



Boulder Valley School District

Excellence and Equity



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDING JUNE 30, 2011

Boulder, Colorado • Boulder • Broomfield • Gilpin Counties

 **Boulder Valley** School District
Excellence and Equity



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the fiscal year ending June 30, 2011 ■ Boulder, Colorado

PREPARED BY: BUSINESS SERVICES DIVISION

Leslie A. Stafford, CPA
Chief Financial Officer

Charles R. McElwain, CPA
Accounting Services Director

BOULDER VALLEY SCHOOL DISTRICT RE-2

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the fiscal year ending June 30, 2011

TABLE OF CONTENTS

	PAGE
INTRODUCTORY SECTION	
Letter of Transmittal.....	1 – 6
Certificate of Achievement for Excellence in Financial Reporting.....	7
Organization Chart	8 – 9
List of Elected and Appointed Officials	10
 FINANCIAL SECTION	
Independent Auditors' Report	11 – 12
Management's Discussion and Analysis.....	13 – 28
Basic Financial Statements:	
Statement of Net Assets	29
Statement of Activities	30
Balance Sheet – Governmental Funds	31
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	32
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	33
Balance Sheet – Proprietary Funds	34
Statement of Revenues, Expenses and Changes in Fund Net Assets – Proprietary Funds	35
Statement of Cash Flows – Proprietary Funds	36
Statement of Fiduciary Net Assets.....	37
Statement of Changes in Fiduciary Net Assets.....	38
Notes to Financial Statements	39 – 57
Required Supplementary Information:	
Budgetary Comparison Schedule – General Fund.....	58

TABLE OF CONTENTS
(Continued)

	PAGE
FINANCIAL SECTION (Continued)	
Budgetary Comparison Schedule – Grants Fund	59
Notes to Required Supplementary Information	60
Combining and Individual Fund Statements and Schedules:	
Combining Balance Sheet – General Fund.....	61
Combining Schedule of Revenues, Expenditures and Changes in Fund	
Balances - General Fund.....	62
Combining Balance Sheet – Nonmajor Governmental Funds.....	63
Combining Statement of Revenues, Expenditures and Changes in Fund	
Balances – Nonmajor Governmental Funds	64
Budgetary Comparison Schedule – Transportation Fund	65
Budgetary Comparison Schedule – Bond Redemption Fund.....	66
Budgetary Comparison Schedule – Building Fund	67
Budgetary Comparison Schedule – Capital Reserve Fund.....	68
Budgetary Comparison Schedule – Nutrition Services Fund	69
Combining Statement of Net Assets – Internal Service Funds	70
Combining Statement of Revenue, Expenses and Changes in Fund Net	
Assets – Internal Service Funds	71
Combining Statement of Cash Flows – Internal Service Funds	72
Budgetary Comparison Schedule – Health Insurance Fund	73
Budgetary Comparison Schedule – Dental Insurance Fund	74
Combining Statement of Fiduciary Net Assets – Private Purpose Trust Funds	75
Combining Statement of Changes in Fiduciary Net Assets – Private Purpose	
Trust Funds	76
Statement of Changes in Assets and Liabilities – Agency Fund	77
Combining Statement of Net Assets – Component Units.....	78
Combining Statement of Activities – Component Units.....	79
Combining Balance Sheet – Component Units.....	80
Combining Statement of Revenues, Expenditures and Changes in Fund	
Balances – Component Units	81

TABLE OF CONTENTS

(Continued)

PAGE

STATISTICAL SECTION (Unaudited)

Table of Contents	82
-------------------------	----

Financial Trends

Table 1 – Net Assets by Component	83
Table 2 – Changes in Net Assets.....	84
Table 3 – Fund Balances of Governmental Funds.....	85
Table 4 – Changes in Fund Balances of Governmental Funds.....	86

Revenue Capacity

Table 5 – Assessed Value and Estimated Actual Value of Taxable Property	87
Table 6 – Property Tax Levies and Collections.....	88
Table 7 – Property Tax Rates – Direct and Overlapping Governments	89
Table 8 – Principal Property Taxpayers	90

Debt Capacity

Table 9 – Ratios of Outstanding Debt by Type	91
Table 10 – Legal Debt Margin Information.....	92
Table 11 – Computation of Direct and Overlapping General Obligation Debt.....	93

Demographic and Economic Information

Table 12 – Demographic and Economic Statistics.....	94
Table 13 – Principal Employers	95

Operating Information

Table 14 – District Employees – Full Time Equivalents	96
Table 15 – School Building Information	97 – 101
Table 16 – Teacher Statistics	102
Table 17 – Miscellaneous Statistical Data	103

COMPLIANCE SECTION

Single Audit

Independent Auditors' Report on Internal Control Over Financial Reporting and On Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	104 – 105
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TABLE OF CONTENTS
(Continued)

PAGE

COMPLIANCE SECTION (Continued)

Independent Auditors' Report on Compliance with Requirements that Could Have a Direct and Material Effect on Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133.....	106 – 107
Schedule of Findings and Questioned Costs	108 – 109
Corrective Action Plan	110
Independent Auditors' Report on Schedule of Expenditures of Federal Awards.....	111
Schedule of Expenditures of Federal Awards	112
Notes to Schedule of Expenditures of Federal Awards.....	113

State Compliance

Independent Auditors' Report on Auditor's Integrity Report	114
Auditor's Integrity Report	115



Business Services Division

November 8, 2011

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

It is our pleasure to submit the Comprehensive Annual Financial Report of the Boulder Valley School District RE-2 for the fiscal year ended June 30, 2011.

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

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

The 2011 Comprehensive Annual Financial Report (CAFR) presentation is in compliance with the governmental financial reporting model established by the Governmental Accounting Standards Board (GASB) Statement No. 34 titled *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. Accounting and financial reporting for state and local governments previously focused on funds to demonstrate fiscal accountability. The GASB No. 34 reporting model parallels private sector reporting by consolidating fund-based presentations into government-wide financial statements designed to ensure and demonstrate fiscal and operational accountability.

Swanhorst & Company LLC, Certified Public Accountants, have issued an unqualified (“clean”) opinion on the Boulder Valley School District RE-2’s financial statements for the year ended June 30, 2011. The independent auditors’ report is located at the front of the financial section of this report.

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

Profile of the Government

Boulder Valley School District RE-2 is a public school district, organized and existing under the School District Organization Act of 1965, Article 30, Title 22, and Colorado Revised Statutes. It

was originally organized in 1860 and was reorganized in 1961 to include numerous smaller districts. A seven member board of education elected by the citizens of Boulder, Broomfield and Gilpin Counties governs the district. Board members serve four-year terms, with four members elected every two years. Board members are term-limited at two terms.

The district is located near the foothills of the Rocky Mountains approximately twenty miles northwest of Denver. The district is made up of approximately 500 square miles in the southern half of Boulder County, the northern part of Gilpin County and a significant portion of western Broomfield County. It covers one of the larger school regions in the metro-Denver area and encompasses the communities of Boulder, Broomfield, Erie, Gold Hill, Jamestown, Lafayette, Louisville, Nederland, Superior, and Ward. For the 2010-11 school year, the district's total enrollment and student funded full time equivalent was 29,320 and 28,148.8, respectively, including charter schools. The district owns over 750 acres of prime Boulder and Broomfield County property and maintains six artificial turf athletics fields and 56 buildings spanning over four million square feet.

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

Five charter schools are included as component units of the Boulder Valley School District RE-2 for the 2011 CAFR: Boulder Preparatory High School, Horizons K-8 Alternative School, Peak to Peak K-12 Charter School, Summit Middle Charter School and Justice High Charter School.

Economic Conditions and Outlook

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

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

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

In February 2008 ConocoPhillips purchased the 420 acre Storage Tek/Sun Microsystems campus in Louisville, Colorado. ConocoPhillips has deconstructed the 1.6 million square feet of existing buildings on the site and in 2013 intends to start constructing a corporate learning and global technology center. Upon its completion, the technology center is expected to support many new and alternative energy research and development opportunities; work closely with nearby universities, including the University of Colorado, Colorado State University, the

Colorado School of Mines, and the University of Denver; and take advantage of ongoing collaboration with the National Renewable Energy Laboratory (NREL).

The ConocoPhillips development will have a significant positive impact to the local economy. The *2011 Colorado Business Economic Outlook*, published by the University of Colorado Leeds School of Business states that;

“The effects of the national recession will be felt well beyond 2010. Colorado remains home to extraordinary thought leaders and entrepreneurs, high-tech companies and abundant natural resources, eager citizens and world-class recreation. While the committees expect only marginal employment improvement in 2011, the foundation is set and the conditions are primed for Colorado to accelerate employment growth for the next decade.”

“The Boulder County economy is showing signs of recovery from the recession and continues to outperform the state and national economy in many areas. The county has many assets that help position it for economic growth, including the main campus of the University of Colorado, several major federal research facilities, a high concentration of entrepreneurial activity and advanced technology companies, and a well-educated and highly skilled workforce.”

The Denver-Boulder-Greeley CPI (Consumer Price Index) is the measure of inflation that is generally used for the state of Colorado. The 2011 projected rate increase, used as a function of funding increases for the 2012-13 fiscal year, is 1.7 percent. This is the same as the U.S. projection. School districts face a significant challenge as an improvement in fiscal resources for K-12 education will typically lag an economic recovery. Conservative financial planning will support BVSD’s ability to react to revenue fluctuations in the 2011-12 fiscal year. Therefore, the outlook for K-12 funding in the 2012-13 fiscal year continues to be flat, even though the state and national economy have begun a slow recovery. The national political arena may impact K-12 funding as the pressure to cut the national deficit may result in reduced Federal funding for required programs such as special education and support for low income students.

Long-term Financial Planning

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

For the 2011-12 fiscal year, the legislature cut funding for K-12 public education by an additional \$229M, or 4.2 percent. This equates to a \$9.1M reduction to BVSD from 2010-11 actual funding levels. The total reduction to SFA funding is now \$774.4M, or 13 percent. A funding increase to reflect inflation as mandated in Amendment 23 of the Colorado Constitution was not required to be fulfilled due to a shortfall in statewide personal income growth. This is expected to be a permanent revenue reduction for the near future.

The BVSD projected state per pupil revenue (PPR) for 2011-12 is \$6,375 after accounting for a \$2 per pupil rescission to pay for finance staff at the Colorado Department of Education. Total program funding, defined by the SFA, is projected to be \$180M, a decline of \$5.6M from the

BVSD 2010-11 Revised Budget, or \$9.1M from projected actual 2010-11 collections. Included in this figure is the impact of the timing of tax collections over two fiscal years, a reduction of around \$900K in 2010-11 from the state-determined per pupil revenues.

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

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

Fund Balance Requirements

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

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

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

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

Spending Limitations:

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

Reserve Requirements:

- In addition, the General Operating Fund budget will be developed containing an ending fund balance equal to required reserves including the TABOR reserve plus a minimum of a 3 percent contingency reserve. The need for additional reserves shall be reviewed annually.
- Funds in the contingency reserve shall not be spent without board approval. The request for approval must include a plan for ensuring that the expenditure will not exceed the fixed dollar amount approved by the board, and must also include a plan for replenishing the reserve within two years from first dispersal.
- The budgets for all other funds will be developed to include, at a minimum, the required TABOR reserve.
- The General Operating Fund budget will be developed on a generally accepted accounting principles (GAAP) basis.

At June 30, 2011, the district is in compliance with these fund balance requirements.

Major Initiatives

In the fall of 2007, the Boulder Valley School District's Board of Education unanimously adopted three specific and measurable goals for district improvement over the five school years of 2007-2012 in the areas of achievement, equity, and climate (organizational). The purpose of these goals is to deliver to each of our over 29,000 students the BVSD promise of excellence and equity as they strive to become New Century Graduates. The goals can be located on the district website at <http://bvsd.org/goals/Pages/default.aspx> and are identified as:

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

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

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

The annual spending plan is a blueprint for the district to provide quality instruction and educational programs for all students, in order to achieve each goal identified. As part of the district's budget development process, the board strives to align human and financial resources with student needs in order to realize the greatest possible impact upon student achievement. Detailed revenue, expenditures, and staff allocation formulas that support educational programs and services needed to achieve district goals can be found in the Financial Section of this book. To meet these goals, the superintendent and board continue to focus resources on those students with the greatest needs. This is evidenced in the differentiated staffing detailed under "School Allocation Formulas" in the Financial Section of this book. Schools with high percentages of students on meal assistance have additional resources allocated to drive the closure of the achievement gap and support the learning environment.

Other Information

Change in Leadership

On February 2, 2011, Superintendent Dr. Christopher King announced his retirement. Dr. King worked for the district for 17 years, beginning his career as an English teacher at Broomfield High School. He also worked as the principal at Boulder High School and as both an assistant and a deputy superintendent before becoming superintendent on July 1, 2007.

On May 10, 2011, the board of education announced the appointment of Dr. Bruce K. Messinger as its new Superintendent of Schools, effective July 1, 2011. Dr Messinger comes to the district from Helena, MT where he spent the past 14 years as superintendent.

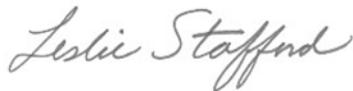
Awards

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting and to the district for its comprehensive annual financial report for the fiscal year ended June 30, 2010. In order to be awarded a Certificate of Achievement and the Certificate of Excellence, the district must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report satisfied both generally accepted accounting principles and applicable legal requirements. The Certificate of Achievement is valid for a period of one year. We believe that our current Comprehensive Annual Financial Report continues to meet the program requirements for both Certificate of Achievement program. This document will be submitted to GFOA to determine eligibility for another certificate.

Acknowledgments

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

Respectfully Submitted,



Leslie A. Stafford, CPA
Chief Financial Officer



Charles R. McElwain, CPA
Accounting Services Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Boulder Valley School
District RE-2, Colorado

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2010

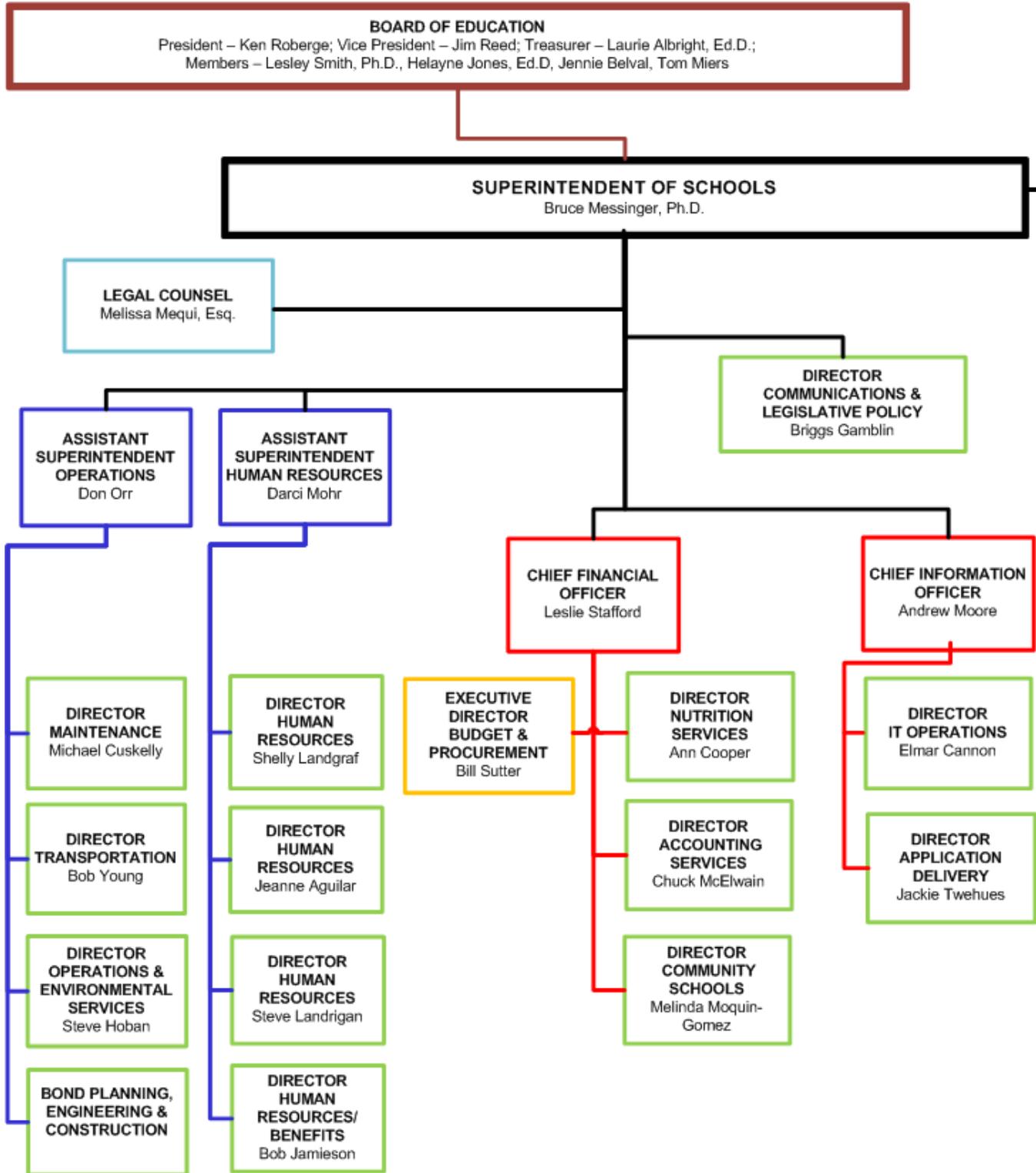
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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

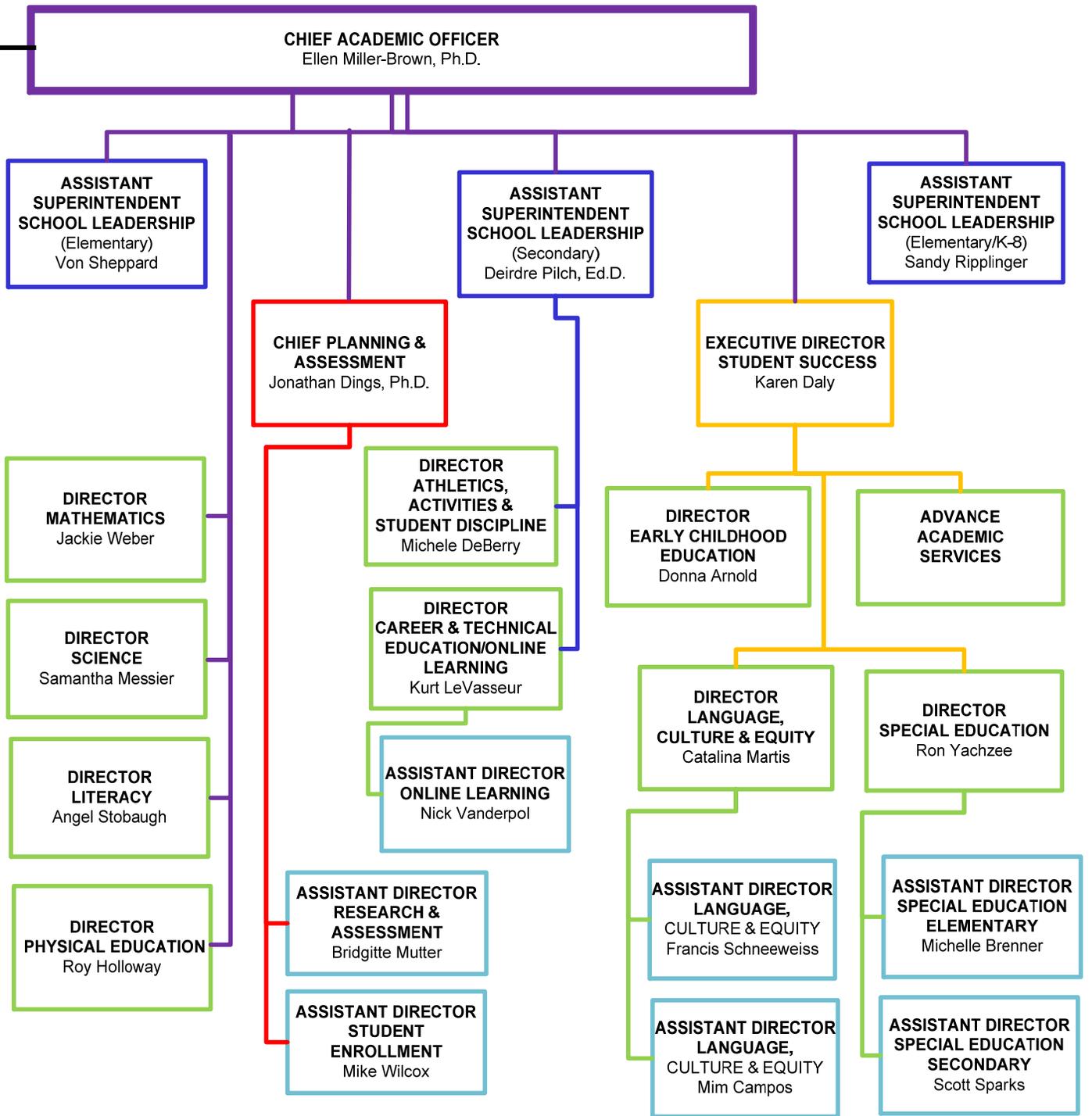


President

Executive Director

BOULDER VALLEY SCHOOL DISTRICT RE-2 ORGANIZATION CHART





BOULDER VALLEY SCHOOL DISTRICT RE-2

List of Elected and Appointed Officials

July 1, 2011

Board of Education

Top Row (left to right):

District B

Lesley Smith, Ph.D.

District F

Jennie Belval

District C

Laurie Albright, Ed.D.

Treasurer

District A

Helayne Jones, Ed.D.

Bottom Row (left to right):

District G

**Jim Reed,
Vice-President**

District D

**Ken Roberge,
President**

District E

Tom Miers



**Bruce Messinger, Ph.D.
Superintendent**

Superintendent's Cabinet

Ellen Miller-Brown, Ph.D.Chief Academic Officer
Darci Mohr..... Asst. Superintendent of Human Resources
Deirdre Pilch, Ed.D.,.....Asst. Superintendent for School Leadership-Secondary
Sandy Ripplinger, Asst. Superintendent for School Leadership-Elementary & K-8
Von Sheppard, Asst. Superintendent for School Leadership-Elementary
Don Orr..... Asst. Superintendent of Operations
Jonathan Dings, Ph.D. Chief of Planning and Assessment
Andrew Moore.....Chief Information Officer
Leslie A. Stafford.....Chief Financial Officer
Karen Daly Executive Director of Student Success
Melissa Mequi, Esq. Legal Counsel
Briggs Gamblin Director of Communications & Legislative Policy



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

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component units and remaining fund information of the Boulder Valley School District RE-2 as of and for the year ended June 30, 2011, which collectively comprise the basic financial statements of the Boulder Valley School District RE-2, as listed in the table of contents. These financial statements are the responsibility of the Boulder Valley School District RE-2's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component units and remaining fund information of the Boulder Valley School District RE-2 as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

For the year ended June 30, 2011, the Boulder Valley School District RE-2 adopted the standards of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 2011, on our consideration of the Boulder Valley School District RE-2's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and required supplementary information listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Swanlund & Company LLC

October 28, 2011

Management's Discussion and Analysis

As management of the Boulder Valley School District RE-2 (the district), we offer readers of the district's Comprehensive Annual Financial Report this narrative and analysis of the financial activities of the district for the fiscal year ended June 30, 2011. We encourage readers to consider the information presented here in conjunction with additional information that can be found in the letter of transmittal on pages 1-6 of this report.

Financial Highlights

At June 30, 2011:

- The primary government has government-wide net assets of \$147,244,566. Of this amount, unrestricted net assets of \$32,422,787 may be used to meet the district's ongoing financial obligations.
- The primary government's net assets increased from the prior year by \$15,159,739 and unrestricted net assets increased by \$20,113,516.
- At the end of the current fiscal year, the primary government's governmental funds reported combined ending fund balances of \$102,277,930, a decrease of \$42,432,513 from the prior year.
- At the end of the current fiscal year, unassigned fund balance for the Combined General Fund is \$7,440,288, or 3.16% of total Combined General Fund expenditures.
- The primary government's long-term general obligation debt decreased by \$11,005,000 to \$374,280,000.

Overview of the Financial Statements

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

Government-wide Financial Statements

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

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

The statement of activities presents information showing how the net assets of the district changed during the current fiscal year. Changes in net assets are recorded in the statement of activities when the underlying event occurs, regardless of the timing of related cash flows.

Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (example: levied but uncollected property taxes and earned but unused employees' vacation leave).

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

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

The government-wide financial statements can be found on pages 29-30 of this report.

Fund Financial Statements

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

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

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

The district maintains four governmental funds called major funds: the General Fund (which combines the district's General Operating Fund, Risk Management Fund, Technology Fund, Athletics Fund, Community Schools Fund, Preschool Fund, Tuition Preschool Fund and the Colorado Preschool Program Fund), the Governmental Designated-Purpose Grants Fund, the Bond Redemption Fund and the Building Fund. They are presented separately in the fund

financial statements with the remaining governmental funds (combined into a single aggregated presentation labeled other governmental funds). Other governmental funds, called non-major funds, include the Transportation Fund and the Capital Reserve Fund. Individual fund information for the non-major funds is presented as combining and individual fund statements and schedules after the notes section of this report.

