	3,348
Hoelscher Scholarship	1,689	81	50	1,720
TEC Scholarships	2,404	115	-	2,519
CASB Scholarship Hilty Award	580	28	-	608
Cameron Memorial Fund	15	41	-	56
Lens Scholarship	29	2	-	31
Jerry Buck Scholarship	2,884	629	600	2,913
Armijo Memorial Fund	549	420	500	469
Hamilton Scholarship Fund	10,976	525	500	11,001
Banman Memorial Scholarship	3,153	1,851	-	5,004
Armstrong Tech Theater Award	4,786	229	-	5,015
Urquidez Scholarship	1,445	69	-	1,514
CASB Scholarship Sandstead Award	1,468	70	-	1,538
Baldwin Memorial Scholarship	3,030	222	2,000	1,252
Taylor Memorial Scholarship	3,951	188	128	4,011
CASB Scholarship Young Award	139	6	-	145
Friends of Hult Scholarship	3,372	85	3,371	86
TOTALS	\$ 43,644	\$ 5,714	\$ 8,079	\$ 41,279

See the accompanying Independent Auditors' Report.

BOULDER VALLEY SCHOOL DISTRICT RE-2

NONEXPENDABLE TRUST FUND
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended June 30, 2000

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
OPERATING REVENUES			
Local Sources			
Interest on Investments	\$ 25,000	\$ 6,841	\$ (18,159)
Gifts and Donations	<u>-</u>	<u>-</u>	<u>-</u>
Total Operating Revenues	<u>25,000</u>	<u>6,841</u>	<u>(18,159)</u>
OPERATING EXPENSES			
Purchased Services	<u>20,000</u>	<u>3,800</u>	<u>16,200</u>
NET INCOME (LOSS)	5,000	3,041	(1,959)
FUND BALANCE, BEGINNING	<u>142,773</u>	<u>142,773</u>	<u>-</u>
FUND BALANCE, ENDING	\$ <u><u>147,773</u></u>	\$ <u><u>145,814</u></u>	\$ <u><u>(1,959)</u></u>

See the accompanying Independent Auditors' Report.

BOULDER VALLEY SCHOOL DISTRICT RE-2

**NONEXPENDABLE TRUST FUND
COMPARATIVE STATEMENTS OF CASH FLOWS**

**Increase (Decrease) in Cash
Year Ended June 30, 2000**

	<u>2000</u>	<u>1999</u>
Cash Flows From Operating Activities		
Cash Received from contributions	\$ -	\$ 10,122
Cash Paid to Suppliers for Services	<u>(3,800)</u>	<u>(16,323)</u>
Net Cash Provided (Used) by Operating Activities	(3,800)	(6,201)
Cash Flows From Investing Activities		
Interest Received	<u>6,841</u>	<u>6,777</u>
NET INCREASE (DECREASE) IN CASH	3,041	576
CASH, BEGINNING	<u>142,773</u>	<u>142,197</u>
CASH, ENDING	\$ <u><u>145,814</u></u>	\$ <u><u>142,773</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income (Loss)	\$ <u>3,041</u>	\$ <u>3,372</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities		
Interest Reported as Operating Income	(6,841)	(6,777)
Changes in Assets and Liabilities		
Accounts Receivable		
Due to Other Funds	-	(1,414)
Accounts Payable	<u>-</u>	<u>(1,382)</u>
Total Adjustments	<u>(6,841)</u>	<u>(9,573)</u>
Net Cash Provided (Used) by Operating Activities	\$ <u><u>(3,800)</u></u>	\$ <u><u>(6,201)</u></u>

See the accompanying Independent Auditors' Report.

BOULDER VALLEY SCHOOL DISTRICT RE-2

AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Year Ended June 30, 2000

	<u>Balance July 1, 1999</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2000</u>
ASSETS				
Equity in Cash and Temporary Cash Investments	\$ <u>1,665,624</u>	\$ <u>7,007,300</u>	\$ <u>6,431,900</u>	\$ <u>2,241,024</u>
TOTAL ASSETS	\$ <u><u>1,665,624</u></u>	\$ <u><u>7,007,300</u></u>	\$ <u><u>6,431,900</u></u>	\$ <u><u>2,241,024</u></u>
LIABILITIES				
Accounts Payable	\$ -	\$ 70,242	\$ -	\$ 70,242
Due to Student Groups	<u>1,665,624</u>	<u>6,937,058</u>	<u>6,431,900</u>	<u>2,170,782</u>
TOTAL LIABILITIES	\$ <u><u>1,665,624</u></u>	\$ <u><u>7,007,300</u></u>	\$ <u><u>6,431,900</u></u>	\$ <u><u>2,241,024</u></u>

See the accompanying Independent Auditors' Report.

BOULDER VALLEY SCHOOL DISTRICT RE-2

AGENCY FUND
STATEMENT OF ADDITIONS, DEDUCTIONS,
AND CHANGES IN AVAILABLE BALANCE
BUDGET AND ACTUAL
Year Ended June 30, 2000

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
ADDITIONS	\$ 5,977,728	\$ 7,007,300	\$ 1,029,572
DEDUCTIONS	<u>5,511,583</u>	<u>6,431,900</u>	<u>(920,317)</u>
Excess of Additions Over Deductions	466,145	575,400	109,255
BALANCE AVAILABLE TO STUDENT GROUPS, BEGINNING	<u>1,727,985</u>	<u>1,665,624</u>	<u>(62,361)</u>
BALANCE AVAILABLE TO STUDENT GROUPS, ENDING	\$ <u>2,194,130</u>	\$ <u>2,241,024</u>	\$ <u>46,894</u>

See the accompanying Independent Auditors' Report.

BOULDER VALLEY SCHOOL DISTRICT RE-2

AGENCY FUND

STATEMENT OF ADDITIONS, DEDUCTIONS AND BALANCE DUE TO STUDENT GROUPS

Year Ended June 30, 2000

	Available Balance July 1, 1999	Additions	Deductions	Available Balance June 30, 2000
Base Line Middle Student Activities	\$ 41,432	\$ 164,349	\$ 161,079	\$ 44,702
Boulder High Student Activities	224,948	724,923	723,146	226,725
Boulder Tec Student Activities	4,927	32,051	31,907	5,071
Broomfield Heights Student Activities	38,019	196,769	195,470	39,318
Broomfield High Student Activities	61,954	655,629	670,969	46,614
Burbank Middle Student Activities	28,966	101,276	99,076	31,166
Casey Middle Student Activities	37,607	92,355	82,367	47,595
Centaurus High Student Activities	119,532	568,709	528,992	159,249
Centennial Middle Student Activities	45,040	207,606	219,230	33,416
Fairview High Student Activities	348,179	1,112,720	1,111,828	349,071
Angevine Middle Student Activities	27,471	118,565	112,755	33,281
Nederland Middle/Sr. Student Activities	36,692	164,018	153,342	47,368
Louisville Middle Student Activities	71,543	172,411	166,755	77,199
Nevin Platt Middle Student Activities	23,179	177,246	142,662	57,763
Monarch K-8 Student Activities	43,295	236,304	220,105	59,494
Monarch High School Student Activities	32,379	512,837	443,146	102,070
Southern Hills Middle Student Activities	4,860	88,571	81,477	11,954
Mesa Elementary Student Activities	28,100	110,117	87,525	50,692
New Vista High School Student Activities	25,387	165,363	168,805	21,945
Arapahoe Ridge High School Student Activities	4,391	9,589	10,841	3,139
Boulder High School	(5,485)	54,096	48,674	(63)
Broomfield Heights Middle School	(39)	2,750	3,376	(665)
Broomfield High School	(9,503)	44,886	39,866	(4,483)
Centaurus High School	791	-	719	72
Casey Middle School	4,316	4,817	10,652	(1,519)
Centennial Middle School	1,188	1	-	1,189
Angevine Middle School	(1,892)	2,725	1,280	(447)
Fairview High School	1,588	4,508	2,032	4,064
Louisville Middle School	247	8,805	8,160	892
Southern Hills Middle School	(518)	1,321	804	(1)
Sojourner Charter School	1,329	17,159	8,396	10,092
Summit Charter School	31,651	14,057	27,305	18,403
New Vista High School	6,092	13,123	11,994	7,221
Aurora 7 Elementary School	3,843	10,957	14,800	-
Bear Creek Elementary School	3,613	15,823	14,253	5,183
Boulder Community School of Integrated Studies	16,783	17,617	17,821	16,579
Birch Elementary School	2,452	10,148	11,780	820
Columbine Elementary School	4,107	5,569	6,519	3,157

See the accompanying Independent Auditor's Report.