The basic governmental fund financial statements can be found on Pages 31-33 of this report.

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

The basic proprietary fund financial statements can be found on pages 34-36 of this report.

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

The basic fiduciary fund financial statements can be found on pages 37-38 of this report.

Notes to the Financial Statements: The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements can be found on pages 39-57 of this report.

Other Information: In addition to the basic financial statements and accompanying notes, this report also contains other required supplementary information concerning the district's budget process. Within a statutory timeline, the board of education adopts a resolution appropriating an annual budget for each of the individual governmental funds. A Budgetary Comparison Schedule for the General Fund has been provided to demonstrate compliance with the adopted budget followed by the Notes to Required Supplementary Information. Required supplementary information can be found on pages 58-60 of this report.

The Combining and Individual Fund Statements and Schedules follow the Required Supplementary Information and include the remaining governmental funds budgetary comparison schedules. These statements and schedules can be found on pages 61-81 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The assets of the primary government exceed liabilities by \$147,244,566 with an unrestricted balance of \$32,422,787 at June 30, 2011.

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

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current and Other Assets	\$154,763,692	\$202,723,005	\$ 246,233	\$ (327,044)	\$155,009,925	\$ 202,395,961
Capital Assets	<u>421,422,915</u>	<u>380,881,015</u>	<u>221,203</u>	<u>247,954</u>	<u>421,644,118</u>	<u>381,128,969</u>
Total Assets	576,186,607	583,604,020	467,436	(79,090)	576,654,043	583,524,930
Long-term Liabilities	389,264,645	400,933,095	-	-	389,264,645	400,933,095
Other Liabilities	<u>39,863,285</u>	<u>50,221,942</u>	<u>281,547</u>	<u>1,351,157</u>	<u>40,144,832</u>	<u>51,573,099</u>
Total Liabilities	429,127,930	451,155,037	281,547	1,351,157	429,409,477	452,506,194
Net Assets						
Invested in Capital Assets						
Net of Related Debt	80,504,664	79,862,762	221,203	247,954	80,725,867	80,110,716
Restricted for:						
Debt Service	25,440,014	24,518,963	-	-	25,440,014	24,518,963
Multiple Year Obligations	120,000	120,000	-	-	120,000	120,000
Preschool Expenditures	55,863	92,136	-	-	55,863	92,136
Emergencies	7,389,699	7,495,151	286,940	176,491	7,676,639	7,671,642
Medicaid	777,768	-	-	-	777,768	-
Flexible Spending	25,628	-	-	-	25,628	-
Capital Projects	-	6,698,312	-	-	-	6,698,312
Transportation	-	563,787	-	-	-	563,787
Unrestricted	<u>32,745,041</u>	<u>13,097,872</u>	<u>(322,254)</u>	<u>(788,601)</u>	<u>32,422,787</u>	<u>12,309,271</u>
Total Net Assets	<u>\$147,058,677</u>	<u>\$132,448,983</u>	<u>\$ 185,889</u>	<u>\$ (364,156)</u>	<u>\$147,244,566</u>	<u>\$ 132,084,827</u>

The largest portion of the district's net assets \$80,725,867 (54.82%) represent its investment in capital assets (e.g. land, land improvements, buildings, equipment, and vehicles), less related debt used to acquire these assets that is still outstanding. The district uses these capital assets to provide services to its constituents; consequently these assets are not available for future spending. Although the district's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets cannot be liquidated to pay the debt.

An additional portion of the district's net assets \$34,095,912 (23.16%) are subject to external restrictions on how they may be used. The remaining amount of net assets \$32,422,787 (22.02%) is available to fund the district's ongoing programs.

At the end of the current fiscal year, the district is able to report positive balances in all three of the categories of net assets. In the prior year, the government as a whole and its separate governmental activities ended the year with positive balances, while business-type activities ended the year in a deficit position.

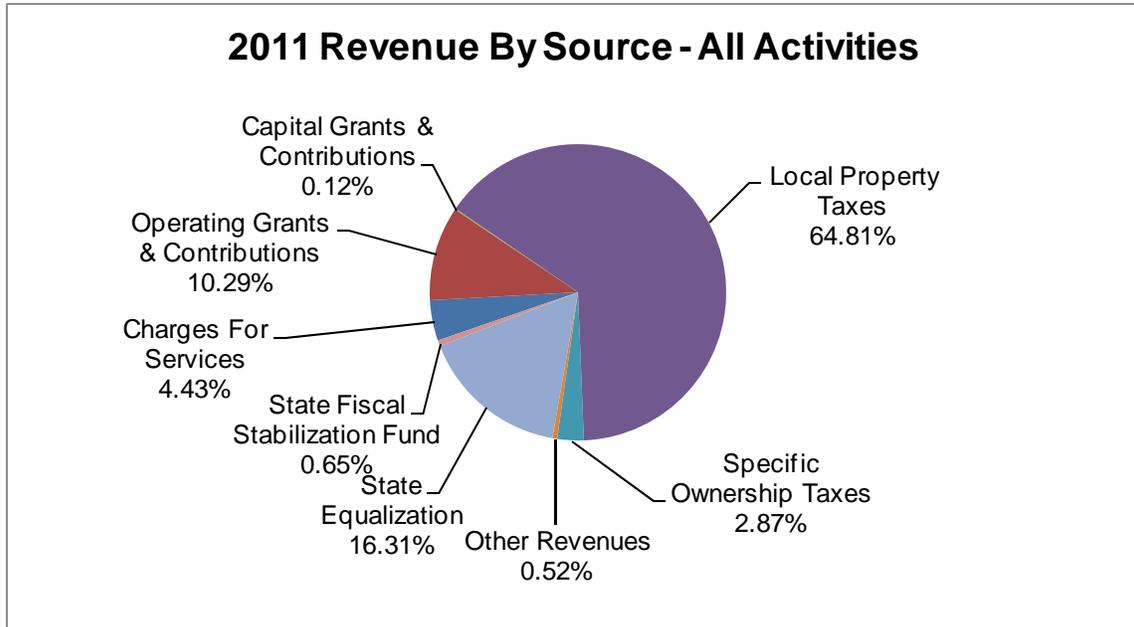
Governmental activities net assets increased by \$14,609,694. Governmental activities total assets decreased by \$7,417,413; this change is caused primarily by a decrease in cash and investments and restricted cash and investments of \$49,443,749, a decrease in other assets of \$787,544 offset by an increase in capital assets of \$42,813,880. The decrease in cash and investments and increase in capital assets is primarily spending of funds from the 2006 Capital Improvement Program.

Governmental activities total liabilities decreased by \$22,027,107. This decrease is generally due to current year payments on the district's general obligation debt and certificates of participation of \$11,570,000 and a decrease in summer salaries payable of \$10,301,230.

Business-type activities net assets increased by \$550,045. This increase is predominantly an decrease in grants receivable of \$288,529, a decrease in internal balances of \$787,774, an increase in inventories of \$74,032 and a decrease in capital assets of \$26,751.

Government-wide Activities: Government-wide activities increased the district's net assets by \$15,159,739. Key elements of this increase are as follows:

Boulder Valley School District RE-2						
Changes In Net Assets						
	Governmental Activities		Business-type Activities		Total	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Revenues:						
Program Revenues:						
Charges For Services	\$ 11,981,040	\$ 11,820,623	\$ 2,545,086	\$ 2,696,927	\$ 14,526,126	\$ 14,517,550
Operating Grants and Contributions	31,231,823	24,748,470	2,486,869	2,412,851	33,718,692	27,161,321
Capital Grants and Contributions	386,381	3,747,258	-	-	386,381	3,747,258
General Revenues:						
Local Property Taxes	212,383,487	193,973,616	-	-	212,383,487	193,973,616
Specific Ownership Taxes	9,404,630	9,251,558	-	-	9,404,630	9,251,558
State Equalization	53,462,090	64,227,060	-	-	53,462,090	64,227,060
State Fiscal Stabilization Fund	2,116,382	-	-	-	2,116,382	-
Other Revenues	1,266,488	1,266,334	-	-	1,266,488	1,266,334
Investment Earnings	444,720	716,554	-	-	444,720	716,554
Nutrition Service	(1,254,000)	(225,000)	1,254,000	225,000	-	-
Total Revenues	<u>321,423,041</u>	<u>309,526,473</u>	<u>6,285,955</u>	<u>5,334,778</u>	<u>327,708,996</u>	<u>314,861,251</u>
Expenses:						
Instruction	188,306,226	184,537,048	-	-	188,306,226	184,537,048
Supporting Services	102,051,046	93,260,558	-	-	102,051,046	93,260,558
Interest Expense	16,456,075	16,358,947	-	-	16,456,075	16,358,947
Nutrition Service	-	-	5,735,910	6,033,046	5,735,910	6,033,046
Total Expenses	<u>306,813,347</u>	<u>294,156,553</u>	<u>5,735,910</u>	<u>6,033,046</u>	<u>312,549,257</u>	<u>300,189,599</u>
Changes In Net Assets	<u>14,609,694</u>	<u>15,369,920</u>	<u>550,045</u>	<u>(698,268)</u>	<u>15,159,739</u>	<u>14,671,652</u>
Net Assets-Beginning	<u>132,448,983</u>	<u>117,079,063</u>	<u>(364,156)</u>	<u>334,112</u>	<u>132,084,827</u>	<u>117,413,175</u>
Net Assets-Ending	<u>\$ 147,058,677</u>	<u>\$ 132,448,983</u>	<u>\$ 185,889</u>	<u>\$ (364,156)</u>	<u>147,244,566</u>	<u>\$ 132,084,827</u>



Governmental Activities: Governmental activities program revenue increased from the prior year by \$3,282,893 or 8.14%. This increase is due primarily to increased operating grants and contributions recorded in the Governmental Designated-Purpose Grants Fund, primarily increased funding provided by the American Recovery and Reinvestment Act of 2009, and decreased capital grants and contributions recorded in the Building Fund.

Governmental Activities general revenues increased by \$8,613,675 or 3.20%. Local property tax revenues increased by \$18,409,871 due to the passage of the mill levy increase in November 2010. State Equalization decreased by \$10,764,970 due to funding cuts at the State level. To help mitigate the State Equalization cut, the State provided the district with one-time State Fiscal Stabilization Fund revenues of \$2,166,382.

Governmental activities expenses increased by \$12,656,794, or 4.30%, due most significantly to spending of additional revenues provided by funding through the American Recovery and Reinvestment Act of 2009 recorded in the Governmental Designated-Purpose Grants Fund, increased debt service principal paid in the Bond Redemption Fund, increased capital outlay expenditures recorded in the Capital Reserve Fund, and an increase in the required retirement plan contribution rate charged to all governmental funds.

Business-type Activities: The \$550,045 increase in net assets from enterprise activities is due to an increase in total revenues of \$951,177, due primarily to a General Fund transfer increase of \$1,029,000 and a \$297,136 decrease in expenses through reductions in labor hours and decreases in food costs.

Financial Analysis of the Government's Funds

The district uses fund accounting to ensure and demonstrate compliance with finance-related legal, federal and state requirements.

The focus of the district's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the

district's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the district's net resources available for spending at the end of the fiscal year.

As of June 30, 2011, the district's governmental funds reported combined ending fund balances of \$102,277,930. Of this amount \$373,499 (0.37%) is classified as nonspendable, \$33,421,535 (32.68%) as restricted, \$3,579,393 (3.50%) as committed, \$57,563,755 (56.28%) as assigned, and \$7,339,748 (7.18%) as unassigned fund balance.

Additional information on the district's ending fund balances can be found in Note 4 of this report.

The Combined General Fund is the chief operating fund of the district. The Combined General Fund under GASB 34 reporting requirements includes the General Operating Fund, Risk Management Fund, Technology Fund, Athletics Fund, Community Schools Fund, Preschool Fund, Tuition Preschool Fund, and the Colorado Preschool Program Fund. A Combining Schedule of Revenues, Expenditures and Changes in Fund Balances of the Combined General Fund is shown on page 62 of this document. As of June 30, 2011, the Combined General Fund shows an ending fund balance of \$30,625,322 up from the combined fund balance of \$19,645,363 for the prior year, an increase of \$10,979,959.

A Budgetary Comparison Schedule for the Combined General Fund is presented on page 58 of this document. There is a positive variance between final budgeted and actual revenue of \$3,191,821 or 1.23%. Major revenue variances include \$2,116,382 of State Fiscal Stabilization Fund funding which was allocated by the Colorado Department of Education in the spring of 2011 for which no budget was adopted. State Reimbursement Program revenues exceeded budget by \$650,560 as the state allocations were adjusted after the adoption of the final budget.

Expenditures net of reserves varied from the final budget by \$10,857,740, or 4.41%. The majority of the variance was due to expenditures budgeted for Instruction for Regular Programs; this category was under-spent by \$9,000,054, as follows:

\$3.9 million was budgeted in 2010-11 but unspent at year end and intentionally carried over into 2011-12. (This carryover amount is much larger than prior years due to a mid-year increase in funding from the district's successful 2010 mill levy override. These carryover funds include resources for textbooks, school operating funds, technology funds, athletics funds, and preschool funds.) \$2.8 million in benefit costs were budgeted for Instruction for Regular Programs but were spent out of Education Jobs Funds and recorded in the Designated-purpose Grants Fund for reporting efficiencies. Additionally, \$1.3 million in department budgets for special projects were also budgeted in 2010-11 but were unspent at year end and were carried forward into the 2011-12 fiscal year.

The remainder, of this variance, approximately \$1 million was due to sick and vacation payouts budgeted in instructional categories but spent out of other expenditure categories, and changes in benefits and salary accruals attributable to the change in contract year for instructional staff.

Variances in remaining program areas (not including Operations and Maintenance) total approximately \$2.4 million. Of this amount, approximately \$2.06 million represents unspent 2010-11 budget allocations that will be carried forward into the 2011-12 year.

Finally, Operations and Maintenance expenditures were over budget by \$635,060, due to higher than expected increases in utility costs for the district.

The Bond Redemption Fund's fund balance increased by \$293,559 to \$24,325,632. Property tax revenues in the current year were based upon a 2011 levy of 5.791 mills applied against an assessed valuation of \$4,865,464,907. The large ending fund balance is necessary to fund debt service payments as they become due. Property tax levies are based upon a calendar year cycle while debt service payments are made each fiscal year in June and December.

The Building Fund ended the year with a fund balance of \$40,349,760, a decrease of \$54,161,068 from the prior year. Local revenue sources totaled \$730,150, including contributions from local sources of \$386,381 and investment earnings of \$343,769. Capital project expenditures were \$54,891,218 a \$17,086,666 decrease from the prior year.

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

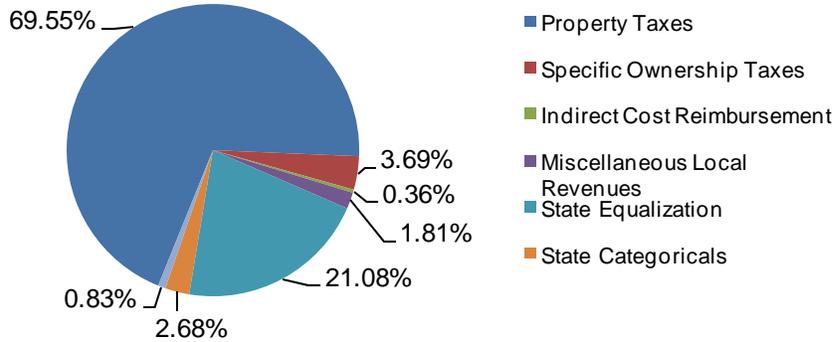
General Operating Fund Highlights

The General Operating Fund is the core operating fund of the district. At the end of the fiscal year, fund balance increased by \$10,168,829 to \$27,691,444. Major revenue variances are shown in the table below.

General Operating Fund Revenues by Source

	June 30, 2011	June 30, 2010	Variance
	<u>Amount</u>	<u>Amount</u>	
Local Revenues			
Property Taxes	\$ 177,048,549	\$ 154,934,584	\$ 22,113,965
Specific Ownership Taxes	9,404,630	9,251,558	153,072
Indirect Cost Reimbursement	920,155	976,644	(56,489)
Miscellaneous Local Revenues	4,600,550	4,566,265	34,285
Subtotal	<u>191,973,884</u>	<u>169,729,051</u>	<u>22,244,833</u>
State Revenues			
State Equalization	53,462,090	64,227,060	(10,764,970)
State Categoricals	7,044,116	7,180,722	(136,606)
Subtotal	<u>60,506,206</u>	<u>71,407,782</u>	<u>(10,901,576)</u>
Federal Sources			
State Fiscal Stabilization Fund	<u>2,116,382</u>	<u>-</u>	<u>2,116,382</u>
Total Revenues	<u>\$ 254,596,472</u>	<u>\$ 241,136,833</u>	<u>\$ 13,459,639</u>

2011 General Operating Fund Revenue By Source



Local Revenues

Current year General Fund property taxes were based upon a levy of 36.547 mills applied against an assessed valuation of \$4,865,464,097 compared to 31.398 mills and an assessed valuation of \$4,878,665,186. The mill levy increase was approved by the electorate of the district in an election held on November 2, 2010. The increase was effective with the 2011 tax collection year. The mill levy increased property tax revenues by approximately \$22.5 million in the 2010-11 fiscal year.

Specific ownership tax is applied to the fair value of vehicles registered in Colorado. Specific ownership tax revenue increased by 1.65% in the current year, ending an eight year downward trend that saw specific ownership tax revenues decrease by a \$2.8 million dollars from its highest point.

State Revenues

State equalization revenue decreased by 16.76% from the prior year. The decrease is due to a state-wide reduction in the School Finance Act funding. Revenue shortfalls at the State level necessitated cuts to K-12 education funding.

To help mitigate the effect of the cut in State equalization revenue, the State did provide one-time revenue funding of \$2.1 million of State Fiscal Stabilization Funds.

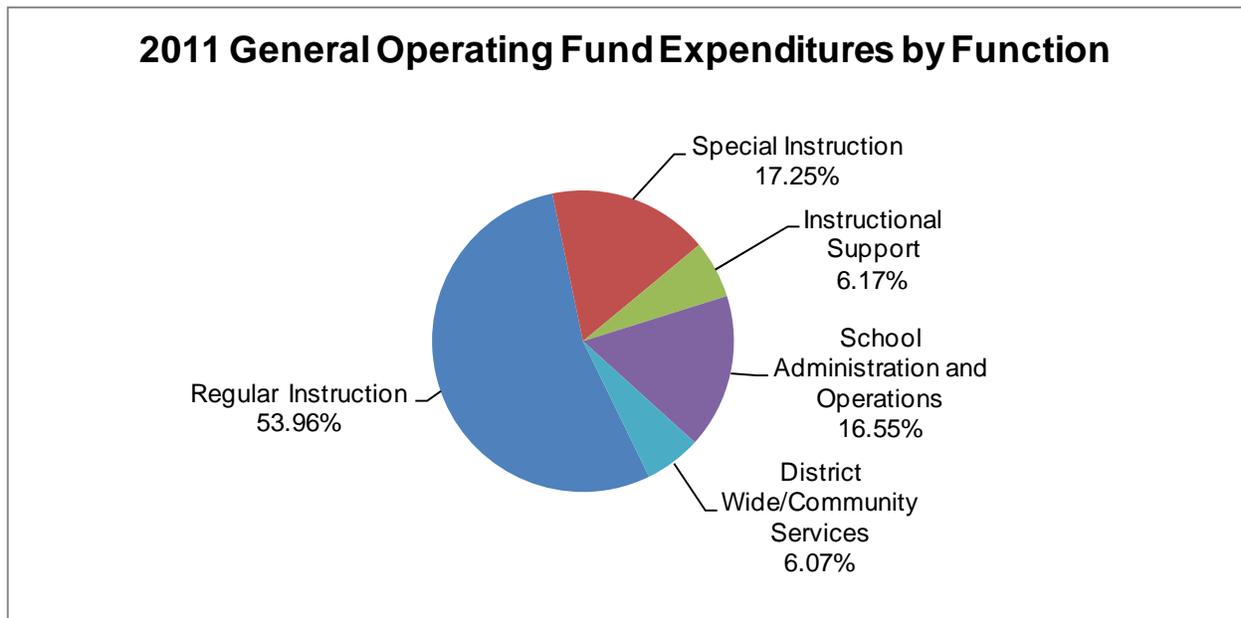
Expenditures

General Operating Fund expenditures decreased by 2.36% or \$5,337,744 to \$221,025,126. Because of anticipated funding decreases at the state level, the district's preliminary 2010-11 General Operating Fund Budget was developed with \$6.9 million of spending cuts from the 2009-10 budget. These cuts were accomplished by a 2.7% reduction to authorized full time equivalent positions while school and department operating budgets were cut 2.25% and 13.5% respectively.

The passage of the mill levy override election in November provided \$22,150,038 million of new revenues to the General Operating Fund. The uses of this additional revenues are as follows: \$3,199,249 allocated to schools are departments to backfill cuts made to the 2010-11 original budget, \$1,200,000 increase in contingency and emergency reserves, \$3,825,000 to backfill an additional cut to state equalization, \$837,985 in unallocated funds and transfers to other funds totaling \$13,087,804; \$8,177,951 to the Capital Reserve Fund to be used for bus replacement and for construction costs for a new district-wide preschool program; \$1,829,052 to the Charter School Fund to offset previous cuts to that fund; \$1,080,801 for operating costs for the new preschool program accounted for in the Preschool Fund, and \$1,900,000 and \$100,000, to the Health Insurance Fund and Dental Insurance Fund to offset future benefit cost increases.

Because the additional expenditure appropriation was not passed until January 2011, many schools and departments were not able to spend these additional amounts by June 30, 2011. Therefore these unspent funds will be carried over and appropriated in the 2011-12 budget.

General Operating Fund expenditures by function are shown in the following chart. 77.38% of expenditures are instruction related: regular program instruction, special program instruction, and direct instructional support. 16.55% of expenditures are for school administration, operations and maintenance of district facilities. 6.07% of expenditures are for district-wide services and community obligations.



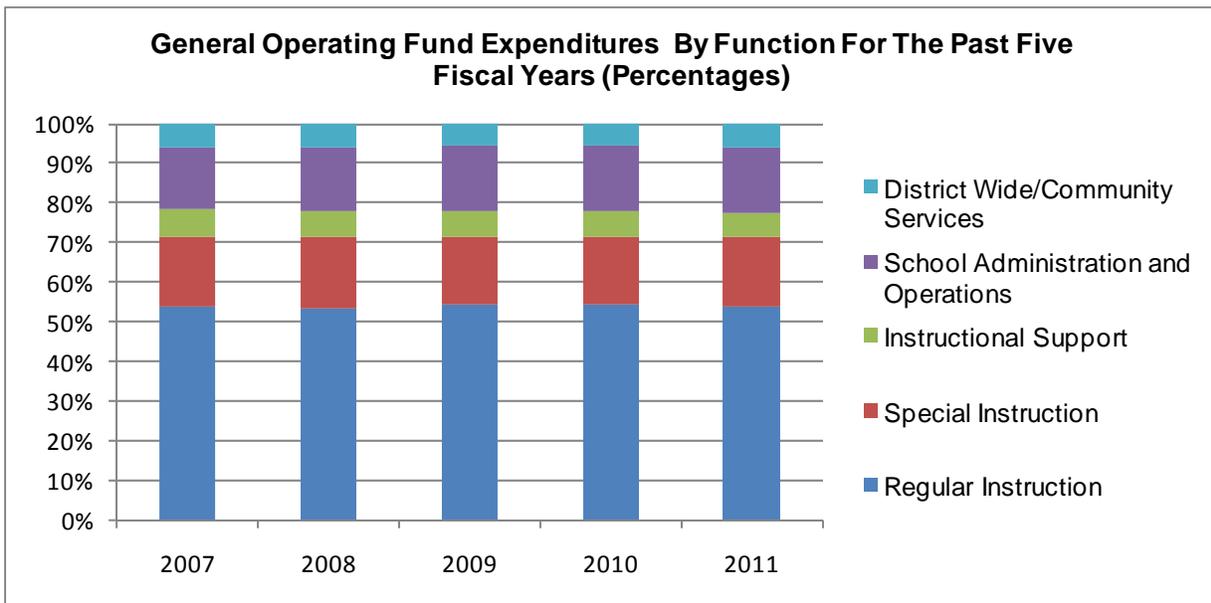
2011 General Operating Fund Expenditures By Function

<u>Function</u>	<u>June 30, 2011</u>	<u>Percent</u>
Regular Instruction		
Regular Instruction	\$ 119,274,510	53.96%
Special Instruction		
Special Education	28,070,124	
Vocational Education	2,096,815	
Co-curricular Education	1,094,212	
Language, Culture & Equity	5,547,686	
Talented and Gifted Education	1,312,170	
Subtotal Special Instruction	<u>38,121,007</u>	17.25%
Instructional Support		
Student Services	6,724,159	
Instructional Staff Support	6,914,975	
Subtotal Instructional Support	<u>13,639,134</u>	6.17%
Subtotal Instruction	171,034,651	77.38%
School Administration and Operations		
School Administration	16,938,682	
Operations and Maintenance	19,638,801	
Subtotal School Administration and Operations	<u>36,577,483</u>	16.55%
District Wide/Community Services		
General Administration	2,721,691	
Business Services	2,563,912	
Central Services	7,168,601	
Community Services	253,080	
Debt Services	705,708	
Subtotal District Wide/Community Services	<u>13,412,992</u>	6.07%
Total General Operating Fund Expenditures	<u>\$ 221,025,126</u>	<u>100.00%</u>

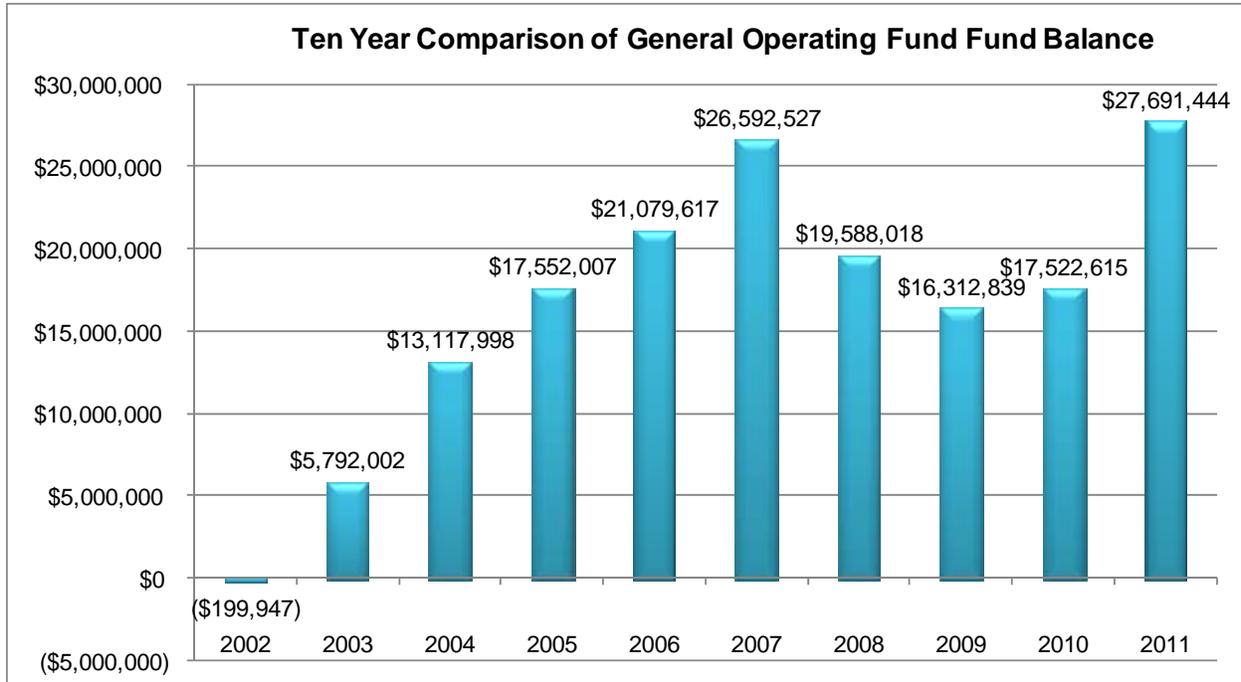
General Operating Fund expenditures by function for the past five fiscal years are shown in the following chart. The district has spent a minimum of 77.38% of General Operating Fund dollars on instruction related activities over the past five fiscal years. This trend is expected to continue into the future.

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Regular Instruction	53.74%	53.57%	54.35%	54.53%	53.96%
Special Instruction	17.70%	17.73%	17.04%	16.87%	17.25%
Instructional Support	6.81%	6.90%	6.78%	6.42%	6.17%
Subtotal Instruction	<u>78.26%</u>	<u>78.20%</u>	<u>78.17%</u>	<u>77.82%</u>	<u>77.38%</u>
School Administration and Operations	15.92%	15.80%	16.10%	16.48%	16.55%
District Wide/Community Services	5.82%	6.00%	5.73%	5.70%	6.07%
Subtotal Support	<u>21.74%</u>	<u>21.80%</u>	<u>21.83%</u>	<u>22.18%</u>	<u>22.62%</u>
 Total	 <u>100.00%</u>	 <u>100.00%</u>	 <u>100.00%</u>	 <u>100.00%</u>	 <u>100.00%</u>



An analysis of the district's General Operating Fund ending fund balance is shown in the following chart. Over the 10 year period 2001-2002 to 2010-11, the fund balance of the General Operating Fund has fluctuated from a low of (\$199,947) to its current amount of \$27,691,444.



There are many factors that caused this fluctuation over time. First, the Colorado School Finance Act allows school districts to pass mill levy override elections up to a maximum of 25% of total program funding. The override percentage increased from 20% to 25% beginning with the 2009-10 fiscal year. The district passed mill levy override elections in November 1991, November 1998, November 2002 and November 2010 of \$7,062,468, \$10,600,000, \$15,000,000 and \$22,500,000 respectively. With the 1998 Referendum, a stabilization fund was established to fund the growing personnel costs that were expected to exceed the fixed revenue stream over time. This stabilization fund was continued and supplemented with the 2002 referendum. Previously, it was standard practice to spend 100% of each override on new programs and then seek voter approval of additional revenues when the fund was depleted. With Colorado's financial issues and the district's stable enrollment, the district changed this practice, halting the use of fund balance for ongoing costs and used the existing stabilization fund to fully fund GAAP budgeting as part of the establishment of Board Policy DB Fund Balance Requirements.

As part of the development of the 2011-12 Revised Budget, the preliminary allocation of the \$27,691,444 General Operating Fund ending fund balance is as follows:

Uses Of Ending Fund Balance

Required Reserves:		
Contingency Reserves	\$ 6,830,711	
TABOR Reserves	6,830,711	
Other Required Reserves	1,990,898	
Subtotal	15,652,320	
One-time Uses:		
School and Department Carryover	5,085,895	
Funds Identified To Be Spent In The 2011-12 Budget	6,873,229	
Available For One-time Uses	80,000	
Subtotal	12,039,124	
Grand Total	\$27,691,444	

Capital Assets and Debt Administration

The district's investment in capital assets for its governmental and business-type activities as of June 30, 2011 and 2010 are \$417,269,884 and \$378,856,989 respectively.

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

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land	\$ 2,776,133	\$ 2,776,133	\$ -	\$ -	\$ 2,776,133	\$ 2,776,133
Construction in Progress	65,486,357	103,625,339	-	-	65,486,357	103,625,339
Land Improvements	9,198,978	9,153,940	-	-	9,198,978	9,153,940
Buildings	333,800,239	257,897,465	-	-	333,800,239	257,897,465
Equipment	6,283,988	1,118,447	221,203	247,954	6,505,191	1,366,401
Vehicles	3,877,220	4,037,711	-	-	3,877,220	4,037,711
Total Assets	\$ 421,422,915	\$378,609,035	\$ 221,203	\$ 247,954	\$ 421,644,118	\$ 378,856,989

In November 2006, voters approved the sale of \$296,800,000 of general obligation bonds to fund critical repairs and capital improvements to the district's infrastructure as identified in the district's May 2006 Educational Facilities Master Plan. The bonds were issued in two installments; \$120,000,000 in February 2007 and \$176,800,000 in February 2009.

The 2010-11 fiscal year was the fifth year of work on these projects. \$272,387,781 has been spent on these projects from inception through June 30, 2011.

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

At June 30, 2011, the district had total bonded debt outstanding of \$374,280,000 backed by the full faith and credit of the district. Additionally, the district had long-term debt obligations for certificates of participation and compensated absences in the amount of \$3,145,000 and \$5,883,764 respectively, outstanding at the end of the current fiscal year. The certificates of participation are collateralized by specific buildings owned by the district.

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

	<u>June 30, 2011</u>	<u>June 30, 2010</u>
General Obligation Bonds	\$374,280,000	\$385,285,000
Certificates of Participation	3,145,000	3,710,000
Compensated Absences	5,883,764	5,404,014
	\$383,308,764	\$394,399,014

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

State statute limits the amount of general obligation debt a government may issue to 20% of its total assessed valuation. The Boulder Valley School District’s legal debt limit is \$973,092,819. At June 30, 2011, the district’s total outstanding general obligation bonds are under the legal debt limit by \$598,812,819.

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

Economic Factors and Next Year’s Budget

Approximately 75 percent of the district’s General Operating Fund revenues are a result of state level decisions. The Colorado State Legislature approved the School Finance Act (SFA) that increased the statewide per pupil base funding by inflation, or 1.9 percent. However, for the second consecutive year, the Colorado State Legislature decreased the statewide total funding by applying a negative factor to reduce total program funding. For the district, this negative factor equates to \$27 million in lost state revenues, as calculated through the SFA.

The district’s projected state per pupil revenue (PPR) for 2011-12 is \$6,375 after accounting for a \$2 per pupil rescission to pay for finance staff at the Colorado Department of Education. Total program funding, defined by the SFA, is projected to be \$180 million, a decline of \$5.6 million from the district’s 2010-11 Revised Budget, or \$9.1 million from projected actual 2010-11 collections. Included in this figure is the impact of the timing of tax collections over two fiscal years, a reduction of around \$900,000 in 2010-11 from the state-determined per pupil revenues.

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

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

this reason, the district generally undertakes a reasonable, yet conservative, projection methodology to reduce the risk of a funding shortfall compared to expected revenues.

Requests for Information

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

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

BASIC FINANCIAL STATEMENTS



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Boulder Valley School District RE-2

STATEMENT OF NET ASSETS

June 30, 2011

	PRIMARY GOVERNMENT			COMPONENT
	GOVERNMENTAL	BUSINESS-TYPE	TOTAL	UNITS
	ACTIVITIES	ACTIVITIES		CHARTER SCHOOLS
ASSETS				
Cash and Investments	\$ 87,261,842	\$ -	\$ 87,261,842	\$ 7,037,236
Restricted Cash and Investments	51,352,994	-	51,352,994	2,745,009
Accounts Receivable	1,028,443	-	1,028,443	21,809
Taxes Receivable	7,834,104	-	7,834,104	-
Grants Receivable	4,521,623	260,145	4,781,768	-
Internal Balances	278,317	(278,317)	-	-
Inventories	339,499	264,405	603,904	17,375
Prepaid Expenses	34,000	-	34,000	9,242
Debt Issuance Costs, Net of Accumulated Amortization	2,112,870	-	2,112,870	527,045
Capital Assets, Not Being Depreciated	68,262,490	-	68,262,490	3,262,896
Capital Assets, Net of Accumulated Depreciation	353,160,425	221,203	353,381,628	14,252,235
TOTAL ASSETS	576,186,607	467,436	576,654,043	27,872,847
LIABILITIES				
Accounts Payable	14,735,481	-	14,735,481	-
Accrued Liabilities	5,670,509	168,650	5,839,159	461,423
Accrued Summer Salaries	12,387,990	-	12,387,990	700,256
Accrued Salaries and Benefits	2,221,620	112,897	2,334,517	76,440
Unearned Revenues	356,596	-	356,596	64,405
Accrued Interest Payable	1,390,241	-	1,390,241	400,383
Claims Payable	3,100,848	-	3,100,848	-
Noncurrent Liabilities				
Due Within One Year	12,619,188	-	12,619,188	1,047,685
Due in More Than One Year	376,645,457	-	376,645,457	16,735,059
TOTAL LIABILITIES	429,127,930	281,547	429,409,477	19,485,651
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	80,504,664	221,203	80,725,867	259,432
Restricted for Debt Service	25,440,014	-	25,440,014	2,094,592
Restricted for Repairs and Replacements	-	-	-	250,034
Restricted for Multiple Year Obligations	120,000	-	120,000	-
Restricted for Colorado Preschool Program	55,863	-	55,863	-
Restricted for Emergencies	7,389,699	286,940	7,676,639	662,682
Restricted for Medicaid	777,768	-	777,768	-
Restricted for Flexible Spending	25,628	-	25,628	-
Unrestricted	32,745,041	(322,254)	32,422,787	5,120,456
TOTAL NET ASSETS	\$ 147,058,677	\$ 185,889	\$ 147,244,566	\$ 8,387,196

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

Boulder Valley School District RE-2

STATEMENT OF ACTIVITIES

Year Ended June 30, 2011

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
PRIMARY GOVERNMENT				
Governmental Activities				
Instruction	\$ 188,306,226	\$ 1,049,174	\$ 14,949,249	\$ -
Supporting Services	102,051,046	10,931,866	10,770,732	386,381
Interest Expense	16,456,075	-	-	-
Total Governmental Activities	306,813,347	11,981,040	25,719,981	386,381
Business-Type Activities				
Nutrition Services	5,735,910	2,545,086	2,486,869	-
Total Business-Type Activities	5,735,910	2,545,086	2,486,869	-
TOTAL PRIMARY GOVERNMENT	\$ 312,549,257	\$ 14,526,126	\$ 28,206,850	\$ 386,381
COMPONENT UNITS				
Charter Schools	22,145,137	1,257,248	1,598,110	-
TOTAL COMPONENT UNITS	\$ 22,145,137	\$ 1,257,248	\$ 1,598,110	\$ -

GENERAL REVENUES

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

TRANSFERS

TOTAL GENERAL REVENUES AND TRANSFERS

CHANGE IN NET ASSETS

NET ASSETS, Beginning

NET ASSETS, Ending

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

NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS

PRIMARY GOVERNMENT			COMPONENT UNITS
GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	CHARTER SCHOOLS
\$ (172,307,803)	\$ -	\$ (172,307,803)	\$ -
(79,962,067)	-	(79,962,067)	-
(16,456,075)	-	(16,456,075)	-
<u>(268,725,945)</u>		<u>(268,725,945)</u>	<u>-</u>
-	(703,955)	(703,955)	-
-	(703,955)	(703,955)	-
<u>(268,725,945)</u>	<u>(703,955)</u>	<u>(269,429,900)</u>	<u>-</u>
			<u>(19,289,779)</u>
			<u>(19,289,779)</u>
212,383,487	-	212,383,487	-
9,404,630	-	9,404,630	-
53,462,090	-	53,462,090	-
7,628,224	-	7,628,224	1,092,966
-	-	-	179,540
444,720	-	444,720	107,774
1,266,488	-	1,266,488	19,898,525
(1,254,000)	1,254,000	-	-
<u>283,335,639</u>	<u>1,254,000</u>	<u>284,589,639</u>	<u>21,278,805</u>
14,609,694	550,045	15,159,739	1,989,026
<u>132,448,983</u>	<u>(364,156)</u>	<u>132,084,827</u>	<u>6,398,170</u>
<u>\$ 147,058,677</u>	<u>\$ 185,889</u>	<u>\$ 147,244,566</u>	<u>\$ 8,387,196</u>

Boulder Valley School District RE-2

BALANCE SHEET GOVERNMENTAL FUNDS June 30, 2011

	GENERAL	GRANTS	BOND REDEMPTION	BUILDING
ASSETS				
Cash and Investments	\$ 44,028,664	\$ -	\$ 23,772,154	\$ -
Restricted Cash and Investments	752,573	-	-	50,600,421
Accounts Receivable	641,217	-	1,590	163,341
Taxes Receivable	6,651,559	-	939,325	-
Grants Receivable	445,027	4,076,596	-	-
Due from Other Funds	3,166,180	-	-	-
Inventories	339,499	-	-	-
Prepaid Items	34,000	-	-	-
TOTAL ASSETS	<u>\$ 56,058,719</u>	<u>\$ 4,076,596</u>	<u>\$ 24,713,069</u>	<u>\$ 50,763,762</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 4,152,484	\$ 5,092	\$ -	\$ 10,409,786
Accrued Liabilities	5,670,509	-	-	-
Accrued Summer Salaries	11,616,589	771,401	-	-
Accrued Salaries and Benefits	1,346,086	302,566	-	4,216
Due to Other Funds	-	2,887,863	-	-
Deferred Revenues	246,922	109,674	-	-
Deferred Property Taxes	2,400,807	-	387,437	-
TOTAL LIABILITIES	<u>25,433,397</u>	<u>4,076,596</u>	<u>387,437</u>	<u>10,414,002</u>
FUND BALANCES				
Nonspendable	373,499	-	-	-
Restricted	8,446,994	-	24,325,632	-
Committed	3,579,393	-	-	-
Assigned	10,785,148	-	-	40,349,760
Unassigned	7,440,288	-	-	-
TOTAL FUND BALANCES	<u>30,625,322</u>	<u>-</u>	<u>24,325,632</u>	<u>40,349,760</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 56,058,719</u>	<u>\$ 4,076,596</u>	<u>\$ 24,713,069</u>	<u>\$ 50,763,762</u>

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

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

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

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

The assets and liabilities of the internal service fund is included in governmental activities in the statement of net assets.

Long-term liabilities, including bonds payable (\$374,280,000), bond premium (\$7,908,339), certificates of participation (\$3,145,000), compensated absences (\$5,883,764), debt issuance costs \$2,112,870, loss on refunding \$1,952,458 and accrued interest payable (\$1,390,241) are not due and payable in the current year and therefore, are not reported in the funds.

Net Assets of Governmental Activities

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

**OTHER
GOVERNMENTAL
FUNDS**

TOTAL

\$ 7,414,258	\$ 75,215,076
-	51,352,994
156,676	962,824
243,220	7,834,104
-	4,521,623
-	3,166,180
-	339,499
-	34,000
<u>\$ 7,814,154</u>	<u>\$ 143,426,300</u>

\$ 168,119	\$ 14,735,481
-	5,670,509
-	12,387,990
568,752	2,221,620
-	2,887,863
-	356,596
100,067	2,888,311
<u>836,938</u>	<u>41,148,370</u>

-	373,499
648,909	33,421,535
-	3,579,393
6,428,847	57,563,755
(100,540)	7,339,748
<u>6,977,216</u>	<u>102,277,930</u>

\$ 7,814,154

421,422,915

2,888,311

9,011,537

(388,542,016)

\$ 147,058,677

Boulder Valley School District RE-2
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2011

	<u>GENERAL</u>	<u>GRANTS</u>	<u>BOND REDEMPTION</u>	<u>BUILDING</u>
REVENUES				
Local Sources	\$ 199,194,188	\$ 643,019	\$ 28,233,751	\$ 730,150
State Sources	60,506,206	830,508	-	-
Federal Sources	2,116,382	21,405,952	-	-
TOTAL REVENUES	<u>261,816,776</u>	<u>22,879,479</u>	<u>28,233,751</u>	<u>730,150</u>
EXPENDITURES				
Current				
Instruction	163,934,660	13,243,793	-	-
Supporting Services	70,890,911	8,210,949	-	-
Capital Outlay	-	2,560	-	54,891,218
Debt Service				
Principal	565,000	-	11,005,000	-
Interest and Fiscal Charges	140,708	-	16,935,192	-
TOTAL EXPENDITURES	<u>235,531,279</u>	<u>21,457,302</u>	<u>27,940,192</u>	<u>54,891,218</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>26,285,497</u>	<u>1,422,177</u>	<u>293,559</u>	<u>(54,161,068)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	(15,305,538)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(15,305,538)</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	10,979,959	1,422,177	293,559	(54,161,068)
FUND BALANCES, Beginning	<u>19,645,363</u>	<u>(1,422,177)</u>	<u>24,032,073</u>	<u>94,510,828</u>
FUND BALANCES, Ending	<u>\$ 30,625,322</u>	<u>\$ -</u>	<u>\$ 24,325,632</u>	<u>\$ 40,349,760</u>

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

OTHER GOVERNMENTAL FUNDS	TOTAL
\$ 7,862,322	\$ 236,663,430
2,730,405	64,067,119
-	23,522,334
10,592,727	324,252,883
1,189,231	178,367,684
11,081,204	90,183,064
11,340,970	66,234,748
-	11,570,000
-	17,075,900
23,611,405	363,431,396
(13,018,678)	(39,178,513)
12,051,538	12,051,538
-	(15,305,538)
12,051,538	(3,254,000)
(967,140)	(42,432,513)
7,944,356	144,710,443
\$ 6,977,216	\$ 102,277,930

Boulder Valley School District RE-2
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2011

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

Net Change in Fund Balances	\$ (42,432,513)
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net assets and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount by which capital outlay \$55,466,440 exceeded depreciation expense (\$12,639,010) and loss on disposal (\$13,550) in the current year.	42,813,880
Revenues that do not provide current financial resources are deferred in the governmental fund financial statements but are recognized in the government-wide financial statements.	(1,575,842)
Repayments of debt principal \$11,570,000 and changes in compensated absences (\$479,750) are expenditures in the governmental funds, but they reduce long-term liabilities in the statement of net assets and do not affect the statement of activities.	11,090,250
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets and does not affect the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt related items: amortization of loss on refunding (\$341,091), amortization of debt issuance costs (\$159,110), amortization of bond premium \$919,291, and change in accrued interest payable \$41,625.	460,715
An internal service fund is used by management to charge the costs of employee health and dental insurance to individual funds. The net revenue of the internal service fund is included in governmental activities in the statement of activities.	<u>4,253,204</u>
Change in Net Assets of Governmental Activities	<u><u>\$ 14,609,694</u></u>

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

Boulder Valley School District RE-2

BALANCE SHEET PROPRIETARY FUNDS June 30, 2011

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
ASSETS		
Current Assets		
Cash and Investments	\$ -	\$ 12,046,766
Accounts Receivable	-	65,619
Grants Receivable	260,145	-
Inventories	264,405	-
Total Current Assets	524,550	12,112,385
Noncurrent Assets		
Equipment	1,342,325	-
Accumulated Depreciation	(1,121,122)	-
Total Noncurrent Assets	221,203	-
TOTAL ASSETS	745,753	12,112,385
LIABILITIES		
Current Liabilities		
Claims Payable	-	3,100,848
Accrued Liabilities	168,650	-
Accrued Salaries and Benefits	112,897	-
Due to Other Funds	278,317	-
TOTAL LIABILITIES	559,864	3,100,848
NET ASSETS		
Invested in Capital Assets	221,203	-
Restricted for Emergencies	286,940	-
Unrestricted	(322,254)	9,011,537
TOTAL NET ASSETS	\$ 185,889	\$ 9,011,537

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

Boulder Valley School District RE-2
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
Year Ended June 30, 2011

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
OPERATING REVENUES		
Regular School Lunch	\$ 2,044,202	\$ -
Sandwich Line	342,430	-
Premiums and Services	-	25,102,145
Other	158,454	354,831
	<u>2,545,086</u>	<u>25,456,976</u>
OPERATING EXPENSES		
Salaries	2,605,488	135,385
Benefits	894,857	33,006
Purchased Food and Commodities	1,632,901	-
Nonfood Supplies	355,440	-
Purchased Services	97,966	22,053,128
Depreciation	58,530	-
Other	90,728	982,253
	<u>5,735,910</u>	<u>23,203,772</u>
OPERATING INCOME (LOSS)	<u>(3,190,824)</u>	<u>2,253,204</u>
NONOPERATING REVENUES		
USDA Donated Commodities	318,414	-
Federal Reimbursements	2,104,578	-
State Sources	63,877	-
	<u>2,486,869</u>	<u>-</u>
NET INCOME (LOSS) BEFORE TRANSFERS	<u>(703,955)</u>	<u>2,253,204</u>
TRANSFERS		
Transfers In	1,254,000	2,000,000
CHANGE IN NET ASSETS	<u>550,045</u>	<u>4,253,204</u>
NET ASSETS, Beginning	<u>(364,156)</u>	<u>4,758,333</u>
NET ASSETS, Ending	<u>\$ 185,889</u>	<u>\$ 9,011,537</u>

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

Boulder Valley School District RE-2

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS

Increase (Decrease) in Cash and Cash Equivalents
Year Ended June 30, 2011

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
Cash Flows From Operating Activities		
Premiums and Services	\$ -	\$ 25,456,976
Cash Received from Operations	2,545,086	-
Cash Payments for Premiums and Claims	-	(23,605,967)
Cash Paid to Employees	(3,533,781)	(168,391)
Cash Paid to Suppliers	(1,880,566)	-
	<u>(2,869,261)</u>	<u>1,682,618</u>
Net Cash Provided (Used) by Operating Activities		
Cash Flows From Noncapital Financing Activities		
Cash Received from Federal Reimbursements	2,389,116	-
Cash Received from State Matching Funds	67,868	-
Transfers from Other Funds	1,254,000	2,000,000
Repayment of Loans from Other Funds	(787,774)	-
	<u>2,923,210</u>	<u>2,000,000</u>
Net Cash Provided by Noncapital Financing Activities		
Cash Flows From Capital and Related Financing Activities		
Purchases of Equipment	(53,949)	-
	<u>(53,949)</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
	-	3,682,618
CASH AND CASH EQUIVALENTS, Beginning		
	<u>-</u>	<u>8,364,148</u>
CASH AND CASH EQUIVALENTS, Ending		
	<u>\$ -</u>	<u>\$ 12,046,766</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income (Loss)	\$ (3,190,824)	\$ 2,253,204
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities		
Depreciation	58,530	-
Loss on Disposal of Capital Assets	22,170	-
Donated Commodities	318,414	-
Changes in Assets and Liabilities Related to Operations		
Accounts Receivable	-	(65,619)
Inventories	(74,032)	-
Claims Payable	-	(504,967)
Accrued Liabilities	29,917	-
Accrued Salaries and Benefits	(33,436)	-
	<u>(2,869,261)</u>	<u>1,682,618</u>
Net Cash Provided (Used) by Operating Activities		
NON-CASH TRANSACTIONS		
Commodities Received	<u>\$ 318,414</u>	<u>\$ -</u>

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

Boulder Valley School District RE-2

STATEMENT OF FIDUCIARY NET ASSETS

June 30, 2011

	<u>PRIVATE PURPOSE TRUST FUNDS</u>	<u>AGENCY FUND</u>
ASSETS		
Cash and Investments	\$ 273,205	\$ 3,139,244
TOTAL ASSETS	<u>273,205</u>	<u>3,139,244</u>
LIABILITIES		
Due to Student and School Groups	-	3,139,244
TOTAL LIABILITIES	<u>-</u>	<u>3,139,244</u>
NET ASSETS		
Restricted for Scholarships	<u>273,205</u>	<u>-</u>
TOTAL NET ASSETS	<u>\$ 273,205</u>	<u>\$ -</u>

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

Boulder Valley School District RE-2
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
Year Ended June 30, 2011

	<u>PRIVATE PURPOSE TRUST FUNDS</u>
ADDITIONS	
Contributions	<u>\$ 21,191</u>
TOTAL ADDITIONS	<u>21,191</u>
DEDUCTIONS	
Scholarships and Awards	<u>9,000</u>
CHANGE IN NET ASSETS	12,191
NET ASSETS, Beginning	<u>261,014</u>
NET ASSETS, Ending	<u><u>\$ 273,205</u></u>

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



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Boulder Valley School District RE-2
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

Based upon the application of this criteria, the district includes five charter schools within its reporting entity. The charter schools are public schools authorized by State statutes to provide alternatives for parents, pupils and teachers. The charter schools are fiscally dependent on the district and their exclusion would render the district's financial statements incomplete. Since the charter schools have separately elected boards, the balances and transactions of the charter schools are discretely presented in the financial statements. Separate financial statements for the Peak to Peak Charter School may be obtained by contacting the School at 800 Merlin Drive, Lafayette, Colorado 80026. Separate financial statements for the remaining charter schools are not available.