	Available Balance July 1, 1999	Additions	Deductions	Available Balance June 30, 2000
Crest View Elementary School	108	10,421	13,692	(3,163)
Nevin Platt Middle School	(1,752)	10,000	4,967	3,281
Douglass Elementary School	(3,567)	41,876	44,261	(5,952)
Sanchez Elementary School	8,786	8,309	3,153	13,942
Eisenhower Elementary School	7,272	6,258	7,181	6,349
Emerald Elementary School	9,102	32,176	29,803	11,475
Fireside Elementary School	8,590	28,498	26,563	10,525
Flatirons Elementary School	11,376	28,767	29,076	11,067
Foothill Elementary School	(508)	9,842	5,858	3,476
Heatherwood Elementary School	13,480	50,951	35,104	29,327
Jamestown Elementary School	300	-	-	300
Kohl Elementary School	16,572	23,706	30,477	9,801
Lafayette Elementary School	12,641	21,844	14,521	19,964
Ryan Elementary School	9,199	9,284	18,596	(113)
Louisville Elementary School	13,244	13,826	24,260	2,810
Coal Creek Elementary School	10,426	13,536	12,278	11,684
Arapahoe Ridge High School	183	12,745	7,495	5,433
Majestic Heights Elementary School	5,259	8,889	14,148	-
Mapleton Elementary School	869	1,023	750	1,142
Martin Park Elementary School	1,108	13,375	3,724	10,759
Mesa Elementary School	(1,798)	9,435	11,995	(4,358)
Nederland Elementary School	10,926	21,546	20,065	12,407
Pioneer Elementary School	2,855	14,415	15,191	2,079
Superior Elementary School	8,189	62,556	54,391	16,354
University Hill Elementary School	11,741	10,573	10,901	11,413
Washington Elementary School	6,280	12,623	10,789	8,114
Whittier Elementary School	8,133	22,166	15,833	14,466
Monarch K-8 School	873	-	-	873
Monarch High School	250	11,994	11,795	449
High Peaks Elementary School	192	5,728	538	5,382
Baseline Middle School	1,719	2,776	12,061	(7,566)
Community Montessori School	5,898	67,181	48,766	24,313
Horizons Charter School	(15,803)	47,607	37,890	(6,086)
Halcyon	1,039	-	443	596
Burbank Elementary School	-	9,898	9,955	(57)
Eldorado K-8 School	-	662	-	662
Peak to Peak Charter School	-	-	240	(240)
Other Departments	193,978	523,044	275,474	441,548
TOTALS	\$ 1,665,624	\$ 7,007,300	\$ 6,502,142	\$ 2,170,782



GENERAL FIXED ASSETS ACCOUNT GROUP

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

BOULDER VALLEY SCHOOL DISTRICT RE-2

COMPARATIVE SCHEDULES OF GENERAL FIXED ASSETS BY SOURCE

June 30, 2000

	<u>2000</u>	<u>1999</u>
Land	\$ 4,559,168	\$ 4,559,168
Buildings	195,596,507	137,099,228
Equipment	34,887,559	37,851,088
Construction in Progress	<u>54,579,836</u>	<u>70,938,921</u>
TOTAL GENERAL FIXED ASSETS	\$ <u>289,623,070</u>	\$ <u>250,448,405</u>
INVESTMENT IN GENERAL FIXED ASSETS	\$ <u>289,623,070</u>	\$ <u>250,448,405</u>

See the accompanying Independent Auditor's Report.

BOULDER VALLEY SCHOOL DISTRICT RE-2

**SCHEDULE OF FIXED ASSETS BY CLASSIFICATION
AND ORGANIZATIONAL RESPONSIBILITY**

June 30, 2000

	Land	Buildings	Equipment	Construction in Progress	Total
Elementary Schools					
Aurora 7	\$ 18,315	\$ 815,285	\$ 196,836	\$ 145,683	\$ 1,176,119
Bear Creek	80,000	1,103,302	162,201	100,425	1,445,928
Birch	9,172	725,244	216,731	273,053	1,224,200
Columbine	20,000	1,077,783	202,967	162,573	1,463,323
Crestview	38,616	2,246,626	204,802	-	2,490,044
Douglas	12,500	482,520	176,674	1,254,066	1,925,760
Sanchez	285,586	2,996,492	184,929	9,669	3,476,676
Eisenhower	45,000	2,024,047	220,188	393,134	2,682,369
Emerald	7,250	1,067,489	266,194	118,352	1,459,285
Flatirons	7,795	1,516,435	166,439	21,554	1,712,223
Foothill	12,565	2,225,709	269,615	-	2,507,889
Gold Hill	36	120,417	32,643	8,909	162,005
Heatherwood	21,375	1,532,536	256,925	381,245	2,192,081
Jamestown	252	208,822	34,143	18,242	261,459
Kohl	9,383	1,252,557	229,642	116,222	1,607,804
Lafayette	29,780	758,566	187,751	1,121,132	2,097,229
Ryan	-	3,518,417	289,801	6,683	3,814,901
Fireside	80,000	4,819,497	281,226	3,222	5,183,945
Louisville	25,000	521,812	254,885	1,494,320	2,296,017
Coal Creek	5,000	2,875,169	289,124	20,467	3,189,760
Majestic Heights	42,500	349,271	118,648	154,751	665,170
Mapleton	49	935,076	140,546	150,566	1,226,237
Martin Park	26,724	614,914	95,036	384,698	1,121,372
Mesa	40,000	939,508	208,062	258,985	1,446,555
Nederland	-	5,714,842	208,900	9,750	5,933,492
Pioneer	2,286	3,610,478	234,373	142,103	3,989,240
Superior	-	6,809,449	173,365	-	6,982,814
University Hill	376	953,941	163,664	771,182	1,889,163
High Peaks	-	-	77,532	-	77,532
Community Montessori	-	53,934	52,105	27,161	133,200
Washington	186	806,835	150,482	434,747	1,392,250
Whittier	48	1,052,604	161,955	216,903	1,431,510
Total Elementary Schools	819,794	53,729,577	5,908,384	8,199,797	68,657,552
Middle Schools					
Baseline	144,445	1,521,266	364,773	577,308	2,607,792
Broomfield Heights	71,376	5,862,268	641,771	181,828	6,757,243
Burbank	80,000	1,694,767	356,921	141,450	2,273,138
Casey	1,374	2,006,741	328,072	473,803	2,809,990
Centennial	60,000	6,516,376	528,379	-	7,104,755
Angevine	425,000	9,206,005	473,148	6,264	10,110,417
Louisville	4,524	5,325,210	741,756	561,794	6,633,284
Platt	59,377	1,230,388	489,278	182,061	1,961,104
Southern Hills	40,000	937,288	476,043	274,472	1,727,803
Total Middle Schools	886,096	34,300,309	4,400,141	2,398,980	41,985,526
High Schools					
Arapahoe Ridge	-	-	100,097	801,700	901,797
Boulder	514,357	12,529,646	876,702	-	13,920,705
Broomfield	33,334	10,244,121	983,709	-	11,261,164
Centaurus	38,000	10,902,359	897,834	1,123,971	12,962,164
Fairview	188,000	13,085,438	1,297,269	-	14,570,707
New Vista	-	180,881	219,941	54,878	455,700
Monarch	1,292,416	29,795,025	1,476,789	-	32,564,230
Total High Schools	2,066,107	76,737,470	5,852,341	1,980,549	86,636,467
Other Facilities/Combination Schools					
Boulder Technical Ed Center	25,000	4,550,570	2,081,307	201,567	6,858,444
Monarch K-8	323,104	13,979,432	687,328	-	14,989,864
Nederland Middle/Senior High	25,000	7,545,034	522,630	-	8,092,664
Aspen Creek	-	-	49,848	12,046,874	12,096,722
Eldorado	-	-	48,080	12,328,807	12,376,887
Halcyon	7,500	103,906	42,363	16,142	169,911
Charter Schools	-	205,438	370,464	9,438	585,340
Other Facilities	406,567	4,444,771	14,924,673	17,397,682	37,173,693
Total Other Facilities	787,171	30,829,151	18,726,693	42,000,510	92,343,525
TOTAL GENERAL FIXED ASSETS	\$ 4,559,168	\$ 195,596,507	\$ 34,887,559	\$ 54,579,836	\$ 289,623,070

See the accompanying Independent Auditor's Report.