Government-Wide and Fund Financial Statements

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

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

Boulder Valley School District RE-2
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (Continued)

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

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

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

Boulder Valley School District RE-2
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

The *Grants Fund* is provided to maintain a separate accounting for fully funded Federal, State and local grant programs.

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

The *Building Fund* reports bond proceeds and other revenues to be used for major building repairs and renovations.

Additionally, the district reports the following fund types:

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

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

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

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

Assets, Liabilities and Fund Equity

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

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

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

Boulder Valley School District RE-2
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Fund Equity (Continued)

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

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

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

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

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

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

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

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

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

Boulder Valley School District RE-2
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Fund Equity (Continued)

Compensated Absences - District policy allows unlimited accumulation of sick time and accumulation of vacation time to a maximum of 40 days for certain personnel classifications. Accrued sick leave is paid to those eligible employees upon termination of employment at varying rates based upon longevity and classification. Accrued vacation is paid to those eligible employees upon termination of employment.

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

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

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

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

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

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

- *Nonspendable fund balance* - Amounts that are not in a spendable form (such as inventory) or are required to be maintained intact (such as the corpus of an endowment fund).
- *Restricted fund balance* - Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- *Committed fund balance* - Amounts constrained to specific purposes through formal action by the board of education to be reported as committed. Amounts cannot be used for any other purpose unless the board takes the same action to modify or rescind the commitment.

Boulder Valley School District RE-2
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Fund Equity (Continued)

- Assigned fund balance - Amounts constrained by the district for specific purposes, but are neither restricted nor committed. Through resolution, the board of education has authorized the district's superintendent to assign fund balances.

- Unassigned fund balance - The residual amount reported when the balances do not meet any of the above criterion. The district reports positive unassigned fund balance only in the general fund. Negative unassigned balances may be reported in all funds.

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

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

Revenues

Property Taxes - Property taxes for a calendar year are certified in arrears on December 10 and attached as a lien on the property the previous January 1. For example, property taxes owed in 2011 are certified to the county in December 2010 and are available for collection on the levy date, January 1. Property taxes are payable in full by April 30 or in two equal installments due February 28 and June 15. Property tax receipts collected by the county are generally remitted to the district in the subsequent month.

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

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

Boulder Valley School District RE-2
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 2: CASH AND INVESTMENTS

At June 30, 2011, the district had the following cash and investments:

Cash on Hand	\$ 29,209
Deposits	105,283,445
Investments	<u>39,749,699</u>
Total	<u>\$ 145,062,353</u>

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

Primary Government Cash and Investments	\$ 87,261,842
Primary Government Restricted Cash and Investments	51,352,994
Fiduciary Funds Cash and Investments	3,412,449
Charter School Cash Held by District	<u>3,035,068</u>
Total	<u>\$ 145,062,353</u>

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires all local government entities to deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all uninsured public deposits as a group. The fair value of the collateral must be at least equal to 102% of the uninsured deposits. At June 30, 2011, the district had bank deposits of \$100,827,529 collateralized with the securities held by the financial institutions' agents but not in the district's name.

Investments

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

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

Boulder Valley School District RE-2
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 2: CASH AND INVESTMENTS (Continued)

Investments (Continued)

The district had the following investments at June 30, 2011:

<u>Investment Type</u>	<u>S&P Rating</u>	<u>Investment Maturities (in Years)</u>		
		<u>Less Than 1</u>	<u>1 - 5</u>	<u>Fair Value</u>
U.S. Agency Securities	AAA	\$ 14,875,208	\$ 703,312	\$ 15,578,520
Wells Fargo Money Market Funds	AAAm	23,633	-	23,633
Local Government Investment Pool	AAAm	24,147,546	-	24,147,546
Total		<u><u>\$ 39,046,387</u></u>	<u><u>\$ 703,312</u></u>	<u><u>\$ 39,749,699</u></u>

Interest Rate Risk - Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. To manage exposure to this risk, the District's investment policy limits investment maturities to five years or less. Colorado revised statute 24-75-601 also limits most investment maturities to five years or less.

Credit Risk - State statutes limit investments in U.S. Agency securities to the highest rating issued by two or more nationally recognized statistical rating organizations ("NRSROs"). State statutes also limit investments in money market funds to those that maintain a constant share price, with a maximum maturity in accordance with Rule 2a-7, and have either assets of \$1 billion or the highest rating issued by a NRSRO.

Concentration of Credit Risk - State statutes generally do not limit the amount the district may invest in one issuer. The district's investment in the following securities is in excess of 5% of its total portfolio: Federal Farm Credit Bank, 11.92%, Federal Home Loan Mortgage Corporation, 12.63%, and Federal Home Loan Bank 12.88%.

Local Government Investment Pool - At June 30, 2011, the district had \$24,147,546 invested in the Colorado Local Government Liquid Asset Trust (Colotrust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces the requirements of creating and operating Colotrust. The pool operates in conformity with the Securities and Exchange Commission's Rule 2a-7 as promulgated under the Investment Company Act of 1940, as amended. Colotrust is rated AAAM by Standard and Poor's. Investments of Colotrust are limited to those allowed by state statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

Boulder Valley School District RE-2
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 2: CASH AND INVESTMENTS (Continued)

Restricted Cash and Investments

Cash and investments of \$726,945 and \$25,628, representing required reserves for the Certificates of Participation and employee flexible spending benefits, respectively, have been restricted in the General Fund. In addition, \$50,600,421, representing unspent bond proceeds, have been restricted in the Building Fund.

NOTE 3: INTERFUND BALANCES AND TRANSFERS

<u>Due from Other Funds</u>	<u>Due to Other Funds</u>	<u>Balance</u>
General Fund	Grants Fund	\$ 2,887,863
General Fund	Nutrition Services Fund	<u>278,317</u>
Total		<u>\$ 3,166,180</u>

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

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Balance</u>
Capital Reserve Fund	General Fund	\$ 10,888,535
Transportation Fund	General Fund	1,163,003
Nutrition Services Fund	General Fund	1,254,000
Internal Services Funds	General Fund	<u>2,000,000</u>
Total		<u>\$ 15,305,538</u>

The General Fund transfers a portion of its funding to the Capital Reserve Fund to be used for capital purposes. The General Fund subsidizes the student transportation program reported in the Transportation Fund. The General Fund transferred cash to the Nutrition Services Fund due to the additional expenditures incurred during the restructuring of the nutrition services program. The General Fund transferred cash to the Internal Service Funds to offset future employee medical and dental premiums.

Boulder Valley School District RE-2
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 4: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2011, is summarized below.

	Balances 6/30/10	Additions	Deletions	Balances 6/30/11
Governmental Activities				
Capital Assets, Not Being Depreciated				
Land	\$ 2,776,133	\$ -	\$ -	\$ 2,776,133
Construction in Progress	103,625,339	54,175,975	(92,314,957)	65,486,357
Total Capital Assets, Not Being Depreciated	<u>106,401,472</u>	<u>54,175,975</u>	<u>(92,314,957)</u>	<u>68,262,490</u>
Capital Assets, Being Depreciated				
Land Improvements	11,316,974	624,662	-	11,941,636
Buildings	370,122,112	85,581,205	(53,933)	455,649,384
Equipment	3,427,974	6,441,139	-	9,869,113
Vehicles	18,289,294	958,416	-	19,247,710
Total Capital Assets, Being Depreciated	<u>403,156,354</u>	<u>93,605,422</u>	<u>(53,933)</u>	<u>496,707,843</u>
Less Accumulated Depreciation For				
Land Improvements	2,163,034	579,624	-	2,742,658
Buildings	112,224,647	9,664,881	(40,383)	121,849,145
Equipment	2,309,527	1,275,598	-	3,585,125
Vehicles	14,251,583	1,118,907	-	15,370,490
Total Accumulated Depreciation	<u>130,948,791</u>	<u>12,639,010</u>	<u>(40,383)</u>	<u>143,547,418</u>
Total Capital Assets, Being Depreciated, Net	<u>272,207,563</u>	<u>80,966,412</u>	<u>(13,550)</u>	<u>353,160,425</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 378,609,035</u></u>	<u><u>\$ 135,142,387</u></u>	<u><u>\$ (92,328,507)</u></u>	<u><u>\$ 421,422,915</u></u>
Business-Type Activities				
Capital Assets, Being Depreciated				
Equipment	\$ 1,313,957	\$ 53,949	\$ (25,581)	\$ 1,342,325
Less Accumulated Depreciation For				
Equipment	1,066,003	58,530	(3,411)	1,121,122
Business-Type Activities Capital Assets, Net	<u><u>\$ 247,954</u></u>	<u><u>\$ (4,581)</u></u>	<u><u>\$ (22,170)</u></u>	<u><u>\$ 221,203</u></u>
Charter Schools				
Capital Assets, Not Being Depreciated				
Land	\$ 2,260,260	\$ -	\$ -	\$ 2,260,260
Construction in Progress	201,300	801,336	-	1,002,636
Total Capital Assets, Not Being Depreciated	<u>2,461,560</u>	<u>801,336</u>	<u>-</u>	<u>3,262,896</u>
Capital Assets, Being Depreciated				
Land Improvements	942,055	58,113	-	1,000,168
Buildings	17,680,656	23,217	-	17,703,873
Equipment	19,260	-	-	19,260
Total Capital Assets, Being Depreciated	<u>18,641,971</u>	<u>81,330</u>	<u>-</u>	<u>18,723,301</u>
Less Accumulated Depreciation For				
Land Improvements	636,709	97,825	-	734,534
Buildings	3,401,273	329,481	-	3,730,754
Equipment	3,852	1,926	-	5,778
Total Accumulated Depreciation	<u>4,041,834</u>	<u>429,232</u>	<u>-</u>	<u>4,471,066</u>
Total Capital Assets, Being Depreciated, Net	<u>14,600,137</u>	<u>(347,902)</u>	<u>-</u>	<u>14,252,235</u>
Charter School Capital Assets, Net	<u><u>\$ 17,061,697</u></u>	<u><u>\$ 453,434</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 17,515,131</u></u>

Boulder Valley School District RE-2
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 4: CAPITAL ASSETS (Continued)

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

Governmental Activities	
Instruction	\$ 10,962,800
Supporting Services	1,676,210
Total	\$ 12,639,010
 Business-Type Activities	
Nutrition Services	\$ 58,530

NOTE 5: ACCRUED SUMMER SALARIES

Salaries and benefits of certain contractually employed personnel are paid over a twelve month period from August to July, but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, at June 30, 2011, were \$12,387,990 and \$700,256 for the district and charter schools, respectively. This accrued compensation is reflected as a liability in the accompanying financial statements.

NOTE 6: SHORT-TERM DEBT

During the year ended June 30, 2011, the district borrowed \$66,197,643 from the state-sponsored interest-free loan program to provide cash flow throughout the fiscal year. The loan was paid in full by June 30, 2011, from property taxes received primarily from February through June. The schedule of changes is summarized below.

	Balances 6/30/10	Additions	Payments	Balances 6/30/11
State-sponsored interest-free loan	\$ -	\$ 66,197,643	\$ 66,197,643	\$ -
Total	\$ -	\$ 66,197,643	\$ 66,197,643	\$ -

NOTE 7: LONG-TERM DEBT

Following is a summary of long-term debt transactions of the district for the year ended June 30, 2011.

	Balances 6/30/10	Additions	Payments	Balances 6/30/11	Due Within One Year
Governmental Activities					
General Obligation Bonds	\$ 385,285,000	\$ -	\$ 11,005,000	\$ 374,280,000	\$ 11,745,000
Bond Premium	8,827,630	-	919,291	7,908,339	-
Certificates of Participation	3,710,000	-	565,000	3,145,000	580,000
Loss on Refunding	(2,293,549)	-	(341,091)	(1,952,458)	-
Compensated Absences	5,404,014	4,689,281	4,209,531	5,883,764	294,188
Total	\$ 400,933,095	\$ 4,689,281	\$ 16,357,731	\$ 389,264,645	\$ 12,619,188

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

Boulder Valley School District RE-2
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 7: LONG-TERM DEBT (Continued)

General Obligation Bonds

General obligation bonds payable at June 30, 2011, are comprised of the following issues:

\$52,645,000 General Obligation Bonds, Series 2009B. Issued to refund the general obligation bonds, Series 1999. Principal payments due on December 1 and interest payments due on December 1 and June 1, through 2018. Interest accrues at rates ranging from 2.00% to 4.00%.	\$ 52,645,000
\$176,565,000 General Obligation Bonds, Series 2009. Issued to implement a district-wide capital construction and improvement program. Principal payments due on December 1 and interest payments due on December 1 and June 1, through 2034. Interest accrues at rates ranging from 4.00% to 5.00%.	\$ 176,565,000
\$33,430,000 General Obligation Bonds, Series 2007B. Issued to refund certain general obligation bonds. Principal payments due on December 1 and interest payments due on December 1 and June 1, through 2014. Interest accrues at rates ranging from 4.00% to 5.00%.	\$ 33,430,000
\$111,640,000 General Obligation Bonds, Series 2007. Issued to implement a district-wide capital construction and improvement program. Principal payments due on December 1 and interest payments due on December 1 and June 1, through 2032. Interest accrues at rates ranging from 3.50% to 4.50%.	<u>\$ 111,640,000</u>
Total	<u><u>\$ 374,280,000</u></u>

Bond payments, to maturity, are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	11,745,000	16,419,193	28,164,193
2013	12,250,000	15,879,742	28,129,742
2014	12,790,000	15,310,380	28,100,380
2015	13,370,000	14,706,524	28,076,524
2016	13,835,000	14,199,118	28,034,118
2017 - 2021	68,360,000	63,621,122	131,981,122
2022 - 2026	69,720,000	48,722,275	118,442,275
2027 - 2031	86,875,000	30,547,644	117,422,644
2032 - 2035	85,335,000	8,637,356	93,972,356
Total	<u><u>\$ 374,280,000</u></u>	<u><u>\$ 228,043,354</u></u>	<u><u>\$ 602,323,354</u></u>

On June 30, 2011, \$2.445 million of the 1997 General Obligation Bonds were outstanding and considered defeased.

Boulder Valley School District RE-2
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 7: LONG-TERM DEBT (Continued)

Certificates of Participation

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

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	580,000	118,563	698,563
2013	605,000	98,263	703,263
2014	625,000	76,331	701,331
2015	655,000	52,581	707,581
2016	680,000	27,200	707,200
Total	<u><u>\$ 3,145,000</u></u>	<u><u>\$ 372,938</u></u>	<u><u>\$ 3,517,938</u></u>

Component Units

The Peak to Peak Charter School has entered into a capital lease agreement with Prairie View, Inc., a component unit, to construct facilities. The Colorado Educational and Cultural Facilities Authority ("CECFA") has issued Charter School Revenue and Refunding Bonds on behalf of Prairie View, Inc. The School makes monthly payments to Prairie View, Inc., and Prairie View, Inc., makes similar payments to CECFA.

In August 2006, Justice High School entered into a loan agreement to purchase facilities. The note requires a payment of \$20,000 each July 15 and subsequent monthly payments of \$4,000 including interest at 6.5%. The balance of the note is due and payable on September 1, 2011. On September 16, 2011, this property was sold and the loan was paid in full.

In September 2007, Boulder Prep High School entered into a loan agreement to purchase facilities. The loan requires monthly principal and interest payments of \$1,803 with interest at 7.125%. The final payment on the note is due in February 2032.

In June 2009, Summit Middle School entered into a loan agreement to finance facility improvements. The note requires 22 monthly interest payments with interest computed at a variable rate based upon the Wall Street Journal Prime Rate plus 1%, currently 5%. The note requires annual principal payments of \$70,000 due December 30, 2010, December 30, 2011, December 30, 2012, December 30, 2013 and a final payment of \$70,400 due on December 30, 2014. On June 1, 2011, the loan was paid in full.

Boulder Valley School District RE-2
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 7: LONG-TERM DEBT (Continued)

Component Units (Continued)

Changes in long-term debt of the Charter Schools for the year ended June 30, 2011, were as follows:

	Balances 6/30/10	Additions	Payments	Balances 6/30/11	Due Within One Year
Peak to Peak					
Capital Lease	\$ 21,230,000	\$ -	\$ 455,000	\$ 20,775,000	\$ 470,000
Premium	422,812	-	17,740	405,072	
Loss on Refunding	(4,388,477)	-	(184,132)	(4,204,345)	
Justice High					
Loan Payable	602,893	-	30,304	572,589	572,589
Boulder Prep					
Loan Payable	239,174	-	4,746	234,428	5,096
Summit					
Loan Payable	350,400	-	350,400	-	-
Total	\$ 18,456,802	\$ -	\$ 674,058	\$ 17,782,744	\$ 1,047,685

Debt payments to maturity are as follows:

<u>Year Ended June 30,</u>	Principal	Interest	Total
2012	\$ 1,047,685	\$ 1,080,681	\$ 2,128,366
2013	495,471	1,054,537	1,550,008
2014	515,874	1,033,634	1,549,508
2015	536,306	1,011,881	1,548,187
2016	561,770	985,983	1,547,753
2017 - 2021	3,277,105	4,441,812	7,718,917
2022 - 2026	4,235,060	3,456,544	7,691,604
2027 - 2031	5,470,674	2,182,216	7,652,890
2032 - 2035	5,442,072	588,157	6,030,229
Total	\$ 21,582,017	\$ 15,835,445	\$ 37,417,462

Boulder Valley School District RE-2
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 8: FUND BALANCES

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

	<u>GENERAL</u>	<u>OTHER MAJOR FUNDS</u>	<u>NONMAJOR FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
FUND BALANCES				
Nonspendable:				
Inventories	\$ 339,499	\$ -	\$ -	\$ 339,499
Prepaid Items	34,000	-	-	34,000
Total Nonspendable	<u>373,499</u>	<u>-</u>	<u>-</u>	<u>373,499</u>
Restricted For:				
Debt Service	-	24,325,632	-	24,325,632
Certificates of Participation	726,945	-	-	726,945
Multiple Year Obligations	120,000	-	-	120,000
Colorado Preschool Program	55,863	-	-	55,863
Emergencies	6,740,790	-	648,909	7,389,699
Medicaid	777,768	-	-	777,768
Flexible Spending	25,628	-	-	25,628
Total Restricted	<u>8,446,994</u>	<u>24,325,632</u>	<u>648,909</u>	<u>33,421,535</u>
Committed For:				
School Resource Allocation Funds	1,955,319	-	-	1,955,319
Textbook and Learning Material Funds	575,262	-	-	575,262
Funds Allocated for Software Implementation	255,630	-	-	255,630
Business Services Funds Identified for Software Implementation & Business Projects	161,181	-	-	161,181
Special Education Funds for Staff and Student Support	582,700	-	-	582,700
Funds Identified for TIES Support	25,059	-	-	25,059
AVID Training	24,242	-	-	24,242
Total Committed	<u>3,579,393</u>	<u>-</u>	<u>-</u>	<u>3,579,393</u>
Assigned For:				
Carryover	3,911,919	-	-	3,911,919
Certificates of Participation Refunding	2,557,736	-	-	2,557,736
Lawson Implementation/Upgrade	1,023,200	-	-	1,023,200
Unemployment Insurance Claims	500,000	-	-	500,000
School Construction & Projects	1,242,000	-	-	1,242,000
Curriculum Development, Learning Materials & Student Support	572,763	-	-	572,763
State-wide K-12 Support Initiatives	45,400	-	-	45,400
Technology & Equipment	370,165	-	-	370,165
Staff Support & Training	561,965	-	-	561,965
Capital Projects	-	40,349,760	6,428,847	46,778,607
Total Assigned	<u>10,785,148</u>	<u>40,349,760</u>	<u>6,428,847</u>	<u>57,563,755</u>
Unassigned, Reported In				
General Fund	7,440,288	-	-	7,440,288
Transportation	-	-	(100,540)	(100,540)
Total Unassigned	<u>7,440,288</u>	<u>-</u>	<u>(100,540)</u>	<u>7,339,748</u>
TOTAL FUND BALANCES	<u><u>\$ 30,625,322</u></u>	<u><u>\$ 64,675,392</u></u>	<u><u>\$ 6,977,216</u></u>	<u><u>\$ 102,277,930</u></u>

Boulder Valley School District RE-2
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 9: RISK MANAGEMENT

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

Joint School District Worker's Compensation Self-Insurance Pool

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

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

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

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

Colorado School Districts Self-Insurance Pool

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

Boulder Valley School District RE-2
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 9: RISK MANAGEMENT (Continued)

Health and Dental Self-Insurance

Under the district's employee health insurance plan and dental insurance plan, the district provides coverage for its employees. Claims liabilities are reported in each fund respectively if information available prior to the issuance of the financial statements indicates that it is probable that the liability has been incurred at the date of the financial statements and the amount of loss can be reasonably estimated. Changes in claims payable for the employee health insurance plan and dental insurance plan were as follows:

	Health Insurance	Dental Insurance
Claims Payable, June 30, 2009	\$ 3,063,264	\$ 343,939
Claims Incurred and Adjustments	11,623,037	2,039,309
Payments	(11,554,941)	(1,908,793)
Claims Payable, June 30, 2010	3,131,360	474,455
Claims Incurred and Adjustments	10,834,727	1,865,679
Payments	(11,310,457)	(1,894,916)
Claims Payable, June 30, 2011	\$ 2,655,630	\$ 445,218

Claims payable at June 30, 2011 are expected to be liquidated within the next fiscal year.

NOTE 10: DEFINED BENEFIT PENSION PLAN

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

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

Funding Policy - The contribution requirements of plan members and the district are established under Title 24, Article 51, Part 4 of the CRS, as amended. The contribution rate for members was 8%. The district's contribution rate for calendar years 2009, 2010, and 2011 was 12.95%, 13.85%, and 14.75% of covered salary, respectively. A portion of the district's contribution (1.02% of covered salary) is allocated to the Health Care Trust Fund (See Note 11). The district's contributions to the SDTF for the years ended June 30, 2011, 2010, and 2009 were \$26,994,363, \$24,366,046, and \$22,461,866, respectively, equal to the required contributions for each year.

Boulder Valley School District RE-2
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 11: POSTEMPLOYMENT HEALTHCARE BENEFITS

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

Funding Policy - The district was required to contribute at a rate of 1.02% of covered salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the district are established under Title 24, Article 51, Part 4 of the CRS, as amended. The apportionment of the contributions of the HCTF is established under Title 24, Article 51, Section 208 of the CRS, as amended. The districts' apportionment to the HCTF for the years ended June 30, 2011, 2010, and 2009 was \$1,924,844, \$1,853,864, and \$1,831,754, respectively.

NOTE 12: COMMITMENTS AND CONTINGENCIES

Claims and Judgments

The district participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the district may be required to reimburse the grantor government. At June 30, 2011, significant amounts of grant expenditures have not been audited by the grantor agency, but the district believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the district.

Litigation

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

Construction Commitments

At June 30, 2011, the district had construction commitments totaling \$30,718,482, primarily for building renovations to be funded with bond proceeds.

Boulder Valley School District RE-2
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 12: COMMITMENTS AND CONTINGENCIES (Continued)

Tabor Amendment

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

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

The Amendment requires all governments to establish a reserve for emergencies. At June 30, 2011, net assets of \$7,676,639 and \$662,682 for the district and the charter schools, respectively, were restricted to satisfy the reserve requirement.



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REQUIRED SUPPLEMENTARY INFORMATION



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Boulder Valley School District RE-2

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Year Ended June 30, 2011

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL Positive (Negative)
REVENUES				
Taxes	\$ 164,320,016	\$ 186,470,054	\$ 186,453,178	\$ (16,876)
Tuition	945,800	994,901	1,049,174	54,273
Investment Earnings	100,000	100,000	69,678	(30,322)
Other Local Revenue	11,397,613	11,599,384	11,622,158	22,774
State Equalization	57,074,466	53,249,466	53,462,090	212,624
State Reimbursement Programs	2,060,340	2,093,444	2,744,004	650,560
Special Education	4,258,145	4,117,706	4,300,112	182,406
State Fiscal Stabilization Fund	-	-	2,116,382	2,116,382
TOTAL REVENUES	240,156,380	258,624,955	261,816,776	3,191,821
EXPENDITURES				
Current				
Instruction - Regular Programs	126,388,063	130,532,163	121,532,109	9,000,054
Instruction - Special Programs	42,078,528	42,500,431	42,402,551	97,880
Student Support Services	6,056,665	7,374,605	6,735,747	638,858
Instructional Staff Services	7,847,771	8,182,604	7,312,220	870,384
General Administration	2,559,010	2,691,718	2,783,571	(91,853)
School Administration	16,023,414	17,017,431	16,941,780	75,651
Business Services	2,718,902	2,784,600	2,582,777	201,823
Operations and Maintenance	18,606,125	19,007,368	19,642,428	(635,060)
Central Support Services	10,596,109	10,576,984	10,265,263	311,721
Community Services	4,880,187	5,022,982	4,627,125	395,857
Emergency Reserves	6,598,268	6,680,183	-	6,680,183
Reserves	7,365,716	10,245,578	-	10,245,578
Debt Service				
Principal	565,000	565,000	565,000	-
Interest	133,133	133,133	140,708	(7,575)
TOTAL EXPENDITURES	252,416,891	263,314,780	235,531,279	27,783,501
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(12,260,511)	(4,689,825)	26,285,497	30,975,322
OTHER FINANCING SOURCES (USES)				
Transfers Out	(3,856,286)	(14,955,538)	(15,305,538)	(350,000)
NET CHANGE IN FUND BALANCE	(16,116,797)	(19,645,363)	10,979,959	30,625,322
FUND BALANCE, Beginning	16,116,797	19,645,363	19,645,363	-
FUND BALANCE, Ending	\$ -	\$ -	\$ 30,625,322	\$ 30,625,322

See the accompanying Independent Auditors' Report.

Boulder Valley School District RE-2

BUDGETARY COMPARISON SCHEDULE

GRANTS FUND

Year Ended June 30, 2011

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Positive (Negative)</u>
REVENUES				
Local Sources	\$ 186,592	\$ 596,023	\$ 643,019	\$ 46,996
State Sources	320,760	693,308	830,508	137,200
Federal Sources	18,992,648	23,210,669	21,405,952	(1,804,717)
TOTAL REVENUES	<u>19,500,000</u>	<u>24,500,000</u>	<u>22,879,479</u>	<u>(1,620,521)</u>
EXPENDITURES				
Current				
Instruction and Supporting Services-Unallocated	19,500,000	509,572	-	509,572
Instruction - Regular Programs	-	8,500,075	8,162,667	337,408
Instruction - Special Programs	-	7,961,681	5,081,126	2,880,555
Student Support Services	-	1,086,433	1,085,346	1,087
Instructional Staff Services	-	4,107,722	4,527,433	(419,711)
School Administration	-	1,243,194	1,236,976	6,218
Business Services	-	11,711	10,300	1,411
Operations and Maintenance	-	77,129	533,510	(456,381)
Student Transportation	-	191,918	103,598	88,320
Central Support Services	-	34,770	34,635	135
Nutrition Services Operations	-	93,545	90,810	2,735
Community Services	-	490,183	438,634	51,549
Adult Education	-	169,567	149,707	19,860
Capital Outlay	-	22,500	2,560	19,940
TOTAL EXPENDITURES	<u>19,500,000</u>	<u>24,500,000</u>	<u>21,457,302</u>	<u>3,042,698</u>
NET CHANGE IN FUND BALANCE	-	-	1,422,177	1,422,177
FUND BALANCE, Beginning	-	-	(1,422,177)	(1,422,177)
FUND BALANCE, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See the accompanying Independent Auditors' Report.

Boulder Valley School District RE-2
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2011

NOTE 1: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets

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

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

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



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COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES



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GENERAL FUND

Boulder Valley School District RE-2

COMBINING BALANCE SHEET

GENERAL FUND

June 30, 2011

	<u>GENERAL</u>	<u>RISK MANAGEMENT</u>	<u>TECHNOLOGY</u>
ASSETS			
Cash and Investments	\$ 40,898,875	\$ 93,731	\$ 1,361,282
Restricted Cash and Investments	752,573	-	-
Accounts Receivable	639,627	-	-
Taxes Receivable	6,651,559	-	-
Grants Receivable	445,027	-	-
Due from Other Funds	3,166,180	-	-
Inventories	339,499	-	-
Prepaid Items	34,000	-	-
	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 52,927,340</u>	<u>\$ 93,731</u>	<u>\$ 1,361,282</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 4,152,484	\$ -	\$ -
Accrued Liabilities	5,670,509	-	-
Accrued Summer Salaries	11,616,589	-	-
Accrued Salaries and Benefits	1,294,120	-	22,048
Deferred Revenues	101,387	-	-
Deferred Property Taxes	2,400,807	-	-
	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES	<u>25,235,896</u>	<u>-</u>	<u>22,048</u>
FUND BALANCES			
Nonspendable	373,499	-	-
Restricted	7,918,533	85,369	98,718
Committed	3,579,393	-	-
Assigned	8,379,731	8,362	1,240,516
Unassigned	7,440,288	-	-
	<hr/>	<hr/>	<hr/>
TOTAL FUND BALANCES	<u>27,691,444</u>	<u>93,731</u>	<u>1,339,234</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 52,927,340</u>	<u>\$ 93,731</u>	<u>\$ 1,361,282</u>

See the accompanying Independent Auditors' Report.

ATHLETICS	COMMUNITY SCHOOLS	PRESCHOOL	TUITION PRESCHOOL	COLORADO PRESCHOOL PROGRAM	TOTAL GENERAL FUND
\$ 403,514	\$ 279,186	\$ 774,144	\$ 158,283	\$ 59,649	\$ 44,028,664
-	-	-	-	-	752,573
-	1,590	-	-	-	641,217
-	-	-	-	-	6,651,559
-	-	-	-	-	445,027
-	-	-	-	-	3,166,180
-	-	-	-	-	339,499
-	-	-	-	-	34,000
<u>\$ 403,514</u>	<u>\$ 280,776</u>	<u>\$ 774,144</u>	<u>\$ 158,283</u>	<u>\$ 59,649</u>	<u>\$ 56,058,719</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,152,484
-	-	-	-	-	5,670,509
-	-	-	-	-	11,616,589
1,438	15,819	4,305	4,570	3,786	1,346,086
-	98,291	-	47,244	-	246,922
-	-	-	-	-	2,400,807
<u>1,438</u>	<u>114,110</u>	<u>4,305</u>	<u>51,814</u>	<u>3,786</u>	<u>25,433,397</u>
-	-	-	-	-	373,499
98,160	133,572	31,480	25,299	55,863	8,446,994
-	-	-	-	-	3,579,393
303,916	33,094	738,359	81,170	-	10,785,148
-	-	-	-	-	7,440,288
<u>402,076</u>	<u>166,666</u>	<u>769,839</u>	<u>106,469</u>	<u>55,863</u>	<u>30,625,322</u>
<u>\$ 403,514</u>	<u>\$ 280,776</u>	<u>\$ 774,144</u>	<u>\$ 158,283</u>	<u>\$ 59,649</u>	<u>\$ 56,058,719</u>

Boulder Valley School District RE-2
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GENERAL FUND
Year Ended June 30, 2011

	<u>GENERAL</u>	<u>RISK MANAGEMENT</u>	<u>TECHNOLOGY</u>
REVENUES			
Local Sources	\$ 191,973,884	\$ 22,736	\$ 174,980
State Sources	60,506,206	-	-
Federal Sources	2,116,382	-	-
TOTAL REVENUES	<u>254,596,472</u>	<u>22,736</u>	<u>174,980</u>
EXPENDITURES			
Current			
Instruction - Regular Programs	119,274,510	-	1,681,684
Instruction - Special Programs	38,121,007	-	-
Student Support Services	6,724,159	-	-
Instructional Staff Services	6,914,975	-	148,115
General Administration	2,721,691	-	-
School Administration	16,938,682	-	-
Business Services	2,563,912	-	-
Operations and Maintenance	19,638,801	-	-
Central Support Services	7,168,601	2,850,023	220,095
Community Services	253,080	-	-
Debt Service			
Principal	565,000	-	-
Interest and Fiscal Charges	140,708	-	-
TOTAL EXPENDITURES	<u>221,025,126</u>	<u>2,850,023</u>	<u>2,049,894</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>33,571,346</u>	<u>(2,827,287)</u>	<u>(1,874,914)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	742,605	2,797,771	2,159,918
Transfers Out	(24,145,122)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(23,402,517)</u>	<u>2,797,771</u>	<u>2,159,918</u>
NET CHANGE IN FUND BALANCE	10,168,829	(29,516)	285,004
FUND BALANCE, Beginning	<u>17,522,615</u>	<u>123,247</u>	<u>1,054,230</u>
FUND BALANCE, Ending	<u>\$ 27,691,444</u>	<u>\$ 93,731</u>	<u>\$ 1,339,234</u>

See the accompanying Independent Auditors' Report.

ATHLETICS	COMMUNITY SCHOOLS	PRESCHOOL	TUITION PRESCHOOL	COLORADO PRESCHOOL PROGRAM	TOTAL GENERAL FUND
\$ 1,231,596	\$ 5,019,627	\$ -	\$ 771,365	\$ -	\$ 199,194,188
-	-	-	-	-	60,506,206
-	-	-	-	-	2,116,382
<u>1,231,596</u>	<u>5,019,627</u>	<u>-</u>	<u>771,365</u>	<u>-</u>	<u>261,816,776</u>
-	-	167,639	408,276	-	121,532,109
2,939,438	-	-	305,099	1,037,007	42,402,551
-	-	11,588	-	-	6,735,747
-	-	82,974	75,211	90,945	7,312,220
61,626	-	254	-	-	2,783,571
-	-	3,098	-	-	16,941,780
-	-	18,865	-	-	2,582,777
3,627	-	-	-	-	19,642,428
-	-	26,544	-	-	10,265,263
-	4,374,045	-	-	-	4,627,125
-	-	-	-	-	565,000
-	-	-	-	-	140,708
<u>3,004,691</u>	<u>4,374,045</u>	<u>310,962</u>	<u>788,586</u>	<u>1,127,952</u>	<u>235,531,279</u>
<u>(1,773,095)</u>	<u>645,582</u>	<u>(310,962)</u>	<u>(17,221)</u>	<u>(1,127,952)</u>	<u>26,285,497</u>
1,934,415	-	1,080,801	-	1,122,240	9,837,750
-	(967,605)	-	-	(30,561)	(25,143,288)
<u>1,934,415</u>	<u>(967,605)</u>	<u>1,080,801</u>	<u>-</u>	<u>1,091,679</u>	<u>(15,305,538)</u>
161,320	(322,023)	769,839	(17,221)	(36,273)	10,979,959
240,756	488,689	-	123,690	92,136	19,645,363
<u>\$ 402,076</u>	<u>\$ 166,666</u>	<u>\$ 769,839</u>	<u>\$ 106,469</u>	<u>\$ 55,863</u>	<u>\$ 30,625,322</u>



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NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Fund

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

Capital Projects Fund

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



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Boulder Valley School District RE-2

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS

June 30, 2011

	<u>SPECIAL REVENUE</u>	<u>CAPITAL PROJECTS</u>	
	<u>TRANSPORTATION</u>	<u>CAPITAL RESERVE</u>	<u>TOTAL</u>
ASSETS			
Cash and Investments	\$ 530,352	\$ 6,883,906	\$ 7,414,258
Accounts Receivable	156,676	-	156,676
Taxes Receivable	243,220	-	243,220
	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 930,248</u>	<u>\$ 6,883,906</u>	<u>\$ 7,814,154</u>
LIABILITIES AND FUND BALANCE			
LIABILITIES			
Accounts Payable	\$ -	\$ 168,119	\$ 168,119
Accrued Salaries and Benefits	568,752	-	568,752
Deferred Property Taxes	100,067	-	100,067
	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES	<u>668,819</u>	<u>168,119</u>	<u>836,938</u>
FUND BALANCES			
Restricted	361,969	286,940	648,909
Assigned	-	6,428,847	6,428,847
Unassigned	(100,540)	-	(100,540)
	<hr/>	<hr/>	<hr/>
TOTAL FUND BALANCES	<u>261,429</u>	<u>6,715,787</u>	<u>6,977,216</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 930,248</u>	<u>\$ 6,883,906</u>	<u>\$ 7,814,154</u>

See the accompanying Independent Auditors' Report.

Boulder Valley School District RE-2
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2011

	<u>SPECIAL REVENUE</u>	<u>CAPITAL PROJECTS</u>	
	<u>TRANSPORTATION</u>	<u>CAPITAL RESERVE</u>	<u>TOTAL</u>
REVENUES			
Local Sources	\$ 7,733,126	\$ 129,196	\$ 7,862,322
State Sources	2,730,405	-	2,730,405
TOTAL REVENUES	<u>10,463,531</u>	<u>129,196</u>	<u>10,592,727</u>
EXPENDITURES			
Current			
Instruction - Special Programs	1,189,231	-	1,189,231
Operations and Maintenance	230,496	-	230,496
Student Transportation	10,850,708	-	10,850,708
Capital Outlay	-	11,340,970	11,340,970
TOTAL EXPENDITURES	<u>12,270,435</u>	<u>11,340,970</u>	<u>23,611,405</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,806,904)	(11,211,774)	(13,018,678)
OTHER FINANCING SOURCES			
Transfers In	1,163,003	10,888,535	12,051,538
NET CHANGE IN FUND BALANCE	(643,901)	(323,239)	(967,140)
FUND BALANCE, Beginning	<u>905,330</u>	<u>7,039,026</u>	<u>7,944,356</u>
FUND BALANCE, Ending	<u>\$ 261,429</u>	<u>\$ 6,715,787</u>	<u>\$ 6,977,216</u>

See the accompanying Independent Auditors' Report.

Boulder Valley School District RE-2

BUDGETARY COMPARISON SCHEDULE

TRANSPORTATION FUND

Year Ended June 30, 2011

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Positive (Negative)</u>
REVENUES				
Property Taxes	\$ 7,299,509	\$ 7,299,509	\$ 7,286,126	\$ (13,383)
State Transportation Reimbursement	2,315,657	2,604,936	2,730,405	125,469
Other Local Revenue	228,567	454,834	447,000	(7,834)
TOTAL REVENUES	<u>9,843,733</u>	<u>10,359,279</u>	<u>10,463,531</u>	<u>104,252</u>
EXPENDITURES				
Current				
Instruction - Special Programs	1,035,595	1,257,486	1,189,231	68,255
Operations and Maintenance	215,632	204,432	230,496	(26,064)
Student Transportation	10,322,843	10,603,725	10,850,708	(246,983)
Emergency Reserves	347,222	361,969	-	361,969
TOTAL EXPENDITURES	<u>11,921,292</u>	<u>12,427,612</u>	<u>12,270,435</u>	<u>157,177</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(2,077,559)</u>	<u>(2,068,333)</u>	<u>(1,806,904)</u>	<u>261,429</u>
OTHER FINANCING SOURCES				
Transfers In	1,163,003	1,163,003	1,163,003	-
NET CHANGE IN FUND BALANCE	<u>(914,556)</u>	<u>(905,330)</u>	<u>(643,901)</u>	<u>261,429</u>
FUND BALANCE, Beginning	<u>914,556</u>	<u>905,330</u>	<u>905,330</u>	<u>-</u>
FUND BALANCE, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 261,429</u>	<u>\$ 261,429</u>

See the accompanying Independent Auditors' Report.

Boulder Valley School District RE-2

BUDGETARY COMPARISON SCHEDULE

BOND REDEMPTION FUND

Year Ended June 30, 2011

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Positive (Negative)</u>
REVENUES				
Property Taxes	\$ 31,085,469	\$ 27,959,941	\$ 28,202,478	\$ 242,537
Investment Earnings	50,000	35,000	31,273	(3,727)
TOTAL REVENUES	<u>31,135,469</u>	<u>27,994,941</u>	<u>28,233,751</u>	<u>238,810</u>
EXPENDITURES				
Debt Service				
Principal	11,005,000	11,005,000	11,005,000	-
Interest and Fiscal Charges	<u>16,952,643</u>	<u>16,952,643</u>	<u>16,935,192</u>	<u>17,451</u>
TOTAL EXPENDITURES	<u>27,957,643</u>	<u>27,957,643</u>	<u>27,940,192</u>	<u>17,451</u>
NET CHANGE IN FUND BALANCE	3,177,826	37,298	293,559	256,261
FUND BALANCE, Beginning	<u>22,772,647</u>	<u>24,032,073</u>	<u>24,032,073</u>	<u>-</u>
FUND BALANCE, Ending	<u>\$ 25,950,473</u>	<u>\$ 24,069,371</u>	<u>\$ 24,325,632</u>	<u>\$ 256,261</u>

See the accompanying Independent Auditors' Report.

Boulder Valley School District RE-2

BUDGETARY COMPARISON SCHEDULE

BUILDING FUND

Year Ended June 30, 2011

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Positive (Negative)</u>
REVENUES				
Local Sources				
Investment Earnings	\$ 279,560	\$ 279,560	\$ 343,769	\$ 64,209
Other Local Revenue	-	-	386,381	386,381
TOTAL REVENUES	<u>279,560</u>	<u>279,560</u>	<u>730,150</u>	<u>450,590</u>
EXPENDITURES				
Capital Outlay	<u>74,234,140</u>	<u>74,234,140</u>	<u>54,891,218</u>	<u>19,342,922</u>
TOTAL EXPENDITURES	<u>74,234,140</u>	<u>74,234,140</u>	<u>54,891,218</u>	<u>19,342,922</u>
NET CHANGE IN FUND BALANCE	(73,954,580)	(73,954,580)	(54,161,068)	19,793,512
FUND BALANCE, Beginning	<u>112,212,017</u>	<u>94,510,828</u>	<u>94,510,828</u>	<u>-</u>
FUND BALANCE, Ending	<u>\$ 38,257,437</u>	<u>\$ 20,556,248</u>	<u>\$ 40,349,760</u>	<u>\$ 19,793,512</u>

See the accompanying Independent Auditors' Report.

Boulder Valley School District RE-2

BUDGETARY COMPARISON SCHEDULE

CAPITAL RESERVE FUND

Year Ended June 30, 2011

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Positive (Negative)</u>
REVENUES				
Local Sources	\$ 102,000	\$ 102,000	\$ 129,196	\$ 27,196
TOTAL REVENUES	<u>102,000</u>	<u>102,000</u>	<u>129,196</u>	<u>27,196</u>
EXPENDITURES				
Capital Outlay				
Salaries and Benefits	347,000	347,000	279,821	67,179
Building Improvements	1,263,000	1,303,462	876,445	427,017
Operating Departments	1,309,000	4,481,564	1,709,891	2,771,673
School Projects	1,412,065	11,372,402	8,474,813	2,897,589
Reserves	129,932	525,133	-	525,133
TOTAL EXPENDITURES	<u>4,460,997</u>	<u>18,029,561</u>	<u>11,340,970</u>	<u>6,688,591</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(4,358,997)	(17,927,561)	(11,211,774)	6,715,787
OTHER FINANCING SOURCES				
Transfers In	2,468,283	10,888,535	10,888,535	-
NET CHANGE IN FUND BALANCE	(1,890,714)	(7,039,026)	(323,239)	6,715,787
FUND BALANCE, Beginning	<u>1,890,714</u>	<u>7,039,026</u>	<u>7,039,026</u>	<u>-</u>
FUND BALANCE, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,715,787</u>	<u>\$ 6,715,787</u>

See the accompanying Independent Auditors' Report.

Boulder Valley School District RE-2

BUDGETARY COMPARISON SCHEDULE

NUTRITION SERVICES FUND

Year Ended June 30, 2011

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
OPERATING REVENUES				
Regular School Lunch	\$ 2,307,499	\$ 2,139,491	\$ 2,044,202	\$ (95,289)
A La Carte	664,031	662,935	342,430	(320,505)
Other	111,174	132,420	158,454	26,034
	3,082,704	2,934,846	2,545,086	(389,760)
OPERATING EXPENSES				
Salaries	2,586,291	2,529,321	2,605,488	(76,167)
Benefits	773,955	767,940	894,857	(126,917)
Purchased Food and Commodities	1,930,083	2,048,675	1,632,901	415,774
Nonfood Supplies	270,000	270,000	355,440	(85,440)
Purchased Services	88,749	88,749	97,966	(9,217)
Depreciation	63,500	56,500	58,530	(2,030)
Other	44,009	44,861	90,728	(45,867)
Reserves	173,954	-	-	-
Emergency Reserves	172,698	174,181	-	174,181
	6,103,239	5,980,227	5,735,910	244,317
OPERATING INCOME (LOSS)	(3,020,535)	(3,045,381)	(3,190,824)	(145,443)
NONOPERATING REVENUES				
USDA Donated Commodities	245,811	245,811	318,414	72,603
Federal Reimbursements	2,484,562	2,372,806	2,104,578	(268,228)
State Sources	57,000	70,000	63,877	(6,123)
	2,787,373	2,688,617	2,486,869	(201,748)
NET INCOME (LOSS) BEFORE TRANSFERS	(233,162)	(356,764)	(703,955)	(347,191)
TRANSFERS				
Transfers In	225,000	904,000	1,254,000	350,000
CHANGE IN NET ASSETS	(8,162)	547,236	550,045	2,809
NET ASSETS, Beginning	8,162	(364,156)	(364,156)	-
NET ASSETS, Ending	\$ -	\$ 183,080	\$ 185,889	\$ 2,809

See the accompanying Independent Auditors' Report.



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INTERNAL SERVICE FUNDS

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

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

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



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Boulder Valley School District RE-2

COMBINING STATEMENT OF NET ASSETS

INTERNAL SERVICE FUNDS

June 30, 2011

	<u>HEALTH INSURANCE FUND</u>	<u>DENTAL INSURANCE FUND</u>	<u>TOTAL</u>
ASSETS			
Cash and Investments	\$ 11,118,681	\$ 928,085	\$ 12,046,766
Accounts Receivable	65,555	64	65,619
TOTAL ASSETS	<u>11,184,236</u>	<u>928,149</u>	<u>12,112,385</u>
LIABILITIES			
Claims Payable	<u>2,655,630</u>	<u>445,218</u>	<u>3,100,848</u>
TOTAL LIABILITIES	<u>2,655,630</u>	<u>445,218</u>	<u>3,100,848</u>
NET ASSETS			
Unrestricted	<u>8,528,606</u>	<u>482,931</u>	<u>9,011,537</u>
TOTAL NET ASSETS	<u>\$ 8,528,606</u>	<u>\$ 482,931</u>	<u>\$ 9,011,537</u>

See the accompanying Independent Auditors' Report.

Boulder Valley School District RE-2

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS INTERNAL SERVICE FUNDS Year Ended June 30, 2011

	HEALTH INSURANCE FUND	DENTAL INSURANCE FUND	TOTAL
OPERATING REVENUES			
Premiums and Services	\$ 22,936,449	\$ 2,165,696	\$ 25,102,145
Other	354,031	800	354,831
TOTAL OPERATING REVENUES	23,290,480	2,166,496	25,456,976
OPERATING EXPENSES			
Salaries	109,501	25,884	135,385
Benefits	26,994	6,012	33,006
Insurance Premiums and Claims	19,277,153	1,865,679	21,142,832
Administrative Fees	747,705	162,591	910,296
Other	971,713	10,540	982,253
TOTAL OPERATING EXPENSES	21,133,066	2,070,706	23,203,772
OPERATING INCOME	2,157,414	95,790	2,253,204
TRANSFERS			
Transfers In	1,900,000	100,000	2,000,000
TOTAL TRANSFERS	1,900,000	100,000	2,000,000
CHANGE IN NET ASSETS	4,057,414	195,790	4,253,204
NET ASSETS, Beginning	4,471,192	287,141	4,758,333
NET ASSETS, Ending	\$ 8,528,606	\$ 482,931	\$ 9,011,537

See the accompanying Independent Auditors' Report.