BOULDER VALLEY SCHOOL DISTRICT RE-2

SCHEDULE OF CHANGES IN FIXED ASSETS
BY ORGANIZATIONAL RESPONSIBILITY
Year Ended June 30, 2000

	Balance July 1, 1999	Additions	Deductions	Adjustments	Balance June 30, 2000
Elementary Schools					
Aurora 7	\$ 1,034,155	\$ 170,963	23,286	\$ (5,712)	\$ 1,176,120
Bear Creek	1,451,537	109,784	107,946	(7,447)	1,445,928
Birch	1,024,268	291,195	84,910	(6,353)	1,224,200
Columbine	1,520,710	49,200	95,892	(10,695)	1,463,323
Crestview	2,232,283	417,893	137,259	(22,873)	2,490,044
Douglas	1,063,817	961,050	89,460	(9,647)	1,925,760
Sanchez	3,598,515	29,505	51,099	(100,245)	3,476,676
Eisenhower	2,461,540	401,154	125,790	(54,535)	2,682,369
Emerald	1,525,442	69,977	126,397	(9,737)	1,459,285
Flatirons	1,779,217	39,220	103,330	(2,884)	1,712,223
Foothill	2,555,146	59,683	91,336	(15,604)	2,507,889
Gold Hill	174,771	3,802	8,820	(7,748)	162,005
Heatherwood	1,958,947	400,399	123,512	(43,753)	2,192,081
Jamestown	258,478	13,178	9,848	(349)	261,459
Kohl	1,650,658	142,725	168,698	(16,881)	1,607,804
Lafayette	1,249,914	1,022,822	158,526	(16,981)	2,097,229
Ryan	3,968,654	31,210	176,233	(8,730)	3,814,901
Fireside	5,169,136	41,887	18,545	(8,533)	5,183,945
Louisville	1,011,584	1,454,415	114,370	(55,612)	2,296,017
Coal Creek	3,332,470	66,984	151,331	(58,363)	3,189,760
Majestic Heights	576,676	145,317	57,870	1,047	665,170
Mapleton	1,084,003	163,373	14,634	(6,505)	1,226,237
Martin Park	860,524	390,088	103,174	(26,066)	1,121,372
Mesa	1,311,500	248,882	108,664	(5,163)	1,446,555
Nederland	6,001,878	33,660	93,968	(8,078)	5,933,492
Pioneer	4,156,249	29,856	6,367	(190,498)	3,989,240
Superior	6,978,943	43,010	34,980	(4,159)	6,982,814
University Hill	1,362,668	633,002	98,047	(8,460)	1,889,163
High Peaks	70,856	17,258	8,134	(2,448)	77,532
Community Montessori	116,465	28,495	11,760	-	133,200
Washington	1,259,216	150,578	13,481	(4,063)	1,392,250
Whittier	1,447,200	81,293	91,583	(5,400)	1,431,510
Total Elementary Schools	64,247,420	7,741,858	2,609,250	(722,475)	68,657,553
Middle Schools					
Baseline	2,076,489	585,222	24,564	(29,354)	2,607,793
Broomfield Heights	6,750,774	157,751	25,574	(125,708)	6,757,243
Burbank	2,236,020	151,832	18,514	(96,200)	2,273,138
Casey	2,898,787	143,272	19,289	(212,780)	2,809,990
Centennial	7,116,406	72,908	31,052	(53,507)	7,104,755
Angevine	10,263,483	21,988	602	(174,452)	10,110,417
Louisville	5,913,838	559,828	62,596	222,214	6,633,284
Platt	1,900,886	163,149	45,279	(57,652)	1,961,104
Southern Hills	1,450,280	281,773	11,994	7,744	1,727,803
Total Middle Schools	40,606,963	2,137,723	239,464	(519,695)	41,985,527
High Schools					
Arapahoe Ridge	144,948	764,593	2,764	(4,980)	901,797
Boulder	12,505,323	1,664,741	29,579	(219,780)	13,920,705
Broomfield	10,906,940	555,627	-	(201,403)	11,261,164
Centaurus	12,075,863	1,024,846	19,585	(118,960)	12,962,164
Fairview	13,437,263	1,243,811	4,660	(105,707)	14,570,707
New Vista	379,698	66,903	22,281	31,380	455,700
Monarch	32,074,607	146,626	10,541	353,538	32,564,230
Total High Schools	81,524,642	5,467,147	89,410	(265,912)	86,636,467
Other Facilities/Combination Schools					
Boulder Technical Ed Center	6,610,462	581,572	345,499	11,909	6,858,444
Monarch K-8	14,799,789	259,289	7,165	(62,049)	14,989,864
Nederland Middle/Senior High	8,000,304	256,783	16,874	(147,549)	8,092,664
Aspen Creek	689,571	11,409,717	-	(2,566)	12,096,722
Eldorado	1,012,990	11,365,200	-	(1,303)	12,376,887
Halcyon	142,963	21,436	3,064	8,576	169,911
Charter Schools	486,341	129,768	2,079	(28,690)	585,340
Other Facilities	32,326,960	6,283,506	1,558,222	121,447	37,173,691
Total Other Facilities	64,069,380	30,307,271	1,932,903	(100,225)	92,343,523
TOTAL GENERAL FIXED ASSETS	\$ 250,448,405	\$ 45,653,999	\$ 4,871,027	\$ (1,608,307)	\$ 289,623,070

See the accompanying Independent Auditor's Report.

LONG-TERM DEBT ACCOUNT GROUP

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

BOULDER VALLEY SCHOOL DISTRICT RE-2

COMPARATIVE STATEMENTS OF GENERAL LONG-TERM DEBT

June 30, 2000

	<u>2000</u>	<u>1999</u>
AMOUNTS AVAILABLE AND TO BE PROVIDED FOR THE PAYMENT OF GENERAL LONG-TERM DEBT		
Amount Available in the Debt Service Fund	\$ 14,172,985	\$ 14,467,115
Amount to be Provided for General Obligation Bonds	156,232,015	161,802,885
Amount to be Provided for Capital Lease Obligations	404,185	531,919
Amount to be Provided for Certificates of Participation	7,925,000	8,695,000
Amount to be Provided for Compensated Absences	1,019,256	1,026,923
Amount to be Provided for Early Retirement	<u>8,356</u>	<u>75,063</u>
TOTALS	\$ <u>179,761,797</u>	\$ <u>186,598,905</u>
GENERAL LONG-TERM DEBT PAYABLE		
General Obligation Bonds		
1999	\$ 62,355,000	\$ 63,655,000
Refunding - 1997A	68,320,000	68,345,000
Refunding - 1992A	29,375,000	31,760,000
1994A	8,090,000	8,090,000
1994B	<u>2,265,000</u>	<u>4,420,000</u>
	<u>170,405,000</u>	<u>176,270,000</u>
Capital Leases		
School Copiers	6,454	14,403
Computer Software	<u>397,731</u>	<u>517,516</u>
	<u>404,185</u>	<u>531,919</u>
Certificates of Participation	<u>7,925,000</u>	<u>8,695,000</u>
Compensated Absences	<u>1,019,256</u>	<u>1,026,923</u>
Early Retirement	<u>8,356</u>	<u>75,063</u>
TOTALS	\$ <u>179,761,797</u>	\$ <u>186,598,905</u>

See the accompanying Independent Auditor's Report.