Boulder Valley School District RE-2

COMBINING STATEMENT OF CASH FLOWS

INTERNAL SERVICE FUNDS

Increase (Decrease) in Cash and Cash Equivalents

Year Ended June 30, 2011

	HEALTH INSURANCE FUND	DENTAL INSURANCE FUND	TOTAL
Cash Flows From Operating Activities			
Premiums and Services	\$ 23,290,480	\$ 2,166,496	\$ 25,456,976
Cash Payments for Premiums and Claims	(21,537,856)	(2,068,111)	(23,605,967)
Cash Paid to Employees	(136,495)	(31,896)	(168,391)
Net Cash Provided by Operating Activities	<u>1,616,129</u>	<u>66,489</u>	<u>1,682,618</u>
Cash flows from Noncapital Financing Activities			
Transfers from Other Funds	<u>1,900,000</u>	<u>100,000</u>	<u>2,000,000</u>
Net Cash Provided by Noncapital Financing Activities	<u>1,900,000</u>	<u>100,000</u>	<u>2,000,000</u>
Net Change in Cash and Cash Equivalents	3,516,129	166,489	3,682,618
CASH AND CASH EQUIVALENTS, Beginning	<u>7,602,552</u>	<u>761,596</u>	<u>8,364,148</u>
CASH AND CASH EQUIVALENTS, Ending	<u>\$ 11,118,681</u>	<u>\$ 928,085</u>	<u>\$ 12,046,766</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating Income	\$ 2,157,414	\$ 95,790	\$ 2,253,204
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities			
Changes in Assets and Liabilities Related to Operations			
Accounts Receivable	(65,555)	(64)	(65,619)
Claims Payable	(475,730)	(29,237)	(504,967)
Net Cash Provided by Operating Activities	<u>\$ 1,616,129</u>	<u>\$ 66,489</u>	<u>\$ 1,682,618</u>

See the accompanying Independent Auditors' Report.

Boulder Valley School District RE-2

BUDGETARY COMPARISON SCHEDULE

HEALTH INSURANCE FUND

Year Ended June 30, 2011

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Positive (Negative)</u>
OPERATING REVENUES				
Premiums and Services	\$ 22,339,804	\$ 22,339,804	\$ 22,936,449	\$ 596,645
Other	215,000	219,000	354,031	135,031
TOTAL OPERATING REVENUES	<u>22,554,804</u>	<u>22,558,804</u>	<u>23,290,480</u>	<u>731,676</u>
OPERATING EXPENSES				
Salaries	111,611	112,560	109,501	3,059
Benefits	25,986	26,134	26,994	(860)
Insurance Premiums and Claims	21,776,977	22,178,785	19,277,153	2,901,632
Administrative Fees	753,408	753,408	747,705	5,703
Other	140,000	145,000	971,713	(826,713)
Reserves	3,423,989	5,714,109	-	5,714,109
TOTAL OPERATING EXPENSES	<u>26,231,971</u>	<u>28,929,996</u>	<u>21,133,066</u>	<u>7,796,930</u>
OPERATING INCOME (LOSS)	<u>(3,677,167)</u>	<u>(6,371,192)</u>	<u>2,157,414</u>	<u>8,528,606</u>
TRANSFERS				
Transfers In	-	1,900,000	1,900,000	-
CHANGE IN NET ASSETS	<u>(3,677,167)</u>	<u>(4,471,192)</u>	<u>4,057,414</u>	<u>8,528,606</u>
NET ASSETS, Beginning	<u>3,677,167</u>	<u>4,471,192</u>	<u>4,471,192</u>	<u>-</u>
NET ASSETS, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,528,606</u>	<u>\$ 8,528,606</u>

See the accompanying Independent Auditors' Report.

Boulder Valley School District RE-2

BUDGETARY COMPARISON SCHEDULE

DENTAL INSURANCE FUND

Year Ended June 30, 2011

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Positive (Negative)</u>
OPERATING REVENUES				
Premiums and Services	\$ 2,210,184	\$ 2,210,184	\$ 2,165,696	\$ (44,488)
Other	2,000	2,000	800	(1,200)
TOTAL OPERATING REVENUES	<u>2,212,184</u>	<u>2,212,184</u>	<u>2,166,496</u>	<u>(45,688)</u>
OPERATING EXPENSES				
Salaries	25,233	26,400	25,884	516
Benefits	5,810	5,986	6,012	(26)
Insurance Premiums and Claims	2,007,910	1,938,966	1,865,679	73,287
Administrative Fees	168,152	168,152	162,591	5,561
Other	11,000	11,000	10,540	460
Reserves	428,553	448,821	-	448,821
TOTAL OPERATING EXPENSES	<u>2,646,658</u>	<u>2,599,325</u>	<u>2,070,706</u>	<u>528,619</u>
OPERATING INCOME (LOSS)	<u>(434,474)</u>	<u>(387,141)</u>	<u>95,790</u>	<u>482,931</u>
TRANSFERS				
Transfers In	-	100,000	100,000	-
CHANGE IN NET ASSETS	<u>(434,474)</u>	<u>(287,141)</u>	<u>195,790</u>	<u>482,931</u>
NET ASSETS, Beginning	<u>434,474</u>	<u>287,141</u>	<u>287,141</u>	<u>-</u>
NET ASSETS, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 482,931</u>	<u>\$ 482,931</u>

See the accompanying Independent Auditors' Report.



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FIDUCIARY FUNDS

Private Purpose Trust Funds

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

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

Agency Fund

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



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Boulder Valley School District RE-2
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
PRIVATE PURPOSE TRUST FUNDS
June 30, 2011

	SCHOLARSHIP	TRUST	TOTAL
ASSETS			
Cash and Investments	\$ 61,489	\$ 211,716	\$ 273,205
TOTAL ASSETS	61,489	211,716	273,205
NET ASSETS			
Restricted for Scholarships	\$ 61,489	\$ 211,716	\$ 273,205

See the accompanying Independent Auditors' Report.

Boulder Valley School District RE-2
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PRIVATE PURPOSE TRUST FUNDS
Year Ended June 30, 2011

	<u>SCHOLARSHIP</u>	<u>TRUST</u>	<u>TOTAL</u>
ADDITIONS			
Contributions	\$ 114	\$ 21,077	\$ 21,191
TOTAL ADDITIONS	<u>114</u>	<u>21,077</u>	<u>21,191</u>
DEDUCTIONS			
Scholarships and Awards	<u>6,000</u>	<u>3,000</u>	<u>9,000</u>
CHANGE IN NET ASSETS	(5,886)	18,077	12,191
NET ASSETS, Beginning	<u>67,375</u>	<u>193,639</u>	<u>261,014</u>
NET ASSETS, Ending	<u>\$ 61,489</u>	<u>\$ 211,716</u>	<u>\$ 273,205</u>

See the accompanying Independent Auditors' Report.

Boulder Valley School District RE-2
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
Year Ended June 30, 2011

	<u>Balances 6/30/10</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balances 6/30/11</u>
ASSETS				
Cash and Investments - Student Groups	\$ 2,431,877	\$ 8,315,936	\$ 8,165,491	\$ 2,582,322
Cash and Investments - School Groups	593,090	2,648,316	2,684,484	556,922
 TOTAL ASSETS	 <u>\$ 3,024,967</u>	 <u>\$ 10,964,252</u>	 <u>\$ 10,849,975</u>	 <u>\$ 3,139,244</u>
LIABILITIES				
Due to Student Groups	\$ 2,431,877	\$ 8,315,936	\$ 8,165,491	\$ 2,582,322
Due to School Groups	593,090	2,648,316	2,684,484	556,922
 TOTAL LIABILITIES	 <u>\$ 3,024,967</u>	 <u>\$ 10,964,252</u>	 <u>\$ 10,849,975</u>	 <u>\$ 3,139,244</u>

See the accompanying Independent Auditors' Report.



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COMPONENT UNITS

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

Boulder Valley School District RE-2

COMBINING STATEMENT OF NET ASSETS

COMPONENT UNITS

June 30, 2011

	BOULDER PREP	HORIZONS	PEAK TO PEAK
ASSETS			
Cash and Investments	\$ 349,467	\$ 969,485	\$ 4,830,787
Restricted Cash and Investments	-	-	2,745,009
Accounts Receivable	-	-	16,143
Inventories	-	-	17,375
Prepaid Expenses	-	5,575	3,667
Debt Issuance Costs, Net of Accumulated Amortization	-	-	527,045
Capital Assets, Not Being Depreciated	-	-	2,660,602
Capital Assets, Net of Accumulated Depreciation	791,422	19,215	13,330,095
TOTAL ASSETS	1,140,889	994,275	24,130,723
LIABILITIES			
Accrued Liabilities	-	-	461,423
Accrued Summer Salaries	-	140,894	432,644
Accrued Salaries and Benefits	-	14,070	45,429
Unearned Revenues	-	-	56,605
Accrued Interest Payable	-	-	400,383
Noncurrent Liabilities			
Due Within One Year	5,096	-	470,000
Due in More Than One Year	229,332	-	16,505,727
TOTAL LIABILITIES	234,428	154,964	18,372,211
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	556,994	19,215	(457,985)
Restricted for Debt Service	-	-	2,094,592
Restricted for Repairs and Replacements	-	-	250,034
Restricted for Emergencies	38,063	87,555	427,259
Unrestricted	311,404	732,541	3,444,612
TOTAL NET ASSETS	\$ 906,461	\$ 839,311	\$ 5,758,512

See the accompanying Independent Auditors' Report.

<u>SUMMIT</u>	<u>JUSTICE HIGH</u>	<u>TOTAL</u>
\$ 724,581	\$ 162,916	\$ 7,037,236
-	-	2,745,009
5,666	-	21,809
-	-	17,375
-	-	9,242
-	-	527,045
-	602,294	3,262,896
25,095	86,408	14,252,235
<u>755,342</u>	<u>851,618</u>	<u>27,872,847</u>
-	-	461,423
126,718	-	700,256
16,941	-	76,440
5,667	2,133	64,405
-	-	400,383
-	572,589	1,047,685
-	-	16,735,059
<u>149,326</u>	<u>574,722</u>	<u>19,485,651</u>
25,095	116,113	259,432
-	-	2,094,592
-	-	250,034
86,196	23,609	662,682
494,725	137,174	5,120,456
<u>\$ 606,016</u>	<u>\$ 276,896</u>	<u>\$ 8,387,196</u>

Boulder Valley School District RE-2

COMBINING STATEMENT OF ACTIVITIES

COMPONENT UNITS

Year Ended June 30, 2011

	<u>BOULDER PREP</u>	<u>HORIZONS</u>	<u>PEAK TO PEAK</u>
EXPENSES			
Instruction	\$ 828,655	\$ 2,632,397	\$ 7,083,587
Supporting Services	456,705	755,563	5,391,061
Interest and Fiscal Charges	16,888	-	1,236,412
	<hr/>	<hr/>	<hr/>
TOTAL EXPENSES	1,302,248	3,387,960	13,711,060
	<hr/>	<hr/>	<hr/>
PROGRAM REVENUES			
Charges for Services	-	-	1,257,248
Operating Grants and Contributions	48,449	780,774	231,433
	<hr/>	<hr/>	<hr/>
TOTAL PROGRAM REVENUES	48,449	780,774	1,488,681
	<hr/>	<hr/>	<hr/>
NET EXPENSE (REVENUE)	(1,253,799)	(2,607,186)	(12,222,379)
	<hr/>	<hr/>	<hr/>
GENERAL REVENUES			
Per Pupil Revenues	927,607	2,073,751	9,244,183
Mill Levy Override	275,394	649,361	2,845,511
Grants and Contributions Not Restricted to Specific Programs	99,653	56,194	686,123
Capital Construction Funding	12,801	14,284	127,303
Investment Earnings	-	-	107,774
Other	-	-	221,645
	<hr/>	<hr/>	<hr/>
TOTAL GENERAL REVENUES	1,315,455	2,793,590	13,232,539
	<hr/>	<hr/>	<hr/>
CHANGE IN NET ASSETS	61,656	186,404	1,010,160
	<hr/>	<hr/>	<hr/>
NET ASSETS, Beginning	844,805	652,907	4,748,352
	<hr/>	<hr/>	<hr/>
NET ASSETS, Ending	<u>\$ 906,461</u>	<u>\$ 839,311</u>	<u>\$ 5,758,512</u>

See the accompanying Independent Auditors' Report.

<u>SUMMIT</u>	<u>JUSTICE HIGH</u>	<u>TOTAL</u>
\$ 1,794,260	\$ 413,601	\$ 12,752,500
1,002,646	480,698	8,086,673
14,968	37,696	1,305,964
<u>2,811,874</u>	<u>931,995</u>	<u>22,145,137</u>
-	-	1,257,248
<u>506,548</u>	<u>30,906</u>	<u>1,598,110</u>
<u>506,548</u>	<u>30,906</u>	<u>2,855,358</u>
<u>(2,305,326)</u>	<u>(901,089)</u>	<u>(19,289,779)</u>
2,194,285	720,269	15,160,095
659,459	87,060	4,516,785
51,654	199,342	1,092,966
15,145	10,007	179,540
-	-	107,774
-	-	221,645
<u>2,920,543</u>	<u>1,016,678</u>	<u>21,278,805</u>
615,217	115,589	1,989,026
<u>(9,201)</u>	<u>161,307</u>	<u>6,398,170</u>
<u>\$ 606,016</u>	<u>\$ 276,896</u>	<u>\$ 8,387,196</u>

Boulder Valley School District RE-2

COMBINING BALANCE SHEET

COMPONENT UNITS

June 30, 2011

	BOULDER PREP	HORIZONS	PEAK TO PEAK
ASSETS			
Cash and Investments	\$ 349,467	\$ 969,485	\$ 4,830,787
Restricted Cash and Investments	-	-	2,745,009
Accounts Receivable	-	-	16,143
Inventories	-	-	17,375
Prepaid Items	-	5,575	3,667
	-	5,575	3,667
TOTAL ASSETS	\$ 349,467	\$ 975,060	\$ 7,612,981
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accrued Liabilities	\$ -	\$ -	\$ 461,423
Accrued Summer Salaries	-	140,894	432,644
Accrued Salaries and Benefits	-	14,070	45,429
Deferred Revenues	-	-	56,605
	-	-	56,605
TOTAL LIABILITIES	-	154,964	996,101
FUND BALANCES			
Nonspendable Inventories	-	-	17,375
Nonspendable Prepaid Items	-	5,575	3,667
Restricted for Repairs and Replacements	-	-	250,034
Restricted for Debt Service	-	-	2,494,975
Restricted for Emergencies	38,063	87,555	427,259
Assigned for Capital Projects	-	-	1,066,979
Assigned for Student Activities	-	-	20,220
Unassigned	311,404	726,966	2,336,371
	311,404	726,966	2,336,371
TOTAL FUND BALANCES	349,467	820,096	6,616,880
TOTAL LIABILITIES AND FUND BALANCES	\$ 349,467	\$ 975,060	\$ 7,612,981

Amounts reported in the statement of net assets are different because:

Fund Balances	\$ 349,467	\$ 820,096	\$ 6,616,880
Capital Assets	791,422	19,215	15,990,697
Debt Issuance Costs	-	-	527,045
Accrued Interest Payable	-	-	(400,383)
Long-Term Debt	(234,428)	-	(20,775,000)
Debt Premium	-	-	(405,072)
Loss on Refunding	-	-	4,204,345
	-	-	4,204,345
Net Assets	\$ 906,461	\$ 839,311	\$ 5,758,512

See the accompanying Independent Auditors' Report.

SUMMIT	JUSTICE HIGH	TOTAL
\$ 724,581	\$ 162,916	\$ 7,037,236
-	-	2,745,009
5,666	-	21,809
-	-	17,375
-	-	9,242
<u>\$ 730,247</u>	<u>\$ 162,916</u>	<u>\$ 9,830,671</u>

\$ -	\$ -	\$ 461,423
126,718	-	700,256
16,941	-	76,440
5,667	2,133	64,405
<u>149,326</u>	<u>2,133</u>	<u>1,302,524</u>

-	-	17,375
-	-	9,242
-	-	250,034
-	-	2,494,975
86,196	23,609	662,682
-	-	1,066,979
-	-	20,220
<u>494,725</u>	<u>137,174</u>	<u>4,006,640</u>
<u>580,921</u>	<u>160,783</u>	<u>8,528,147</u>
<u>\$ 730,247</u>	<u>\$ 162,916</u>	<u>\$ 9,830,671</u>

\$ 580,921	\$ 160,783	\$ 8,528,147
25,095	688,702	17,515,131
-	-	527,045
-	-	(400,383)
-	(572,589)	(21,582,017)
-	-	(405,072)
-	-	4,204,345
<u>\$ 606,016</u>	<u>\$ 276,896</u>	<u>\$ 8,387,196</u>

Boulder Valley School District RE-2
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
COMPONENT UNITS
Year Ended June 30, 2011

	BOULDER PREP	HORIZONS	PEAK TO PEAK
REVENUES			
Local Sources	\$ 1,245,411	\$ 3,490,121	\$ 14,085,687
State Sources	90,688	22,191	358,736
Federal Sources	27,805	62,052	276,797
TOTAL REVENUES	1,363,904	3,574,364	14,721,220
EXPENDITURES			
Current			
Instruction	828,655	2,632,397	7,083,587
Supporting Services	439,867	754,432	4,944,667
Capital Outlay	-	-	901,070
Debt Service			
Principal	4,746	-	455,000
Interest and Fiscal Charges	16,888	-	1,077,015
TOTAL EXPENDITURES	1,290,156	3,386,829	14,461,339
NET CHANGE IN FUND BALANCES	73,748	187,535	259,881
FUND BALANCES, Beginning	275,719	632,561	6,356,999
FUND BALANCES, Ending	\$ 349,467	\$ 820,096	\$ 6,616,880
Amounts reported in the statement of activities are different because:			
Net Change in Fund Balances	\$ 73,748	\$ 187,535	\$ 259,881
Capital Outlay	-	-	882,666
Depreciation Expense	(16,838)	(1,131)	(404,907)
Accrued Interest Payable	-	-	6,994
Repayment of Debt Principal	4,746	-	455,000
Amortization of Debt Premium	-	-	17,740
Amortization of Loss on Refunding	-	-	(184,132)
Amortization of Debt Issuance Costs	-	-	(23,082)
Change in Net Assets	\$ 61,656	\$ 186,404	\$ 1,010,160

See the accompanying Independent Auditors' Report.

<u>SUMMIT</u>	<u>JUSTICE HIGH</u>	<u>TOTAL</u>
\$ 3,346,170	\$ 833,416	\$ 23,000,805
15,129	192,433	679,177
65,792	21,735	454,181
<u>3,427,091</u>	<u>1,047,584</u>	<u>24,134,163</u>

1,794,260	413,601	12,752,500
1,001,170	475,818	7,615,954
-	-	901,070
350,400	30,304	840,450
14,968	37,696	1,146,567
<u>3,160,798</u>	<u>957,419</u>	<u>23,256,541</u>
266,293	90,165	877,622
314,628	70,618	7,650,525
<u>\$ 580,921</u>	<u>\$ 160,783</u>	<u>\$ 8,528,147</u>

\$ 266,293	\$ 90,165	\$ 877,622
-	-	882,666
(1,476)	(4,880)	(429,232)
-	-	6,994
350,400	30,304	840,450
-	-	17,740
-	-	(184,132)
-	-	(23,082)
<u>\$ 615,217</u>	<u>\$ 115,589</u>	<u>\$ 1,989,026</u>



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STATISTICAL SECTION



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Boulder Valley School District RE-2
STATISTICAL SECTION
TABLE OF CONTENTS

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

Contents	Tables	Pages
Financial Trends These tables contain trend information to help the reader understand how the district's financial condition has changed over time.	1- 4	83 - 86
Revenue Capacity These tables contain information to help the reader assess the district's largest revenue source: property taxes.	5 - 8	87 - 90
Debt Capacity These tables present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	9 - 11	91 - 93
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	12 -13	94 - 95
Operating Information These tables contain service data to help the reader understand how the information in the financial report relates to the services the district provides and the activities it performs.	14-17	96 - 103

Boulder Valley School District RE-2

NET ASSETS BY COMPONENT

Last 10 Fiscal Years

(Unaudited)

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

Table 1

<u>June 30, 2006</u>	<u>June 30, 2007</u>	<u>June 30, 2008</u>	<u>June 30, 2009</u>	<u>June 30, 2010</u>	<u>June 30, 2011</u>
\$ 51,647,224	\$ 53,686,966	\$ 65,773,525	\$ 69,851,279	\$ 79,862,762	\$ 80,504,664
24,912,968	32,797,516	31,414,692	36,657,498	39,488,349	33,808,972
18,100,286	20,535,493	16,090,059	10,570,286	13,097,872	32,745,041
<u>94,660,478</u>	<u>107,019,975</u>	<u>113,278,276</u>	<u>117,079,063</u>	<u>132,448,983</u>	<u>147,058,677</u>
241,459	217,527	356,784	300,555	247,954	221,203
156,368	163,236	170,927	182,553	176,491	286,940
483,950	190,339	(19,621)	(148,996)	(788,601)	(322,254)
<u>881,777</u>	<u>571,102</u>	<u>508,090</u>	<u>334,112</u>	<u>(364,156)</u>	<u>185,889</u>
51,888,683	53,904,493	66,130,309	70,151,834	80,110,716	80,725,867
25,069,336	32,960,752	31,585,619	36,840,051	39,664,840	34,095,912
18,584,236	20,725,832	16,070,438	10,421,290	12,309,271	32,422,787
<u>\$ 95,542,255</u>	<u>\$ 107,591,077</u>	<u>\$ 113,786,366</u>	<u>\$ 117,413,175</u>	<u>\$ 132,084,827</u>	<u>\$ 147,244,566</u>

Boulder Valley School District RE-2

CHANGES IN NET ASSETS

Last 10 Fiscal Years

(Unaudited)

	<u>June 30, 2002</u>	<u>June 30, 2003</u>	<u>June 30, 2004</u>	<u>June 30, 2005</u>
Primary Government Expenses				
Governmental Activities				
Instruction	\$ 128,103,261	\$ 138,634,470	\$ 152,350,470	\$ 156,019,891
Supporting Services	64,674,994	64,857,565	67,708,814	70,880,775
Unallocated Depreciation	7,571,955	7,350,240	-	-
Interest Expense	8,551,499	7,717,201	7,251,857	7,041,788
Total Governmental Activities	<u>208,901,709</u>	<u>218,559,476</u>	<u>227,311,141</u>	<u>233,942,454</u>
Business-Type Activities				
Nutrition Services	5,123,170	5,052,501	4,951,365	4,968,538
Total Business-Type Activities	<u>5,123,170</u>	<u>5,052,501</u>	<u>4,951,365</u>	<u>4,968,538</u>
Total Primary Government Expenses	214,024,879	223,611,977	232,262,506	238,910,992
Program Revenues				
Governmental Activities				
Charges for Services				
Instruction	3,524,697	3,800,291	3,845,513	3,938,124
Supporting Services	991,271	1,004,044	787,690	1,110,965
Operating Grants and Contributions	17,238,877	16,163,107	17,157,713	19,381,843
Capital Grants and Contributions	-	-	-	-
Total Governmental Activities	<u>21,754,845</u>	<u>20,967,442</u>	<u>21,790,916</u>	<u>24,430,932</u>
Business-Type Activities				
Charges for Services				
Nutrition Services	3,666,920	3,473,272	3,592,297	3,370,264
Operating Grants and Contributions	1,380,737	1,425,402	1,545,589	1,533,700
Total Business-Type Activities	<u>5,047,657</u>	<u>4,898,674</u>	<u>5,137,886</u>	<u>4,903,964</u>
Total Primary Government Program Revenues	26,802,502	25,866,116	26,928,802	29,334,896
Net (Expense) Revenue				
Governmental Activities	(187,146,864)	(197,592,034)	(205,520,225)	(209,511,522)
Business-Type Activities	<u>(75,513)</u>	<u>(153,827)</u>	<u>186,521</u>	<u>(64,574)</u>
Total Primary Government Net (Expense)	(187,222,377)	(197,745,861)	(205,333,704)	(209,576,096)
General Revenues and Transfers				
Governmental Activities				
Property Taxes	132,987,761	146,454,502	152,701,086	148,506,345
Specific Ownership Taxes	12,221,725	11,605,270	11,551,266	11,254,363
State Equalization	35,352,777	42,286,795	45,499,801	49,628,580
State Fiscal Stabilization Fund	-	-	-	-
Unrestricted Grant Revenue	-	1,635,693	-	-
Investment Earnings	1,012,088	487,225	230,215	555,174
Other Revenues	2,148,195	2,212,217	6,215,533	5,503,310
Transfers	-	-	-	-
Total Governmental Activities	<u>183,722,546</u>	<u>204,681,702</u>	<u>216,197,901</u>	<u>215,447,772</u>
Business-Type Activities				
Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Primary Government Revenues and Transfers	183,722,546	204,681,702	216,197,901	215,447,772
Change in Net Assets				
Governmental Activities	(3,424,318)	7,089,668	10,677,676	5,936,250
Business-type Activities	<u>(75,513)</u>	<u>(153,827)</u>	<u>186,521</u>	<u>(64,574)</u>
Total Primary Government	<u>\$ (3,499,831)</u>	<u>\$ 6,935,841</u>	<u>\$ 10,864,197</u>	<u>\$ 5,871,676</u>

Table 2

<u>June 30, 2006</u>	<u>June 30, 2007</u>	<u>June 30, 2008</u>	<u>June 30, 2009</u>	<u>June 30, 2010</u>	<u>June 30, 2011</u>
\$ 159,937,412	\$ 162,839,335	\$ 174,678,565	\$ 184,528,008	\$ 184,537,048	\$ 188,306,226
76,041,071	85,954,536	94,388,108	91,944,942	93,260,558	102,051,046
-	-	-	-	-	-
<u>6,732,020</u>	<u>8,429,419</u>	<u>9,817,663</u>	<u>13,076,805</u>	<u>16,358,947</u>	<u>16,456,075</u>
242,710,503	257,223,290	278,884,336	289,549,755	294,156,553	306,813,347
5,211,811	5,625,673	5,728,486	5,708,651	6,033,046	5,735,910
<u>5,211,811</u>	<u>5,625,673</u>	<u>5,728,486</u>	<u>5,708,651</u>	<u>6,033,046</u>	<u>5,735,910</u>
247,922,314	262,848,963	284,612,822	295,258,406	300,189,599	312,549,257
1,071,875	729,238	805,306	850,255	885,640	1,049,174
8,154,329	9,737,651	10,496,456	10,908,725	10,934,983	10,931,866
19,442,789	20,948,003	19,718,065	20,861,065	24,748,470	25,719,981
-	-	-	-	3,747,258	386,381
<u>28,668,993</u>	<u>31,414,892</u>	<u>31,019,827</u>	<u>32,620,045</u>	<u>40,316,351</u>	<u>38,087,402</u>
3,371,042	3,486,250	3,649,198	3,124,504	2,696,927	2,545,086
<u>1,669,144</u>	<u>1,828,748</u>	<u>2,016,276</u>	<u>2,185,169</u>	<u>2,412,851</u>	<u>2,486,869</u>
5,040,186	5,314,998	5,665,474	5,309,673	5,109,778	5,031,955
33,709,179	36,729,890	36,685,301	37,929,718	45,426,129	43,119,357
(214,041,510)	(225,808,398)	(247,864,509)	(256,929,710)	(253,840,202)	(268,725,945)
<u>(171,625)</u>	<u>(310,675)</u>	<u>(63,012)</u>	<u>(398,978)</u>	<u>(923,268)</u>	<u>(703,955)</u>
(214,213,135)	(226,119,073)	(247,927,521)	(257,328,688)	(254,763,470)	(269,429,900)
154,646,048	164,129,499	174,440,943	182,808,375	193,973,616	212,383,487
10,887,850	11,108,990	11,258,208	9,995,765	9,251,558	9,404,630
51,919,871	58,089,462	56,336,553	61,973,644	64,227,060	53,462,090
-	-	-	-	-	7,628,224
-	-	-	-	-	-
1,192,940	3,629,865	7,152,235	2,288,518	716,554	444,720
2,263,535	1,210,079	4,834,871	3,989,195	1,266,334	1,266,488
-	-	-	-	(225,000)	(1,254,000)
<u>220,910,244</u>	<u>238,167,895</u>	<u>254,022,810</u>	<u>261,055,497</u>	<u>269,210,122</u>	<u>283,335,639</u>
-	-	-	-	225,000	1,254,000
220,910,244	238,167,895	254,022,810	261,055,497	269,435,122	284,589,639
6,868,734	12,359,497	6,158,301	4,125,787	15,369,920	14,609,694
<u>(171,625)</u>	<u>(310,675)</u>	<u>(63,012)</u>	<u>(398,978)</u>	<u>(698,268)</u>	<u>550,045</u>
<u>\$ 6,697,109</u>	<u>\$ 12,048,822</u>	<u>\$ 6,095,289</u>	<u>\$ 3,726,809</u>	<u>\$ 14,671,652</u>	<u>\$ 15,159,739</u>

Boulder Valley School District RE-2

FUND BALANCES OF GOVERNMENTAL FUNDS

Last 10 Fiscal Years

(Unaudited)

	2002	2003	2004	2005	2006
General Fund					
Reserved	\$ 482,630	\$ 5,836,698	\$ 6,088,567	\$ 6,452,971	\$ 6,416,452
Unreserved	(586,897)	273,456	8,310,252	12,555,719	17,132,787
Subtotal	(104,267)	6,110,154	14,398,819	19,008,690	23,549,239
Other Governmental Funds					
Reserved	191,684	170,609	286,639	209,028	501,254
Unreserved, reported in					
Grants Fund	-	-	-	-	-
Debt Service Fund	14,973,430	15,131,986	17,075,783	15,577,400	15,912,470
Capital Projects Fund	4,000,873	4,001,547	2,141,390	1,575,024	2,310,761
Special Revenue Fund	-	-	-	-	143,238
Subtotal	19,165,987	19,304,142	19,503,812	17,361,452	18,867,723
Total Governmental Funds	\$ 19,061,720	\$ 25,414,296	\$ 33,902,631	\$ 36,370,142	\$ 42,416,962
General Fund					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Subtotal	-	-	-	-	-
Other Governmental Funds					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Subtotal	-	-	-	-	-
Total Governmental Funds	\$ -	\$ -	\$ -	\$ -	\$ -

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

Table 3

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$ 7,039,417	\$ 7,244,362	\$ 7,543,322	\$ 7,441,515	\$ -
21,551,939	14,521,629	12,092,348	12,203,848	-
<u>28,591,356</u>	<u>21,765,991</u>	<u>19,635,670</u>	<u>19,645,363</u>	
521,385	683,809	1,135,289	1,246,044	-
-	-	-	(1,422,177)	-
23,304,815	17,282,227	20,663,878	24,032,073	-
122,941,492	93,862,349	169,505,386	101,209,140	-
682,392	318,922	-	-	-
<u>147,450,084</u>	<u>112,147,307</u>	<u>191,304,553</u>	<u>125,065,080</u>	
<u>\$ 176,041,440</u>	<u>\$ 133,913,298</u>	<u>\$ 210,940,223</u>	<u>\$ 144,710,443</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ 373,499
-	-	-	-	8,446,994
-	-	-	-	3,579,393
-	-	-	-	10,785,148
-	-	-	-	7,440,288
				<u>30,625,322</u>
-	-	-	-	-
-	-	-	-	24,974,541
-	-	-	-	-
-	-	-	-	46,778,607
-	-	-	-	(100,540)
				<u>71,652,608</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 102,277,930</u>

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

(Unaudited)

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Primary Government Revenues				
Local Sources				
Current Property Taxes	\$ 131,277,327	\$ 145,992,818	\$ 151,789,396	\$ 146,875,553
Specific Ownership Taxes	12,221,725	11,605,270	11,588,140	11,254,363
Delinquent Property Taxes	940,528	420,203	336,249	154,876
Grants	637,603	609,678	891,361	625,824
Tuition	4,893,573	5,310,851	5,416,755	4,178,361
Interest	1,000,511	444,693	826,866	314,937
Miscellaneous	1,770,591	1,519,558	4,639,448	6,369,584
State Sources				
Equalization	35,352,777	42,286,795	45,510,703	49,628,580
Special Education	3,253,442	3,458,753	3,562,820	3,580,231
State Fiscal Stabilization Fund	-	-	-	-
Transportation	1,641,720	1,740,381	1,666,126	1,817,823
Vocational Education	1,093,446	836,724	740,919	863,334
Grants	1,905,909	1,911,065	1,283,960	1,708,940
Medicaid	-	211,016	195,883	181,471
Miscellaneous	861,089	322,123	298,318	299,121
Federal Sources				
Grants	7,845,668	8,920,076	8,703,306	10,486,570
Total Revenues	<u>204,695,909</u>	<u>225,590,004</u>	<u>237,450,250</u>	<u>238,339,568</u>
Expenditures				
Regular Instruction	91,734,901	99,197,958	101,172,110	103,615,622
Special Instruction	36,374,276	39,416,453	41,407,709	43,141,666
Instructional Support				
Student Services	4,701,396	5,170,891	5,332,767	5,332,346
Instructional Staff Support	7,616,595	7,910,443	7,340,550	7,943,077
School Administration and Operations				
School Administration	12,909,374	11,116,837	14,119,765	14,292,469
Operations and Maintenance	13,788,472	14,307,963	15,338,688	15,759,700
Student Transportation	6,050,831	6,262,799	6,611,788	6,887,504
District Wide/Community Services				
General Administration	2,701,597	2,756,668	2,607,570	2,715,598
Business Services	1,764,119	1,923,562	1,934,280	2,694,665
Central Services	7,479,615	7,851,084	8,495,520	9,338,785
Enterprise Operations	-	-	-	107,008
Community Services	3,509,275	3,688,237	4,061,211	4,042,492
Adult Basic Education	38,758	40,793	41,195	179,308
Debt Service				
Principal	6,485,000	6,890,000	6,935,000	7,245,000
Interest and Fiscal Charges	8,742,481	7,741,948	7,606,483	7,051,265
Debt Issuance Costs	-	-	-	-
Capital Outlay	9,786,473	4,961,792	7,713,867	5,525,552
Total Expenditures	<u>213,683,163</u>	<u>219,237,428</u>	<u>230,718,503</u>	<u>235,872,057</u>
Other Financing Sources (Uses)				
Transfers In	4,067,645	6,392,244	6,916,416	4,232,179
Transfers Out	(4,067,645)	(6,392,244)	(6,916,416)	(4,232,179)
Certificates of Participation Issued	-	-	7,275,000	-
Bonds Issued	24,230,000	-	-	-
Bond Premium	160,858	-	-	-
Payment to Escrow Agent	(24,175,000)	-	(5,518,412)	-
Total Other Financing Sources (Uses)	<u>215,858</u>	<u>-</u>	<u>1,756,588</u>	<u>-</u>
Net Change in Fund Balances	(8,771,396)	6,352,576	8,488,335	2,467,511
Fund Balance, Beginning	<u>27,833,116</u>	<u>19,061,720</u>	<u>25,414,296</u>	<u>33,902,631</u>
Fund Balance, Ending	<u>\$ 19,061,720</u>	<u>\$ 25,414,296</u>	<u>\$ 33,902,631</u>	<u>\$ 36,370,142</u>
Debt Service as a Percentage of Noncapital Expenditures	7.32%	6.73%	6.42%	6.13%

Table 4

	2006	2007	2008	2009	2010	2011
\$	155,286,194	\$ 165,456,960	\$ 174,006,259	\$ 181,017,953	\$ 193,830,522	\$ 212,310,056
	10,887,850	11,108,990	11,258,208	9,995,765	9,251,558	9,404,630
	197,766	988,215	147,499	248,156	115,978	227,096
	379,077	415,434	425,429	739,098	570,743	643,019
	5,856,936	4,978,744	5,026,167	5,868,843	5,856,442	6,068,801
	1,192,940	3,629,864	7,152,235	2,288,518	716,554	444,720
	5,632,801	5,185,099	11,110,467	9,879,333	10,977,773	7,565,108
	51,919,871	58,089,462	56,336,553	61,973,644	64,227,060	53,462,090
	4,382,998	4,325,948	4,450,546	4,449,466	4,525,751	4,300,112
	-	-	-	-	-	2,116,382
	1,812,163	1,953,274	1,629,616	2,244,747	2,506,921	2,730,405
	745,959	1,382,780	945,566	1,098,195	1,391,921	1,059,030
	699,254	1,431,036	39,200	198,448	649,220	830,508
	205,233	1,512	306,245	381,501	529,192	908,801
	342,855	594,242	432,416	400,302	733,858	776,173
	10,875,250	10,843,777	11,489,046	11,349,308	12,418,687	21,405,952
	250,417,147	270,385,337	284,755,452	292,133,277	308,302,180	324,252,883
	106,537,319	111,167,575	118,137,145	124,512,216	129,345,449	129,694,776
	42,475,585	44,666,239	48,087,295	48,462,119	48,778,916	48,672,908
	5,737,529	6,127,364	7,202,651	7,726,360	8,338,184	7,821,093
	9,200,010	11,265,749	11,976,063	11,489,131	12,228,132	11,839,653
	14,968,318	15,818,323	16,473,185	17,865,922	18,299,706	18,178,756
	16,890,272	16,915,946	18,005,709	18,855,666	20,526,501	20,406,434
	7,439,219	7,727,513	8,952,362	9,218,669	10,146,947	10,954,306
	2,832,062	3,132,739	3,253,790	2,757,510	2,678,408	2,783,571
	2,016,893	2,121,958	2,211,860	2,693,872	2,803,873	2,593,077
	10,813,212	11,302,707	10,887,214	10,956,736	10,173,778	10,299,898
	-	-	-	-	-	90,810
	4,373,239	4,815,749	5,010,135	4,981,140	5,034,613	5,065,759
	92,263	117,797	147,949	116,098	97,140	149,707
	7,555,000	7,880,000	10,535,000	10,105,000	9,870,000	11,570,000
	6,741,497	6,427,353	11,172,641	12,477,695	17,036,074	17,075,900
	-	687,174	124,702	1,330,325	453,110	-
	7,171,042	8,002,276	46,175,383	112,036,962	76,734,547	66,234,748
	244,843,460	258,176,462	318,353,084	395,585,421	372,545,378	363,431,396
	11,644,143	8,032,741	10,484,082	4,754,381	5,281,112	12,051,538
	(11,171,010)	(8,032,741)	(14,584,082)	(4,979,381)	(5,506,112)	(15,305,538)
	-	-	-	-	-	-
	-	120,000,000	49,910,000	176,800,000	53,645,000	-
	-	1,415,603	2,824,044	3,904,069	2,385,564	-
	-	-	(57,164,554)	-	(57,792,146)	-
	473,133	121,415,603	(8,530,510)	180,479,069	(1,986,582)	(3,254,000)
	6,046,820	133,624,478	(42,128,142)	77,026,925	(66,229,780)	(42,432,513)
	36,370,142	42,416,962	176,041,440	133,913,298	210,940,223	144,710,443
\$	42,416,962	\$ 176,041,440	\$ 133,913,298	\$ 210,940,223	\$ 144,710,443	\$ 102,277,930
	5.90%	5.87%	7.80%	8.34%	9.18%	9.30%

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

(Unaudited)

Collection Year	Taxable Assessed Value			Total	Total Direct Tax Rate*
	Residential Property	Commercial Property	All Other		
2002	1,864,943,092	1,550,515,234	357,373,542	3,772,831,868	34.807
2003	1,894,344,086	1,594,437,769	355,916,948	3,844,698,803	38.524
2004	1,952,680,540	1,667,504,239	352,499,975	3,972,684,754	38.255
2005	1,974,598,660	1,681,144,196	319,779,595	3,975,522,451	37.423
2006	2,064,990,490	1,766,828,760	322,566,613	4,154,385,863	37.685
2007	2,096,273,840	1,764,603,370	304,095,073	4,164,972,283	39.564
2008	2,334,001,690	1,956,154,040	337,926,058	4,628,081,788	37.865
2009	2,334,456,140	2,047,735,440	299,416,056	4,681,607,636	39.113
2010	2,451,438,580	1,562,360,162	864,866,444	4,878,665,186	39.999
2011	2,470,710,400	1,656,952,142	737,801,555	4,865,464,097	43.838

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

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

Table 5

Estimated Actual Value	Ratio of Estimated Actual Value to Assessed Value	Assessment Rate	
		Residential	All Other
27,110,806,850	7.1858	9.15%	29.00%
27,573,225,209	7.1718	9.15%	29.00%
31,624,551,624	7.9605	7.96%	29.00%
31,834,021,863	8.0075	7.96%	29.00%
33,273,880,826	8.0093	7.96%	29.00%
33,586,945,608	8.0641	7.96%	29.00%
36,648,062,817	7.9186	7.96%	29.00%
37,827,103,800	8.0799	7.96%	29.00%
38,364,291,949	7.8637	7.96%	29.00%
38,538,770,816	7.9209	7.96%	29.00%

Boulder Valley School District RE-2
PROPERTY TAX LEVIES AND COLLECTIONS
Last 10 Fiscal Years

Table 6

(Unaudited)

Levy Year	Collection Year	Total Tax Levy	Current Tax Collections	Percent of Current Tax Collected	Delinquent Tax Collections	Total Collections	
						Amount	Percent of Levy
2001	2002	131,684,926	130,756,272	99.29%	71,953	130,828,225	99.35%
2002	2003	148,091,114	147,139,163	99.36%	387,790	147,526,953	99.62%
2003	2004	152,358,541	151,722,942	99.58%	336,249	152,059,191	99.80%
2004	2005	149,047,366	147,225,944	98.78%	139,537	147,365,481	98.87%
2005	2006	156,558,031	155,286,194	99.19%	197,766	155,483,960	99.31%
2006	2007	164,782,963	161,992,586	98.31%	96,132	162,088,718	98.36%
2007	2008	175,242,316	172,742,380	98.57%	47,942	172,790,322	98.60%
2008	2009	183,111,718	178,265,743	97.35%	184,636	178,450,379	97.45%
2009	2010	195,141,729	190,148,336	97.44%	80,169	190,228,505	97.48%
2010	2011*	213,292,216	208,270,983	97.65%	149,647	208,420,630	97.72%

* Collections through July 31, 2011

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



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

(Unaudited)

	2002	2003	2004	2005
Boulder Valley School District RE-2				
General Fund				
School Finance Act	26.412	26.412	26.049	26.049
Budget Election	4.669	8.469	8.201	8.193
Abatements and Refunds	0.193	0.125	0.128	0.176
Subtotal General Fund	31.274	35.006	34.378	34.418
Transportation Fund	-	-	-	-
Bond Redemption Fund	3.533	3.518	3.877	3.005
Total Boulder Valley School District RE-2	34.807	38.524	38.255	37.423
Boulder County	17.621	20.087	20.088	21.267
Cities and Towns				
Boulder	9.301	9.640	9.860	10.005
Broomfield	28.986	28.986	28.986	28.986
Lafayette	11.130	10.994	10.832	10.710
Louisville	5.292	5.184	6.710	6.710
Jamestown	12.343	14.843	14.680	21.400
Nederland	15.408	15.455	14.462	14.765
Superior	1.836	1.906	8.805	8.805
Ward	3.662	3.474	2.616	2.709
	87.958	90.482	96.951	104.090
Special Districts (Ranges)	.521 to 43.000	.531 to 98.746	.533 to 84.319	.538 to 89.500
Fire Districts (Ranges)	1.090 to 11.023	2.500 to 11.715	2.500 to 11.434	2.500 to 11.433
Water/Sanitation Districts (Ranges)	.258 to 16.462	.245 to 16.795	.243 to 17.365	.230 to 17.957

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

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

Table 7

Assessment Year					
2006	2007	2008	2009	2010	2011
25.023	25.023	25.023	25.023	25.023	25.023
7.862	7.842	7.057	6.977	6.695	11.338
0.461	0.288	0.229	0.125	0.220	0.186
33.346	33.153	32.309	32.125	31.938	36.547
1.065	1.509	1.414	1.559	1.496	1.500
3.274	4.902	4.142	5.429	6.565	5.791
37.685	39.564	37.865	39.113	39.999	43.838
21.867	22.467	22.467	23.067	23.667	24.645
9.643	9.889	9.201	9.841	10.295	10.818
28.968	28.968	28.968	28.968	28.968	28.968
11.848	11.779	10.641	15.515	15.009	14.334
6.710	6.710	6.710	6.710	6.710	6.710
21.400	21.400	21.400	21.000	21.000	21.000
14.572	14.572	14.070	15.051	14.883	15.156
8.805	8.805	8.050	8.050	8.050	9.480
2.300	2.730	2.699	2.792	3.480	3.399
104.246	104.853	101.739	107.927	108.395	109.865
.538 to 99.000	.542 to 49.500	.507 to 49.500	.528 to 74.771	.508 to 79.366	.523 to 80.420
2.500 to 11.325	2.500 to 11.747	2.500 to 11.747	2.500 to 15.256	2.500 to 15.192	2.500 to 15.130
.222 to 18.141	.214 to 18.482	.197 to 21.825	.194 to 22.755	.184 to 22.283	.184 to 17.545



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Boulder Valley School District RE-2

Table 8

PRINCIPAL PROPERTY TAXPAYERS

January 1, 2011 and 9 Years Ago

(Unaudited)

Taxpayer	2011			2002		
	Rank	Assessed Valuation	Percentage of Total Assessed Valuation	Rank	Assessed Valuation	Percentage of Total Assessed Valuation
Xcel Energy	1	55,638,190	1.14%	1	56,364,440	1.49%
Oracle Corporation	2	48,459,960	1.00%			
Flatiron Holding LLC	3	45,240,320	0.93%			
Qwest Corporation	4	33,506,100	0.69%			
Level 3 Communications	5	28,180,320	0.58%			
Macerich Twenty Ninth Street LLC	6	25,850,260	0.53%	8	11,140,280	0.30%
Roche Colorado Corporation	7	20,027,920	0.41%	5	14,982,880	0.40%
BJJFH LLC	8	16,486,980	0.34%			
Ball Corporation	9	15,312,750	0.31%	6	13,544,320	0.36%
IBM Corporation	10	14,496,680	0.30%	2	52,736,136	1.40%
Storage Technology Corporation				3	38,513,010	1.02%
U.S. West Communications				4	32,025,400	0.85%
Amgen Boulder inc.				7	13,400,650	0.35%
Tierra Buildings, LLC				9	6,635,270	0.18%
Stephen D Tebo				10	6,580,360	0.17%
Subtotal		<u>303,199,480</u>	<u>6.23%</u>		<u>245,922,746</u>	<u>6.52%</u>
Remaining Assessed Valuation		<u>4,562,264,617</u>	<u>93.77%</u>		<u>3,526,909,122</u>	<u>93.48%</u>
Total Assessed Valuation		<u>\$ 4,865,464,097</u>	<u>100.00%</u>		<u>\$ 3,772,831,868</u>	<u>100.00%</u>

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

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

Source: Boulder County and Broomfield County Assessors Office

Boulder Valley School District RE-2

RATIOS OF OUTSTANDING DEBT BY TYPE

Last 10 Fiscal Years

(Unaudited)

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Less: Amounts Available in Bond Redemption Fund</u>	<u>Total</u>	<u>Percentage of Actual Taxable Value of Property*</u>	<u>Per Capita**</u>
2002	159,500,000	14,952,229	144,547,771	0.533173991	520
2003	153,515,000	14,973,430	138,541,570	0.502449637	499
2004	147,065,000	15,131,986	131,933,014	0.417185406	472
2005	140,310,000	17,075,783	123,234,217	0.387114822	438
2006	133,250,000	15,577,400	117,672,600	0.353648559	415
2007	245,875,000	15,912,470	229,962,530	0.684678305	791
2008	230,175,000	23,304,815	206,870,185	0.564477817	705
2009	397,400,000	20,663,878	376,736,122	0.995942285	1,255
2010	385,285,000	24,032,073	361,252,927	0.941638458	1,183
2011	374,280,000	24,325,632	349,954,368	0.908057939	1,136

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

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

Source: Boulder Valley School District RE-2

Table 9

Other Governmental Activities Debt				
Certificates of Participation	Capital Leases	Total Primary Government	Percentage of Personal Income**	Per Capita**
6,255,000	139,784	150,942,555	1.34%	543
5,350,000	-	143,891,570	1.26%	518
6,790,000	-	138,723,014	1.16%	497
6,300,000	-	129,534,217	1.01%	461
5,805,000	-	123,477,600	0.91%	435
5,300,000	-	235,262,530	1.64%	810
4,785,000	-	211,655,185	1.39%	722
4,255,000	-	380,991,122	2.34%	1,269
3,710,000	-	364,962,927	2.12%	1,196
3,145,000	-	353,099,368	1.92%	1,146

Boulder Valley School District RE-2

LEGAL DEBT MARGIN INFORMATION

Last 10 Fiscal Years

(Unaudited)

Assessed Valuation

Debt Limit Percentage

Legal Debt Limit

Debt Outstanding

Legal Debt Margin

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Debt Limit	\$ 756,657,718	\$ 771,327,974	\$ 796,541,845	\$ 796,554,878	\$ 830,877,173
Debt Applicable To Limit	<u>159,500,000</u>	<u>153,515,000</u>	<u>147,065,000</u>	<u>140,310,000</u>	<u>133,250,000</u>
Legal Debt Margin	<u>\$ 597,157,718</u>	<u>\$ 617,812,974</u>	<u>\$ 649,476,845</u>	<u>\$ 656,244,878</u>	<u>\$ 697,627,173</u>
Total Debt Applicable As A Percentage Of Debt Limit	21.08%	19.90%	18.46%	17.61%	16.04%

Table 10

\$ 4,865,464,097

20.00%

973,092,819

374,280,000\$ 598,812,819

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$ 832,994,457	\$ 925,616,358	\$ 936,321,527	\$ 975,733,037	\$ 973,092,819
<u>245,875,000</u>	<u>230,175,000</u>	<u>397,400,000</u>	<u>385,285,000</u>	<u>374,280,000</u>
<u>\$ 587,119,457</u>	<u>\$ 695,441,358</u>	<u>\$ 538,921,527</u>	<u>\$ 590,448,037</u>	<u>\$ 598,812,819</u>
29.52%	24.87%	42.44%	39.49%	38.46%

Boulder Valley School District RE-2

Table 11

COMPUTATION OF DIRECT AND OVERLAPPING GENERAL OBLIGATION DEBT

June 30, 2011

(Unaudited)

	Outstanding General Obligation Debt	Percentage Applicable to the District (3)	Amount of Outstanding Debt Applicable to the District
Overlapping Debt (1)			
City of Boulder	49,683,000	100.00%	49,683,000
City of Louisville	5,345,000	100.00%	5,345,000
City of Lafayette	6,415,000	100.00%	6,415,000
Boulder Central Area General Improvement District	16,753,000	100.00%	16,753,000
Boulder Rural Fire	2,300,000	100.00%	2,300,000
Colorado Tech Center Metropolitan District	11,010,000	100.00%	11,010,000
East Boulder County Water District	1,595,000	100.00%	1,595,000
Hoover Hill Water and Sanitation District	141,542	100.00%	141,542
Interlocken Consolidated Metropolitan District	74,257,183	100.00%	74,257,183
North Metro Fire Rescue District	24,050,000	20.88%	5,021,640
Nederland Community Library District	1,836,057	100.00%	1,836,057
Nederland Fire Protection District	920,000	100.00%	920,000
Northern Colorado Water Conservancy District	4,819,315	41.05%	1,978,329
Pine Brook Water District	4,510,000	100.00%	4,510,000
Rocky Mountain Fire	9,355,000	100.00%	9,355,000
Superior/McCaslin Interchange District	4,380,000	100.00%	4,380,000
Superior Metropolitan District #2	4,600,000	100.00%	4,600,000
Superior Metropolitan District #3	2,190,000	100.00%	2,190,000
Town of Erie	17,737,643	1.96%	347,658
Town of Nederland	1,110,000	100.00%	1,110,000
Subtotal Overlapping Debt			203,748,409
School District Direct Debt (2)			374,280,000
Total Direct and Overlapping Debt			\$ 578,028,409

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

Notes:

- (1) Balances as of December 31, 2010
- (2) Balance as of June 30, 2011
- (3) The Percentage Applicable to the district is calculated by taking the percentage of the government's assessed value which is located within the boundaries of the district.