STATE COMPLIANCE

This report includes information required by the Colorado Department of Education.

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

**INDEPENDENT AUDITORS' REPORT ON ELECTRONIC FINANCIAL
DATA INTEGRITY CHECK FIGURES AND TABOR AMENDMENT CALCULATION**

We have audited the general purpose financial statements of the Boulder Valley School District RE-2, as of and for the year ended June 30, 2000, and have issued our report thereon dated October 6, 2000. These general purpose financial statements are the responsibility of the Boulder Valley School District RE-2 management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements of the Boulder Valley School District RE-2, taken as a whole. The accompanying electronic financial data integrity check figures and tabor amendment calculation are presented for purposes of additional analysis and are not a required part of the general purpose financial statements. The information in these schedules has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

Johnson, Holscher & Company, PC

October 6, 2000



Colorado Department of Education

Automated Data Exchange

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Colorado Department of Education
Fiscal Year 1999-2000
Colorado School District/BOCES
Auditor's Electronic Financial Data Integrity Check Figures

BOULDER BOULDER VALLEY RE 2
District Code: 0480

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beginning Fund Balance +	Total Revenues & Other Sources -	Total Expenditures & Other Uses =	Ending Fund Balance
Governmental				
10 General Fund	7,640,069	153,812,774	155,606,110	5,846,733
20 Special Revenue Fund	71,941	160,817	195,553	37,205
21 Capital Reserve Spec Revenue Fund	0	0	0	0
22 Govt Designated-Purpose Grants Fund	-14,619	6,021,310	6,038,611	-31,920
23 Pupil Activity Special Revenue Fund	0	0	0	0
24 Insurance Reserve Spec Revenue Fund	0	0	0	0
25 Transportation Fund	0	0	0	0
30 Debt Service Fund	0	0	0	0
31 Bond Redemption Fund	14,467,115	14,457,473	14,751,603	14,172,985
41 Building Fund	69,296,661	4,368,970	43,168,102	30,497,529
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	1,436,423	4,880,516	5,031,692	1,285,247
TOTALS	92,897,589	183,701,861	224,791,670	51,807,779
Proprietary				
51 Food Service Fund	484,428	4,395,359	4,568,213	311,573
50 Other Enterprise Funds	0	0	0	0
64 Risk-Related Activity Fund	933,116	1,708,112	1,546,165	1,095,062
60,65-69 Other Internal Service Funds	0	0	0	0
TOTALS	1,417,543	6,103,470	6,114,379	1,406,635
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
71 Expendable Trust Fund	43,644	5,714	8,079	41,279
72 Non-Expendable Trust Fund	142,773	6,841	3,800	145,814
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	1,665,624	7,007,300	6,502,142	2,170,782
TOTALS	1,852,041	7,019,855	6,514,021	2,357,875

BOULDER VALLEY SCHOOL DISTRICT RE-2

SCHEDULE OF COMPUTATIONS REQUIRED
UNDER ARTICLE X, SECTION 20
Year Ended June 30, 2000

DISTRICT WIDE REVENUES	FISCAL YEAR 1999/2000	FISCAL YEAR 1998/1999
General Fund	\$ 159,761,851	\$ 156,168,649
Insurance Reserve Fund	35,143	195,274
Bond Redemption Fund	14,457,473	14,721,421
Building Fund 1994	229,882	614,954
Building Fund 1999	3,537,631	963,225
Capital Reserve Fund	515,967	58,216
Energy Conservation fund	86,935	105,198
Food Service Fund	4,395,359	4,208,777
Governmental Designated-Purpose Grant Fund	6,021,310	4,643,264
Tuition Based Preschool Fund	160,817	174,192
Agency Fund	7,007,300	5,820,460
Expendable Trust Fund	5,714	6,621
Nonexpendable Trust Fund	6,841	16,899
Total Revenues	\$ 196,222,223	\$ 187,697,150
LESS: EXCLUDED REVENUES AND ADJUSTMENTS		
Voter approved property tax revenue	\$ (10,591,535)	\$ (10,346,078)
General Fund-sale of fixed assets	-	(31,743)
General Fund- federal sources	-	(17,086)
Bond Redemption Fund	(14,457,473)	(14,721,421)
Building Fund 1994	(229,882)	(614,954)
Building Fund 1999	(3,537,631)	(963,225)
Federal Grant Revenue	(5,540,810)	(4,300,278)
Food Service Fund	(4,395,359)	(4,208,777)
Agency Fund	(7,007,300)	(5,820,460)
Expendable Trust Fund	(5,714)	(6,621)
Nonexpendable Trust Fund	(6,841)	(16,899)
Total Excluded Revenues	(45,772,545)	(41,047,542)
Net Revenues subject to TABOR	150,449,678	\$ 146,649,608
NET INCREASE IN REVENUES SUBJECT TO TABOR	\$ 3,800,070	
Increase in student enrollment		0.950%
Increase in consumer price index		2.900%
Total Increase		3.850%
ALLOWABLE INCREASE		5,646,010
TOTAL REVENUES PERMITTED UNDER TABOR		\$ 152,295,618

STATISTICAL
SECTION



BOULDER VALLEY SCHOOL DISTRICT RE-2

GENERAL FUND EXPENDITURES BY OBJECT

Last Ten Years

(Unaudited)

	<u>Actual 1991</u>	<u>Actual 1992 (b)</u>	<u>Actual 1992/93</u>	<u>Actual 1993/94</u>
Salaries	\$ 68,693,623	\$ 39,481,843	\$ 77,677,522	\$ 82,011,642
Percent Change From Prior Year	4.08	(42.52)	96.74	5.58
Employee Benefits	12,947,393	7,100,607	14,195,940	15,061,303
Percent Change From Prior Year	7.53	(45.16)	99.93	6.10
Purchased Services	6,853,138	3,739,613	7,829,225	7,870,194
Percent Change From Prior Year	19.71	(45.43)	109.36	0.52
Supplies and Materials	3,165,095	2,156,997	3,746,061	3,781,714
Percent Change From Prior Year	(4.37)	(31.85)	73.67	0.95
Capital Outlay	976,492	614,465	500,052	610,205
Percent Change From Prior Year	7.33	(37.07)	(18.62)	22.00
Other	740,399	1,119,007	193,236	827,920
Percent Change From Prior Year	69.23	51.14	(82.73)	328.50
Pre-PERA Retirement	41,208	20,733	32,724	33,480
Percent Change From Prior Year	4.63	(49.69)	57.84	2.31
County Fees for Tax Collection	297,094	337,773	351,984	389,888
Percent Change From Prior Year	(1.65)	13.69	4.21	9.92
Retirement Payoffs	1,876,951	659,992	711,587	749,010
Percent Change From Prior Year	<u>86.79</u>	<u>(64.84)</u>	<u>7.81</u>	<u>5.26</u>
TOTAL GENERAL FUND EXPENDITURES	<u>\$ 95,591,393</u>	<u>\$ 55,231,030</u>	<u>\$ 105,238,331</u>	<u>\$ 111,335,356</u>
PERCENT CHANGE FROM PRIOR YEAR	<u>5.47</u>	<u>6.49</u>	<u>(42.22)</u>	<u>90.54</u>

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

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

Source: Boulder Valley School District RE-2 Audited Financial Statements 1991-1999/00.

TABLE I

<u>Actual 1994/95</u>	<u>Actual 1995/96</u>	<u>Actual 1996/97 (a)</u>	<u>Actual 1997/98</u>	<u>Actual 1998/99</u>	<u>Actual 1999/00</u>
\$ 82,682,838 0.82	\$ 81,531,594 (1.39)	\$ 91,353,222 12.05	\$ 97,385,100 6.60	\$ 104,732,608 7.54	\$ 114,512,943 9.34
15,847,341 5.22	14,702,980 (7.22)	16,030,722 9.03	16,642,275 3.81	17,843,964 7.22	20,286,097 13.69
7,773,026 (1.23)	11,695,375 50.46	11,057,256 (5.46)	7,187,545 (35.00)	8,955,449 24.60	7,468,825 (16.60)
5,206,476 37.67	2,660,743 (48.90)	4,817,209 81.05	7,277,785 51.08	8,054,703 10.68	9,209,969 14.34
261,044 (57.22)	362,504 38.87	496,083 36.85	435,089 (12.30)	628,495 44.45	1,432,177 127.87
466,230 (43.69)	376,343 (19.28)	1,579,599 319.72	802,476 (49.20)	1,244,665 55.10	3,177,706 155.31
21,962 (34.40)	11,436 (47.93)	12,238 7.01	13,000 6.23	3,281 (74.76)	- (100.00)
400,367 2.69	420,420 5.01	432,080 2.77	466,996 8.08	525,629 12.56	276,694 (47.36)
686,798 (8.31)	762,836 11.70	406,504 (46.71)	849,607 109.00	764,660 (10.00)	914,668 19.62
<u>\$ 113,346,082</u>	<u>\$ 112,524,231</u>	<u>\$ 126,184,913</u>	<u>\$ 131,059,873</u>	<u>\$ 142,753,454</u>	<u>\$ 157,279,079</u>
<u>5.79</u>	<u>1.81</u>	<u>12.14</u>	<u>3.86</u>	<u>8.92</u>	<u>10.18</u>

BOULDER VALLEY SCHOOL DISTRICT RE-2

GENERAL FUND REVENUE BY SOURCE

Last Ten Years

(Unaudited)

	<u>Actual 1991</u>	<u>Actual 1992 (b)</u>	<u>Actual 1992/93</u>	<u>Actual 1993/94</u>
Local Revenue				
Current Property Taxes	\$ 58,925,735	\$ 52,634,323	\$ 87,296,892	\$ 77,855,009
Specific Ownership Taxes	4,336,022	2,414,369	5,278,523	5,893,608
Delinquent Taxes and Penalties	677,081	917,185	567,366	280,631
Tuition	200,890	160,044	197,737	268,831
Interest Income	1,007,149	326,079	735,668	378,071
Miscellaneous	364,509	230,183	439,141	2,266,256
Total Local Revenue	<u>65,511,386</u>	<u>56,682,183</u>	<u>94,515,327</u>	<u>86,942,406</u>
State Revenue				
State Equalization	26,137,386	-	11,659,745	21,402,261
Special Education	1,952,980	1,193,819	1,920,349	2,229,552
Transportation	1,301,878	-	1,482,458	1,457,390
Vocational Education	742,575	383,388	639,560	867,108
Miscellaneous	338,611	894,470	1,811,773	751,572
Total State Revenue	<u>30,473,430</u>	<u>2,471,677</u>	<u>17,513,885</u>	<u>26,707,883</u>
Federal Revenue	<u>31,562</u>	<u>36,655</u>	<u>93,538</u>	<u>107,194</u>
TOTAL GENERAL FUND REVENUE	<u>\$ 96,016,378</u>	<u>\$ 59,190,515</u>	<u>\$ 112,122,750</u>	<u>\$ 113,757,483</u>
PERCENT CHANGE FROM PRIOR YEAR	<u>4.01</u>	<u>(38.35)</u>	<u>89.43</u>	<u>1.46</u>

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

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

Source: Boulder Valley School District RE-2 Audited Financial Statements 1991-1999/00.

TABLE II

<u>Actual 1994/95</u>	<u>Actual 1995/96</u>	<u>Actual 1996/97 (a)</u>	<u>Actual 1997/98</u>	<u>Actual 1998/99</u>	<u>Actual 1999/00</u>
\$ 80,001,057	\$ 83,979,637	\$ 85,885,284	\$ 92,650,365	\$ 105,206,316	\$ 108,575,064
6,363,965	6,776,864	7,205,038	7,746,082	9,961,118	11,324,836
201,426	167,769	117,529	194,816	93,653	322,645
226,105	191,701	2,499,455	3,304,518	3,408,518	3,191,887
282,185	478,482	421,706	418,924	499,766	507,953
504,741	1,923,444	2,157,342	1,149,519	3,780,598	1,310,833
<u>87,579,479</u>	<u>93,517,897</u>	<u>98,286,354</u>	<u>105,464,224</u>	<u>122,949,969</u>	<u>125,233,218</u>
21,714,750	21,199,877	23,664,149	24,506,373	27,821,878	29,110,241
2,714,409	2,772,541	2,771,485	2,939,892	2,956,640	3,005,528
1,544,589	1,613,185	1,562,182	1,448,265	1,353,305	1,534,018
843,431	805,146	782,306	927,638	697,546	729,487
196,045	149,950	251,213	330,697	340,482	149,359
<u>27,013,224</u>	<u>26,540,699</u>	<u>29,031,335</u>	<u>30,152,865</u>	<u>33,169,851</u>	<u>34,528,633</u>
<u>28,149</u>	<u>24,273</u>	<u>-</u>	<u>6,075</u>	<u>17,086</u>	<u>-</u>
<u>\$ 114,620,852</u>	<u>\$ 120,082,869</u>	<u>\$ 127,317,689</u>	<u>\$ 135,623,164</u>	<u>\$ 156,136,906</u>	<u>\$ 159,761,851</u>
<u>0.76</u>	<u>4.74</u>	<u>3.66</u>	<u>6.52</u>	<u>15.13</u>	<u>2.32</u>

TABLE III

BOULDER VALLEY SCHOOL DISTRICT RE-2
PROPERTY TAX LEVIES AND COLLECTIONS - ALL FUNDS

Last Ten Years

(Unaudited)

Levy Year	Collection Year	Total Tax Levied	Total Current Tax Collections	Total Current Tax Collections as a Percentage of Total Tax Levied	Delinquent Tax Collections	Delinquent Tax Collections as a Percentage of Total Tax Levied
1989	1990	\$ 70,298,084	\$ 69,298,223	98.58	\$ 364,155	0.52
1990	1991	68,025,686	67,104,659	98.65	226,058	0.33
1991	1992	79,106,167	78,262,678	98.43	370,322	0.47
1992	1993	84,498,380	84,264,160	99.72	419,277	0.50
1993	1994	86,388,187	86,049,635	99.60	225,966	0.26
1994	1995	91,670,259	92,168,033	99.45	187,108	0.20
1995	1996	95,233,893	94,791,270	99.54	171,986	0.18
1996	1997	101,016,769	100,124,058	99.12	194,816	0.19
1997	1998	106,247,007	103,162,683	97.10	93,653	0.09
1998	1999	120,618,953	119,967,464	99.46	142,920	0.12

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

TABLE IV

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

(Unaudited)

Levy Year	Property Values			
	Amount Assessed in Boulder County	Amount Assessed in Gilpin County	Total Assessed Valuation Amount	Estimated Actual Value
1990	\$ 1,544,434,920	\$ 16,273,940	\$ 1,560,708,860	\$ 8,027,811,937 (1)
1991	1,564,200,680	14,725,410	1,578,926,090	8,363,249,332
1992	1,622,634,150	14,772,700	1,637,406,850	866,111,292
1993	1,749,967,840	15,939,500	1,765,907,340	10,110,335,788
1994	1,804,103,330	16,593,400	1,820,696,730	10,491,766,469
1995	2,070,225,420	16,406,770	2,086,632,190	13,416,773,470
1996	2,143,943,580	17,166,510	2,161,110,090	14,815,570,254
1997	2,281,778,250	19,381,190	2,301,159,440	15,207,498,800
1998	2,375,324,790	19,999,560	2,395,324,350	15,879,878,955
1999	2,776,736,100	25,040,610	2,801,776,710	18,407,178,810

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

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

BOULDER VALLEY SCHOOL DISTRICT RE-2

**RATIO OF NET GENERAL BONDED DEBT TO
ASSESSED VALUE AND NET BONDED DEBT PER CAPITA**

Last Ten Years

(Unaudited)

	<u>December 1990</u>	<u>June 1992</u>	<u>June 1993</u>	<u>June 1994</u>
Gross Bonded Debt	\$ 59,365,000	\$ 54,390,000	\$ 50,600,000	\$ 44,375,000
Debt Service Moneys Available	2,417,446	8,997,541	7,651,345	7,738,553
Net Bonded Debt Outstanding	56,947,554	45,392,459	42,602,163	36,398,062
District's Estimated Population	163,036	167,272	170,758	Not available
Boulder County Per Capita Income	21,421	22,169	23,567	Not available
District's Total Assessed Valuation*	1,560,708,860	1,578,926,090 *	1,637,406,850 *	1,765,907,340 *
Net Bonded Debt Per Capita	349.29	271.37	249.49	Not available
Net Bonded Debt as a Percent of Assessed Valuation	3.65	2.86	2.54	2.06
Total Per Capital Income as a Percent of Net Bonded Debt	0.03	0.04	0.06	Not available

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

Source: Boulder Valley District RE-2 Audited Financial Statements 1990 to 1999/00.

TABLE V

	June 1995	June 1996	June 1997	June 1998	June 1999	June 2000
\$	128,960,000	\$ 124,795,000	\$ 119,515,000	\$ 119,015,000	\$ 176,270,000	\$ 170,405,000
	10,150,420	10,223,940	12,464,494	13,211,548	14,467,115	14,172,985
	118,809,580	114,571,060	107,050,506	105,803,452	161,802,885	156,232,015
	Not available	Not available	Not available	Not available	Not available	Not available
	Not available	Not available	Not available	Not available	Not available	Not available
	1,820,696,730 *	2,086,632,190 *	2,161,110,090 *	2,301,159,440 *	2,395,324,350	2,801,776,710
	Not available	Not available	Not available	Not available	Not available	Not available
	6.53	5.49	4.95	4.60	6.75	5.58
	Not available	Not available	Not available	Not available	Not available	Not available

TABLE VI

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

(Unaudited)

1999 Taxable Assessed Valuation	\$ 2,801,776,710
Debt Limit Percentage (1)	<u>20%</u>
Legal Debt Limit	560,355,342
Amount of Debt Applicable to Debt Limit - Total Bonded Debt as of June 30, 2000	<u>170,405,000</u>
LEGAL DEBT MARGIN	\$ <u>389,950,342</u>

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

Source: Boulder Valley District RE-2 Audited Financial Statements 1990 to 1999/00.

TABLE VII

BOULDER VALLEY SCHOOL DISTRICT RE-2

**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
GENERAL BONDED DEBT TO TOTAL GENERAL FUND EXPENDITURES**

Last Ten Years

(Unaudited)

Fiscal Year	Principal	Interest and Other Expenditures	Total Debt Service	Total General Fund Expenditures (b)	Ratio of Debt Service to Total General Fund Expenditures
1991	\$ 4,975,000	\$ 4,435,369	\$ 9,410,369	\$ 95,591,393	9.84
1992	42,920,000 (a)	1,069,682	43,989,682	55,231,030	79.65
1992/93	6,715,000	3,726,930	10,441,930	105,238,331	9.45
1993/94	6,225,000	2,979,356	9,204,356	111,335,356	8.27
1994/95	4,415,000	5,754,887	10,169,887	113,346,082	8.97
1995/96	4,165,000	7,589,905	11,754,905	112,524,231	10.46
1996/97	5,280,000	7,310,668	12,590,668	126,184,193	9.98
1997/98	69,310,000 (a)	11,206,571	80,516,571	131,059,823	61.43
1998/99	6,400,000	7,065,854	13,465,854	142,753,454	9.43
1999/00	5,865,000	8,886,603	14,751,603	157,279,079	9.38

(a) Refunding of debt occurred.

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

Source: Boulder Valley District RE-2 Audited Financial Statements 1991 to 1999/00.

TABLE VIII

BOULDER VALLEY SCHOOL DISTRICT RE-2

DISTRICT MILL LEVY HISTORY

Last Ten Years

(Unaudited)

Levy Year Collection Year	1990 1991	1991 1992	1992 1993	1993 1994	1994 1995	1995 1996	1996 1997	1997 1998	1998 1999	1999 2000
General Fund	38.608	45.101	46.605	44.149	44.049	40.640	40.437	40.525	44.356	38.978
Bond Redemption Fund	5.000	5.000	5.000	4.771	6.300	5.000	6.306	4.819	6.000	5.022
TOTAL LEVY	<u>43.608</u>	<u>50.101</u>	<u>51.605</u>	<u>48.920</u>	<u>50.349</u>	<u>45.640</u>	<u>46.743</u>	<u>45.344</u>	<u>50.356</u>	<u>44.000</u>

Source: Boulder and Gilpin Counties Abstracts of Assessment and Summary of Tax Levies, 1990-1999.

BOULDER VALLEY SCHOOL DISTRICT RE-2

PROPERTY TAX RATES (MILLS)*
DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Years

(Unaudited)

	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>
Boulder Valley School District RE-2	43.608	50.101	51.605	48.920	50.349	45.640	46.743	46.743	45.344	44.000
Boulder County	20.658	22.245	22.245	22.245	22.245	22.245	21.447	21.143	21.762	19.382
City of Boulder	9.981	9.981	9.981	9.981	9.981	9.981	9.981	11.428	11.438	10.502
Northern Colorado Water Conservancy District	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Urban Drainage and Flood Control District	<u>0.624</u>	<u>0.696</u>	<u>0.696</u>	<u>0.696</u>	<u>0.696</u>	<u>0.696</u>	<u>0.696</u>	<u>0.668</u>	<u>0.676</u>	<u>0.583</u>
TOTAL	<u><u>75.871</u></u>	<u><u>84.023</u></u>	<u><u>85.527</u></u>	<u><u>82.842</u></u>	<u><u>84.271</u></u>	<u><u>79.562</u></u>	<u><u>79.867</u></u>	<u><u>80.982</u></u>	<u><u>80.220</u></u>	<u><u>75.467</u></u>

* Does not include all Special Districts.

Source: Boulder County Abstract of Assessment and Summary of Tax Levies, 1990-1999.

BOULDER VALLEY SCHOOL DISTRICT RE-2

**COMPUTATION OF OVERLAPPING BONDED
GENERAL OBLIGATION DEBT**

June 30, 2000

(Unaudited)

	Gross Outstanding General Obligation Debt (1)	Net Outstanding General Obligation Debt (1)	Net Outstanding General Obligation Debt Chargeable to Properties Within the District	
			Percent	Amount
Baseline Water District	\$ 8,291	\$ 468	100.00 %	\$ 468
Boulder Central General Improvement District	-	-	100.00	-
Boulder Rural Fire Protection District	-	-	100.00	-
Brownsville Water & Sanitation District	-	-	34.90	-
Cherryvale Fire Protection District	155,000	155,000	100.00	155,000
City of Boulder	- (2)	-	74.80	-
City of Broomfield	34,437,245	6,150,000	100.00	6,150,000
City of Lafayette	14,081,434	6,736,437	100.00	6,736,437
City of Louisville	3,250,000	3,250,000	100.00	3,250,000
Codal Creek Canyon Fire Protection District	-	-	10.80	-
Colorado Tech Center Metropolitan District	4,630,189	4,630,189	87.20	4,037,525
Four Mile Canyon Fire District	47,101	47,101	100.00	47,101
Gilpin County Library District	460,000	460,000	100.00	460,000
Gold Hill Fire Protection District	-	-	100.00	-
Gunbarrel Improvement District	2,210,000	2,210,000	100.00	2,210,000
High Country Fire Protection District	-	-	88.80	-
Interlocken Consolidated Metropolitan District	72,257,175	72,257,175	100.00	72,257,175
Louisville Fire Protection District	-	-	100.00	-
Mountain View Fire Protection District	1,850,000	1,850,000	6.50	120,250
Northern Colorado Water Conservancy District	2,251,550	-	100.00	-
Pine Brook Water District	880,000	- (3)	42.20	-
Pine Brook Hills Fire District	-	-	100.00	-
Superior Metropolitan District No. 1	-	-	100.00	-
Superior Metropolitan District No. 2	9,165,000	9,165,000	100.00	9,165,000
Superior Metropolitan District No. 3	6,500,000	6,500,000	100.00	6,500,000
Town of Nederland	360,000	-	100.00	-
University Hills General Improvement District	-	-	100.00	-
West Adams County Fire District No. 1	955,000	955,000	42.70	407,785
			Total	\$ 111,496,741

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

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

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

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

BOULDER VALLEY SCHOOL DISTRICT RE-2

BOULDER COUNTY POPULATION ESTIMATES

(Unaudited)

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

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

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

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

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

TABLE XII

BOULDER VALLEY SCHOOL DISTRICT RE-2

CHARACTERISTICS OF EMPLOYMENT IN BOULDER COUNTY

(Unaudited)

<u>Industry</u>	<u>As of December 31, 1998</u>		<u>As of December 31, 1999</u>	
	<u>Estimated Average Monthly Employment</u>	<u>Percent of Total Employment</u>	<u>Estimated Average Monthly Employment</u>	<u>Percent of Total Employment</u>
Mining and Construction	\$ 7,500	4.46 %	\$ 8,019	4.67 %
Manufacturing	32,500	19.33	32,745	19.07
Transportation and Utilities	4,300	2.56	4,883	2.84
Wholesale and Retail Trade	37,600	22.37	38,658	22.51
Finance, Insurance and Real Estate	6,200	3.69	6,410	3.73
Services	52,900	31.47	54,912	31.97
Government	27,100	16.12	26,109	15.20
TOTAL	\$ <u>168,100</u>	<u>100.00 %</u>	\$ <u>171,736</u>	<u>100.00 %</u>

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

TABLE XIII

BOULDER VALLEY SCHOOL DISTRICT RE-2

MAJOR EMPLOYERS IN BOULDER COUNTY

(Unaudited)

<u>Company</u>	<u>Activity</u>	<u>Estimated Number of Employees</u>
University of Colorado	Four-year college and graduate school	7,500
International Business Machines	Software development, custom information systems	4,100
Boulder Valley School District	One of two public school districts in Boulder County	3,700
Storage Technology Corporation	Manufacturer of tape-based computer storage devices	3,450
Sun Microsystems, Inc.	Software development and custom information systems	3,000
Centrobe	Subscription services	2,700
Ball Aerospace	Electronic space exploration systems and defense products	2,130
Boulder Community Hospital	Medical facility	2,040
Level 3 Communications, Inc.	Communications and information services	2,000
St. Vrain Valley School District	One of two public school districts in Boulder County	2,000

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

BOULDER VALLEY SCHOOL DISTRICT RE-2

PROPERTY VALUES, CONSTRUCTION AND BANK DEPOSITS

Last Ten Years

(Unaudited)

Tax Year	Property Values		Construction	
	Assessed Valuation	Estimated Actual Value	Permits	Residential Value
1990	\$ 1,560,708,860	\$ 8,027,811,937	2,497	\$ 116,273,346
1991	1,578,926,090	8,363,249,332	3,206	151,811,569
1992	1,637,406,850	8,666,111,292	3,297	166,415,474
1993	1,765,907,340	10,110,335,788 (2)	3,688	210,062,993
1994	1,820,696,730	10,491,766,469	3,453	161,227,873
1995	2,086,632,190	13,416,773,470	3,247	250,505,183
1996	2,161,110,090	14,815,570,254	3,237	133,160,668
1997	2,301,159,440	15,207,498,800	3,030	154,316,806
1998	2,395,324,350	15,879,878,955	n/a	n/a
1999	2,801,776,710	18,407,178,810	3,965	193,159,717

(1) Bank deposits are provided for the City of Boulder from 1983-1985 and for Boulder County from 1986-1990. In 1991, with the establishment of branch banking in Colorado, deposits for banks within the geographic boundaries of Boulder Valley School District RE-2 are no longer available.

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

Source: Boulder County Assessor's Office.

TABLE XIV

Construction				Bank Deposits in Thousands (1)
Nonresidential Permits	Value	Total Permits	Total Value	
218	\$ 30,317,975	2,420	\$ 146,591,321	\$ 1,941,293
239	22,420,300	2,736	174,231,869	2,123,044
226	25,845,191	3,432	192,260,665	Not Available
173	25,899,023	3,470	235,962,016	Not Available
256	23,973,619	3,944	185,201,492	Not Available
395	56,317,925	3,848	306,823,108	Not Available
472	77,131,744	3,709	210,292,412	Not Available
450	77,360,518	3,480	231,677,324	Not Available
n/a	n/a	n/a	n/a	Not Available
316	84,328,680	4,281	277,488,397	Not Available

TABLE XV

BOULDER VALLEY SCHOOL DISTRICT RE-2

**PRINCIPAL TAXPAYERS OVER A SPECIFIED
AMOUNT OF ASSESSED VALUATION**

December 31, 1999

(Unaudited)

<u>Name</u>	<u>Type of Business</u>	<u>1999 Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
Public Service Company of Colorado	Supplier of electricity and natural gas to consumers	\$ 48,872,330 ✓	1.74 %
Storage Technology Corporation	Manufacturer of peripheral equipment	44,861,950 2	1.60
U.S. West Communications	Communication services	35,212,100 3	1.26
International Business Machines Corporation	Manufacturer of Computer software and hardware	31,261,190 4	1.12
Sun Microsystems Inc.	Manufacturer of computer software and hardware	21,029,000 5	0.75
Roche Colorado Corporation	Processing of pharmaceuticals	18,579,200 6	0.66
Macerich Partnership	Shopping center rental	14,543,200 7	0.52
Geneva Pharmaceuticals	Processing of pharmaceuticals	9,085,630 8	0.32
Interlocken Holtel Co.	Hotel rental	9,068,480 9	0.32
Interlocken Ltd.	Real Estate development	9,063,120 10	0.32
		<u>241,576,200</u>	<u>8.62</u>
Taxpayers under \$9,063,120		<u>2,560,200,510</u>	<u>91.38</u>
TOTAL		<u>\$ 2,801,776,710</u>	<u>100 %</u>

Source: Boulder County Assessor's Office.



BOULDER VALLEY SCHOOL DISTRICT RE-2
INSURANCE IN FORCE
June 30, 2000

(Unaudited)

As of June 30, 2000, the District maintained the types and amounts of insurance coverage summarized below. Moneys for payment of the District's insurance are accounted for in the Insurance Reserve Internal Service Fund. Funding is provided for the Insurance Reserve Internal Service Fund primarily from the General Fund. In addition to the insurance coverage described below, the Colorado Governmental Immunity Act provides the District with substantial protection from liability.

Type	Coverage
Property Damage	\$292,360,829 annual limit for buildings and \$50,985,352 annual limit for building contents; \$100,000 deductible per occurrence.
Equipment Breakdown	\$759,000 annual limit for musical instruments and band uniforms; \$8,427,276 annual limit for library books; \$344,645 annual limit for mobile equipment; \$3,850,000 annual limit for data processing equipment. Limit of \$52,500,000, \$1,000 deductible.
General Liability	\$600,000 limit per occurrence; \$1,000,000 annual aggregate limit; \$50,000 annual limit for tenant's legal liability; \$10,000 for medical payments per accident; and \$1,000 for medical payments per person. Coverage includes liability for corporal punishment, teacher's liability, athletic participation, and sudden accidental pollution. Liability for asbestos, trampoline accidents, and all pollution other than sudden and accidental pollution is excluded. \$10,000 deductible per occurrence.
Automobile Liability	Covers bodily injury and property damage caused by the District's vehicles, including \$1,000,000 limit per occurrence; \$1,000,000 combined single limit for bodily injury caused by an uninsured/underinsured motorist; and \$200,000 on basic Personal Injury Protection.
Gagagekeeps Physical Damage	\$45,000 annual limt on collision and comprehensive, \$500 deductible.
Terminal Coverage	Catastrophic Coverage - Specified Perils; \$1,000 per vehicle deductible with a \$10,000 maximum deductible per loss.

BOULDER VALLEY SCHOOL DISTRICT RE-2
INSURANCE IN FORCE
June 30, 2000

(Unaudited)

<u>Type</u>	<u>Coverage</u>
Errors & Omissions	\$2,000,000 aggregate; \$10,000 deductible each wrongful act.
Crime	\$5,000 loss inside; \$5,000 loss outside; \$100 deductible per occurrence.
Employment Practices	\$1,000,000 aggregate; \$10,000 deductible, \$50,000 aggregate deducti
Public Employee's Blanket Bond	\$100,000 - Assistant Superintendent for Business Services; \$100,000 - Director of Finance and Accounting; \$100,000 - Manager of Budget \$25,000 - All other employees. \$100 - Deductible

Source: Boulder Valley School District RE-2.

BOULDER VALLEY SCHOOL DISTRICT RE-2**DISTRICT ENROLLMENT****June 30, 2000**

(Unaudited)

Boulder Valley School District RE-2's total enrollment for the school years 1990-91 through 1999-00 is as follows:

<u>School Year *</u>	<u>Enrollment</u>
1990-91	21,529
1991-92	22,539
1992-93	23,761
1993-94	24,303
1994-95	24,871
1995-96	25,359
1996-97	25,815
1997-98	26,288
1998-99	26,951
1999-00	27,085

* Data from the official pupil count on October 1 of each school year.

Source: Boulder Valley School District RE-2.

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

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

We have audited the financial statements of the Boulder Valley School District RE-2 as of and for the year ended June 30, 2000, and have issued our report thereon dated October 6, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether 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 grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *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 in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of the Boulder Valley School District RE-2 in a separate letter dated October 6, 2000.

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.

Johnson, Holscher & Company, PC

October 6, 2000

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

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

Compliance

We have audited the compliance of the Boulder Valley School District RE-2 with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2000. 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 generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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. In our opinion, the Boulder Valley School District RE-2 complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2000.

Internal Control Over Compliance

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

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

This report is intended solely for the information and use of the Board of Education, management, 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.

Johnson, Holscher & Company, PC

October 6, 2000

BOULDER VALLEY SCHOOL DISTRICT RE-2
Schedule of Findings and Questioned Costs
June 30, 2000

Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: unqualified

Internal control over financial reporting:

- Material weaknesses identified? _____ yes x no
- Reportable conditions identified that are not considered to be material weaknesses? _____ yes x no

Noncompliance material to financial statements noted?

_____ yes x no

Federal Awards

Internal control over major programs:

- Material weaknesses identified? _____ yes x no
- Reportable conditions identified that are not considered to be material weaknesses? _____ yes x no

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 Circular A-133?

_____ yes x no

Identification of major program:

84.027 Special Education - Individuals with Disabilities Education Act, Part B

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

Auditee qualified as low-risk auditee?

 x yes _____ no

Findings Related to Financial Statements

The audit of the financial statements did not disclose any reportable conditions in internal controls that would be considered a material weakness, and did not disclose any instances of noncompliance with requirements of certain provisions of laws, regulations, and grants that were material to those financial statements.

Findings and Questioned Costs for Federal Awards

The audit of federal awards did not disclose any reportable conditions in internal controls that would be considered a material weakness, and did not disclose any instances of noncompliance with requirements of certain provisions of laws, regulations, and grants that were material to those federal awards.

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 general purpose financial statements of the Boulder Valley School District RE-2, as of and for the year ended June 30, 2000, and have issued our report thereon dated October 6, 2000. These general purpose financial statements are the responsibility of the Boulder Valley School District RE-2's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, *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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements of the Boulder Valley School District RE-2, taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

Johnson, Holscher & Company, PC

October 6, 2000

BOULDER VALLEY SCHOOL DISTRICT RE-2

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2000

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Accrued (Deferred) Revenue 6/30/99	Receipts	Disburse- ments	Accrued (Deferred) Revenue 6/30/00
U.S. Department of Education					
Direct Programs:					
Title IX	84.060A	\$ 5,513	\$ 19,093	\$ 15,465	\$ 1,885
Title VII	84.290	-	51,000	56,963	5,963
Gear Up	84.334A	-	15,200	15,200	-
Passed Through State Department of Education:					
Title I	84.010	360,292	1,510,245	1,472,640	322,687
IDEA Part C	84.181	-	2,000	1,846	(154)
Title I Part D	84.013	9,450	22,501	19,102	6,051
IDEA Part B	84.027	230,699	1,918,742	2,010,044	322,001
Emergency Immigrant Education	84.162	(43,244)	169,611	161,280	(51,575)
Special Education-Preschool	84.173	26,836	149,278	143,370	20,928
Drug Free Schools	84.186	19,373	112,265	107,214	14,322
Goals 2000	84.276	-	22,450	1,333	(21,117)
Title II Eisenhower	84.281	(2,241)	29,340	71,539	39,958
Charter Schools Grant	84.282	21,034	379,534	329,751	(28,749)
Title VI	84.298	27,254	111,984	133,054	48,324
Title III Literacy	84.318	-	30,000	-	(30,000)
Comprehensive School Reform	84.332	-	26,770	31,169	4,399
Title VI-D Class Size Reduction	84.340	-	223,373	266,334	42,961
Child Care	84.575	-	8,000	4,000	(4,000)
Passed Through State Department of Human Services:					
School to Work Alliance Program	84.126A	13,348	256,950	264,562	20,960
Passed Through State Community Colleges & Occupational Education System:					
Carl Perkins	84.048A	26,121	112,759	115,518	28,880
TOTAL U.S. DEPARTMENT OF EDUCATION		<u>694,435</u>	<u>5,171,095</u>	<u>5,220,384</u>	<u>743,724</u>
U.S. Department of Agriculture					
Direct Program:					
Food Distribution	10.550	(95,139)	157,273	163,376	(89,036)
Passed Through State Department of Education:					
National School Lunch	10.555	92,004	956,840	923,495	58,659
School Breakfast Program	10.553	4,795	49,503	47,739	3,031
TOTAL U.S. DEPARTMENT OF AGRICULTURE		<u>1,660</u>	<u>1,163,616</u>	<u>1,134,610</u>	<u>(27,346)</u>
U.S. Department of Labor					
Passed Through Colorado Office of the Governor:					
School-to-Career	17.249	67,708	116,015	109,971	61,664
TOTAL U.S. DEPARTMENT OF LABOR		<u>67,708</u>	<u>116,015</u>	<u>109,971</u>	<u>61,664</u>
U.S. Department of Health and Human Services					
Passed Through State Department of Education:					
Refugee Impact	93.576	-	-	9,612	9,612
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		<u>-</u>	<u>-</u>	<u>9,612</u>	<u>9,612</u>
Corporation for National and Community Service					
Passed Through State Department of Education:					
Learn & Serve	94.004	(15,704)	21,500	17,321	(19,883)
Passed Through State Community Colleges & Occupational Education System:					
Colorado Literacy Corps	94.006	54,799	225,984	244,557	73,372
TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE		<u>39,095</u>	<u>247,484</u>	<u>261,878</u>	<u>53,489</u>
National Endowment for the Humanities					
Passed Through Central Colorado Library System:					
Library Grant	45.310	-	6,500	6,232	(268)
TOTAL NATIONAL ENDOWMENT FOR THE HUMANITIES		<u>-</u>	<u>6,500</u>	<u>6,232</u>	<u>(268)</u>
National Science Foundation					
Direct Program:					
Education and Human Resources	47.076	6,325	17,543	38,393	27,175
TOTAL NATIONAL SCIENCE FOUNDATION		<u>6,325</u>	<u>17,543</u>	<u>38,393</u>	<u>27,175</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE		<u>\$ 809,223</u>	<u>\$ 6,722,253</u>	<u>\$ 6,781,080</u>	<u>\$ 868,050</u>

See the accompanying Independent Auditors' Report.