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

Boulder Valley School District RE-2

Table 12

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last 10 Fiscal Years

(Unaudited)

Fiscal Year	*Estimated Population(1)	**Personal Income(1) (millions)	**Per Capita Personal Income(1)	***Enrollment (Student (Funded FTE))	****Unemployment Rate(1)
2002	278,048	11,230	40,390	26,703.0	5.885%
2003	277,813	11,399	41,034	26,629.5	5.809%
2004	279,227	11,994	42,955	26,643.5	4.924%
2005	281,195	12,765	45,394	26,789.5	4.402%
2006	283,644	13,550	47,770	26,741.0	4.009%
2007	290,580	14,385	50,141	26,914.5	3.896%
2008	293,232	15,267	52,601	27,222.5	4.900%
2009	300,136	16,251	55,319	27,455.2	7.500%
2010	305,268	17,241	57,978	27,673.3	6.500%
2011	308,005	18,351	60,962	28,148.8	6.500%

Source: * Colorado State Demography Office

** Global Insight Inc.

*** Boulder Valley School District RE-2

**** Colorado Department of Labor

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



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Boulder Valley School District RE-2

Table 13

PRINCIPAL EMPLOYERS January 1, 2011 and 9 Years Ago

(Unaudited)

Employer	2011			2002		
	Rank	Number of Employees	Percentage of Total County Employment	Rank	Number of Employees	Percentage of Total County Employment
University of Colorado	1	6,827	3.35%	1	6,550	3.54%
Boulder Valley School District	2	4,200	2.06%	3	4,500	2.43%
International Business Machines	3	3,400	1.67%	2	5,000	2.70%
Oracle Corporation	4	3,300	1.62%	4	3,250	1.76%
St. Vrain Valley School District	5	3,238	1.59%			
Ball Aerospace	6	3,100	1.52%	9	1,925	1.04%
Boulder Community Hospital	7	2,190	1.08%	7	2,102	1.14%
Level 3 Communications	8	2,016	0.99%	6	2,350	1.27%
Covidien, Energy-Based Devices	9	1,750	0.86%			
Boulder County	10	1,700	0.83%			
Storage Technology Corporation				5	3,000	1.62%
Electronic Data Systems				8	2,000	1.08%
Maxtor				10	1,200	0.65%
Longmont Foods				10	1,200	0.65%
Subtotal		31,721	15.58%		33,077	17.87%
Other Employers		171,924	84.42%		151,970	82.13%
Total		<u>203,645</u>	<u>100.00%</u>		<u>185,047</u>	<u>100.00%</u>

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

Boulder Valley School District RE-2

DISTRICT EMPLOYEES - FULL TIME EQUIVALENTS

Last 10 Fiscal Years

(Unaudited)

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Administrators					
Superintendent	1.00	1.00	1.00	1.00	1.00
Assistant Superintendent	8.00	7.00	7.70	6.80	5.00
Non-Instructional Director	18.30	17.60	18.70	18.20	21.40
Instructional Director	11.00	11.40	10.00	9.00	13.90
Principal	51.80	55.20	49.40	49.60	53.60
Assistant Principal	33.70	35.60	35.90	37.60	35.60
Instructional Program Coord.	-	-	6.80	1.00	2.40
Subtotal	<u>123.80</u>	<u>127.80</u>	<u>129.50</u>	<u>123.20</u>	<u>132.90</u>
Professional-Instructional					
Teacher, Regular	1,472.20	1,482.10	1,420.50	1,465.40	1,460.20
Teacher, Special Education	211.10	204.40	189.40	199.40	199.00
Teacher, Title I	22.10	25.70	19.50	11.80	15.40
Counselor	46.10	54.20	54.80	55.40	56.40
Curriculum Specialist Consultant	8.60	7.80	8.00	6.50	7.80
Dean	-	1.30	2.10	1.60	3.40
Education Diagnostician	-	-	-	-	-
Instructional Program Consultant	-	-	8.70	1.00	0.80
Librarian/Media Consultant	36.00	38.10	39.30	40.10	41.70
Teacher Mentor	32.20	30.70	36.40	40.60	45.70
Audiologist	2.00	2.60	2.00	2.00	2.00
Licensed Practical Nurse	-	-	-	-	-
Registered Nurse	9.40	11.00	10.90	13.50	13.40
Occupational Therapist	12.10	13.50	14.90	14.60	14.10
Physical Therapist	1.80	1.80	1.80	1.80	1.90
Psychologist	17.90	20.60	20.70	21.10	23.30
Social Worker	17.70	20.30	20.60	22.00	22.30
Speech-Language Pathologist	31.50	32.70	31.70	34.00	34.90
Subtotal	<u>1,920.70</u>	<u>1,946.80</u>	<u>1,881.30</u>	<u>1,930.80</u>	<u>1,942.30</u>
Professional-Other	94.20	85.30	97.80	87.60	107.10
Paraprofessionals	522.50	542.80	666.90	666.40	674.60
Office/Administrative Support	289.20	297.90	261.30	261.80	265.10
Crafts, Trades, and Services					
Bus Driver	123.00	128.50	133.50	163.20	152.10
Food Service Worker	79.90	72.00	48.60	55.70	44.60
Custodian	159.20	165.60	152.70	152.60	155.70
Maintenance Workers	107.80	109.40	136.20	131.30	125.60
Subtotal	<u>469.90</u>	<u>475.50</u>	<u>471.00</u>	<u>502.80</u>	<u>478.00</u>
Total	<u>3,420.30</u>	<u>3,476.10</u>	<u>3,507.80</u>	<u>3,572.60</u>	<u>3,600.00</u>

Source: Boulder Valley School District RE-2

Table 14

2007	2008	2009	2010	2011
1.00	1.00	1.00	1.00	1.00
6.40	9.50	13.80	12.30	10.50
21.50	22.70	18.90	17.50	17.30
11.00	7.70	14.04	15.57	15.02
51.90	54.10	54.40	54.80	54.80
32.90	37.00	40.70	38.70	37.60
2.00	2.50	2.00	2.00	2.48
<u>126.70</u>	<u>134.50</u>	<u>144.84</u>	<u>141.87</u>	<u>138.70</u>
1,504.60	1,538.20	1,549.50	1,517.40	1,490.20
191.90	190.47	178.60	180.16	172.87
13.50	16.10	15.70	18.90	21.80
57.70	65.70	68.20	61.80	54.80
13.50	10.97	9.60	4.70	4.10
4.00	3.20	4.70	3.00	2.10
2.60	4.33	4.60	2.76	-
2.60	8.79	1.00	1.25	-
44.10	43.50	42.60	41.60	40.30
58.40	54.90	49.20	48.90	45.77
2.00	1.52	2.06	1.98	1.50
1.10	2.10	-	-	-
11.30	15.74	14.91	14.73	12.60
14.50	14.12	15.03	15.13	14.30
2.00	2.16	1.76	2.06	2.00
19.70	22.10	46.66	25.81	26.04
20.00	26.40	24.47	21.63	18.60
32.40	28.72	34.62	29.73	36.26
<u>1,995.90</u>	<u>2,049.02</u>	<u>2,063.21</u>	<u>1,991.54</u>	<u>1,943.24</u>
96.90	112.40	132.75	132.36	130.46
672.30	675.52	757.90	727.88	686.77
266.60	269.00	268.70	254.77	241.58
164.20	165.80	198.00	196.10	190.60
55.70	78.30	84.50	100.60	91.80
154.90	153.50	155.70	160.30	150.70
119.00	101.40	95.90	92.10	88.60
<u>493.80</u>	<u>499.00</u>	<u>534.10</u>	<u>549.10</u>	<u>521.70</u>
<u><u>3,652.20</u></u>	<u><u>3,739.44</u></u>	<u><u>3,901.50</u></u>	<u><u>3,797.52</u></u>	<u><u>3,662.45</u></u>

Boulder Valley School District RE-2

SCHOOL BUILDING INFORMATION

Last 10 Fiscal Years

(Unaudited)

School	2002	2003	2004	2005	2006	2007	2008
<u>Elementary Schools</u>							
Aurora 7							
Square Feet	0	0	0	0	0	0	0
Capacity	0	0	0	0	0	0	0
Enrollment	0	0	0	0	0	0	0
Bear Creek							
Square Feet	39,549	39,549	39,549	39,549	39,549	39,549	39,549
Capacity	376	379	310	350	370	350	350
Enrollment	341	336	343	337	348	343	361
Birch							
Square Feet	44,714	44,714	44,714	44,714	44,714	44,714	44,714
Capacity	531	502	440	438	463	463	463
Enrollment	378	391	400	403	409	415	425
BCSIS							
Square Feet	25,922	25,922	25,922	25,922	25,922	25,922	25,922
Capacity	221	211	210	230	230	230	230
Enrollment	200	217	229	259	285	287	287
Coal Creek							
Square Feet	53,916	53,916	53,916	53,916	53,916	53,916	53,916
Capacity	557	555	473	460	460	465	465
Enrollment	539	524	537	511	491	478	470
Columbine							
Square Feet	48,078	48,078	48,078	48,078	48,078	48,078	48,078
Capacity	499	499	341	352	413	431	431
Enrollment	335	305	312	346	384	402	368
Community Montessori							
Square Feet	42,583	42,583	42,583	42,583	42,583	42,583	42,583
Capacity	144	144	126	140	180	200	200
Enrollment	154	153	148	148	193	215	228
Creekside							
Square Feet	46,976	46,976	46,976	46,976	46,976	46,976	46,976
Capacity	450	416	308	289	316	316	316
Enrollment	352	309	293	285	269	329	330
Crest View							
Square Feet	55,007	55,007	55,007	55,007	55,007	55,007	55,007
Capacity	493	493	385	485	510	530	530
Enrollment	501	473	492	494	501	510	511
Douglass							
Square Feet	54,772	54,772	54,772	54,772	54,772	54,772	54,772
Capacity	451	451	410	435	435	435	435
Enrollment	447	469	476	482	469	455	439
Eisenhower							
Square Feet	53,601	53,601	53,601	53,601	53,601	53,601	53,601
Capacity	611	611	548	548	500	525	525
Enrollment	426	422	420	436	449	440	468
Emerald							
Square Feet	56,300	56,300	56,300	56,300	56,300	56,300	56,300
Capacity	557	585	420	384	377	377	377
Enrollment	451	411	382	384	376	390	384
Fireside							
Square Feet	60,307	60,307	60,307	60,307	60,307	60,307	60,307
Capacity	555	504	440	465	460	440	440
Enrollment	492	443	416	454	449	433	444
Flatirons							
Square Feet	33,469	33,469	33,469	33,469	33,469	33,469	33,469
Capacity	234	237	300	295	315	320	320
Enrollment	257	241	307	297	298	307	295
Foothill							
Square Feet	57,819	57,819	57,819	57,819	57,819	57,819	57,819
Capacity	504	504	435	440	485	510	510
Enrollment	416	419	430	463	486	504	526

Table 15

2009	2010	2011
0	0	0
0	0	0
0	0	0
39,549	39,549	54,853
350	350	355
362	352	367
44,714	44,714	51,192
463	440	405
448	426	443
25,922	31,745	31,745
230	280	280
290	284	300
53,916	53,916	52,476
465	485	490
470	448	464
48,078	50,938	68,294
431	431	455
379	398	410
42,583	42,588	42,588
200	280	280
225	237	251
46,976	46,976	50,661
316	334	441
344	345	348
67,266	66,884	66,884
530	595	670
532	594	627
54,772	54,901	54,901
435	480	480
409	423	430
53,601	53,601	59,525
525	555	580
453	445	474
56,300	56,300	62,542
377	413	473
386	370	345
60,307	60,307	60,307
440	465	515
418	437	445
33,469	43,857	43,857
320	305	325
288	272	279
57,819	75,951	76,021
510	610	610
528	572	564

Boulder Valley School District RE-2

SCHOOL BUILDING INFORMATION

Last 10 Fiscal Years

(Unaudited)

School	2002	2003	2004	2005	2006	2007	2008
<u>Elementary Schools (continued)</u>							
Gold Hill							
Square Feet	3,316	3,316	3,316	3,316	3,316	3,316	3,316
Capacity	51	51	41	41	41	41	41
Enrollment	34	33	37	34	26	26	25
Heatherwood							
Square Feet	52,016	52,016	52,016	52,016	52,016	52,016	52,016
Capacity	424	421	316	312	319	321	321
Enrollment	363	332	350	332	323	340	368
High Peaks							
Square Feet	24,521	24,521	24,521	24,521	24,521	24,521	24,521
Capacity	307	248	240	240	287	240	240
Enrollment	277	278	279	296	299	293	299
Jamestown							
Square Feet	5,030	5,030	5,030	5,030	5,030	5,030	5,030
Capacity	27	27	18	18	18	18	18
Enrollment	17	18	22	12	15	16	22
Kohl							
Square Feet	54,113	54,113	54,113	54,113	54,113	54,113	54,113
Capacity	509	509	480	480	460	480	480
Enrollment	467	445	437	442	467	453	469
Lafayette							
Square Feet	56,764	56,764	56,764	56,764	56,764	56,764	60,673
Capacity	408	381	296	298	298	350	350
Enrollment	394	387	331	333	353	396	475
Louisville							
Square Feet	57,018	57,018	57,018	57,018	57,018	57,018	57,018
Capacity	560	504	460	460	460	460	460
Enrollment	458	430	440	432	404	409	427
Majestic Heights							
Square Feet	0	0	0	0	0	0	0
Capacity	0	0	0	0	0	0	0
Enrollment	0	0	0	0	0	0	0
Mapleton							
Square Feet	21,387	21,387	0	0	0	0	0
Capacity	184	184	0	0	0	0	0
Enrollment	144	128	0	0	0	0	0
Martin Park							
Square Feet	0	0	0	0	0	0	0
Capacity	0	0	0	0	0	0	0
Enrollment	0	0	0	0	0	0	0
Mesa							
Square Feet	45,670	45,670	45,670	45,670	45,670	45,670	45,670
Capacity	349	349	310	330	315	315	315
Enrollment	357	347	348	346	319	357	355
Nederland							
Square Feet	61,470	61,470	61,470	61,470	61,470	61,470	61,470
Capacity	418	390	345	332	345	355	355
Enrollment	310	312	302	331	317	319	285
Pioneer							
Square Feet	72,398	72,398	72,398	72,398	72,398	72,398	72,398
Capacity	443	443	355	329	341	348	348
Enrollment	322	339	356	396	404	427	414
Ryan							
Square Feet	49,176	49,176	49,176	49,176	49,176	49,176	49,176
Capacity	506	479	369	363	350	357	357
Enrollment	421	411	390	383	390	398	430
Sanchez							
Square Feet	49,887	49,887	49,887	49,887	49,887	49,887	49,887
Capacity	371	422	301	278	316	334	334
Enrollment	346	296	288	262	280	286	280

Table 15
(continued)

2009	2010	2011
3,316	3,316	3,316
41	41	36
25	21	29
52,016	51,975	60,797
321	440	540
382	363	385
24,521	32,983	32,983
240	280	280
301	311	306
5,030	5,030	5,030
18	18	18
21	27	25
54,113	54,113	57,417
480	490	490
488	478	498
67,638	62,208	62,203
350	492	555
534	603	636
57,018	57,018	63,034
460	485	535
440	459	502
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
45,670	45,670	54,963
315	375	385
384	365	378
61,470	61,470	61,470
355	375	405
307	278	287
72,398	72,398	74,874
348	419	391
429	433	423
49,176	49,352	54,913
357	377	460
406	422	419
49,887	49,900	55,320
334	266	294
278	286	295

Boulder Valley School District RE-2

SCHOOL BUILDING INFORMATION

Last 10 Fiscal Years

(Unaudited)

School	2002	2003	2004	2005	2006	2007	2008
<u>Elementary Schools (continued)</u>							
Superior							
Square Feet	69,765	69,765	69,765	69,765	69,765	69,765	69,765
Capacity	495	524	480	500	500	500	500
Enrollment	577	570	589	600	629	650	633
University Hill							
Square Feet	68,696	68,696	68,696	68,696	68,696	68,696	68,696
Capacity	467	467	510	492	314	375	375
Enrollment	346	336	503	391	307	322	306
Washington							
Square Feet	29,959	29,959	0	0	0	0	0
Capacity	344	344	0	0	0	0	0
Enrollment	291	285	0	0	0	0	0
Whittier							
Square Feet	35,122	35,122	35,122	35,122	35,122	35,122	35,122
Capacity	291	291	300	320	300	325	325
Enrollment	247	239	303	328	319	323	320
<u>Middle Schools</u>							
Angevine							
Square Feet	121,676	121,676	121,676	121,676	121,676	121,676	121,676
Capacity	971	971	862	902	863	906	906
Enrollment	709	650	668	616	587	536	550
Baseline							
Square Feet	76,668	76,668	0	0	0	0	0
Capacity	535	553	0	0	0	0	0
Enrollment	455	416	0	0	0	0	0
Broomfield Heights							
Square Feet	107,385	107,385	107,385	107,385	107,385	107,385	107,385
Capacity	935	935	935	914	914	914	914
Enrollment	571	572	551	562	555	565	523
Burbank							
Square Feet	83,572	83,572	0	0	0	0	0
Capacity	503	503	0	0	0	0	0
Enrollment	312	258	0	0	0	0	0
Casey							
Square Feet	84,007	84,007	84,007	84,007	84,007	84,007	84,007
Capacity	636	582	582	612	612	535	535
Enrollment	357	317	341	361	366	313	345
Centennial							
Square Feet	99,556	99,556	99,556	99,556	99,556	99,556	99,556
Capacity	750	750	750	750	750	772	772
Enrollment	677	648	641	596	588	559	583
Halcyon							
Square Feet	8,736	8,736	8,736	8,736	8,736	8,736	8,736
Capacity	na						
Enrollment	16	13	15	12	14	11	17
Louisville							
Square Feet	88,887	88,887	88,887	88,887	88,887	88,887	74,206
Capacity	677	695	673	651	651	651	651
Enrollment	601	575	547	541	546	560	567
Manhattan							
Square Feet	0	0	83,572	83,572	83,572	83,572	83,572
Capacity	0	0	590	579	605	618	618
Enrollment	0	0	587	449	443	422	413
Platt							
Square Feet	117,573	117,573	117,573	117,573	117,573	117,573	117,573
Capacity	812	790	729	729	707	707	707
Enrollment	566	530	529	524	531	549	556
Southern Hills							
Square Feet	72,260	72,260	72,260	72,260	72,260	72,260	70,194
Capacity	539	539	503	503	503	503	503
Enrollment	476	480	523	537	503	478	487

Table 15
(continued)

2009	2010	2011
69,765	69,725	69,673
500	505	505
664	635	591
68,696	67,276	69,701
375	402	427
321	338	358
0	0	0
0	0	0
0	0	0
35,122	35,123	46,517
325	325	380
347	334	369
121,676	121,676	121,676
906	902	946
546	581	545
0	0	0
0	0	0
0	0	0
107,385	107,239	107,239
914	932	932
536	530	526
0	0	0
0	0	0
0	0	0
84,007	44,923	106,458
535	521	743
292	349	440
99,556	99,515	99,515
772	750	750
596	627	562
8,736	10,168	10,203
na	na	na
6	27	24
74,206	101,483	101,483
651	669	669
548	569	603
83,572	93,632	93,542
618	638	642
455	498	468
117,573	81,495	117,552
707	888	827
540	546	533
70,194	98,342	98,340
503	701	701
496	539	545

Boulder Valley School District RE-2

SCHOOL BUILDING INFORMATION

Last 10 Fiscal Years

(Unaudited)

School	2002	2003	2004	2005	2006	2007	2008
<u>High Schools</u>							
Boulder							
Square Feet	229,281	229,281	229,281	229,281	229,281	229,281	218,717
Capacity	2015	2015	2015	2015	1994	1900	1900
Enrollment	1876	1919	1929	1970	1932	1093	1851
Broomfield							
Square Feet	218,163	218,163	218,163	218,163	218,163	218,163	218,163
Capacity	1565	1565	1593	1599	1599	1606	1606
Enrollment	1323	1337	1321	1375	1413	1407	1438
Centaurus							
Square Feet	190,610	190,610	190,610	190,610	190,610	190,610	196,089
Capacity	1652	1638	1616	1530	1607	1581	1581
Enrollment	1108	1060	1003	990	996	1051	1051
Fairview							
Square Feet	256,392	256,392	256,392	256,392	256,392	256,392	256,392
Capacity	1889	1889	1861	1861	1861	1840	1840
Enrollment	1937	1916	1880	1891	1871	1903	1907
Monarch							
Square Feet	228,827	228,827	228,827	228,827	228,827	228,827	228,827
Capacity	1728	1728	1728	1728	1728	1728	1728
Enrollment	1563	1576	1626	1679	1633	1562	1526
New Vista							
Square Feet	42,583	42,583	76,668	76,668	76,668	76,668	76,668
Capacity	342	342	345	637	659	659	659
Enrollment	335	344	332	341	339	337	324
<u>Combination Schools</u>							
Aspen Creek K-8							
Square Feet	114,478	114,478	114,478	114,478	114,478	114,478	115,918
Capacity	978	995	948	969	969	969	969
Enrollment	791	787	817	870	875	869	912
Eldorado K-8							
Square Feet	117,336	117,336	117,336	117,336	117,336	117,336	117,336
Capacity	946	966	899	942	876	876	876
Enrollment	796	869	956	938	935	994	1012
Monarch K-8							
Square Feet	108,802	108,802	108,802	108,802	108,802	108,802	108,802
Capacity	808	782	746	753	753	766	766
Enrollment	677	671	719	709	696	741	757
Nederland Middle/Senior							
Square Feet	97,080	97,080	97,080	97,080	97,080	97,080	97,080
Capacity	650	650	650	650	650	650	650
Enrollment	407	422	387	387	391	385	377
<u>Vocational/Technical Schools</u>							
Arapahoe Ridge and Technical Education Center							
Square Feet	129,579	129,579	129,579	129,579	129,579	129,579	129,579
Capacity	904	904	882	876	820	925	925
Enrollment	138	138	308	281	279	223	216
<u>Charter Schools</u>							
Boulder Preparatory High School							
Square Feet	6,000	6,000	6,000	6,000	6,000	6,000	11,938
Capacity	na						
Enrollment	67	78	84	88	103	125	149
Horizons K-8 School							
Square Feet	30,814	30,814	30,814	30,814	30,814	30,814	30,814
Capacity	403	403	330	351	315	342	342
Enrollment	313	320	309	309	321	320	340
Peak To Peak K-12 School							
Square Feet	31,000	104,365	104,365	116,679	116,679	116,679	116,679
Capacity	na						
Enrollment	606	1027	1107	1175	1236	1292	1341

Table 15
(continued)

2009	2010	2011
218,717	245,772	245,971
1900	1900	1900
1808	1786	1775
218,163	240,535	240,535
1606	1805	1805
1388	1401	1437
198,329	194,687	194,687
1581	1874	1874
1135	1092	1029
256,392	262,019	264,007
1840	1958	1990
1903	1913	1971
230,134	233,909	233,909
1728	1728	1728
1508	1511	1527
76,668	76,668	76,668
659	659	659
324	317	299
115,918	115,918	115,917
969	892	919
913	921	916
117,336	120,210	120,207
876	926	926
967	983	987
108,802	108,802	108,802
766	856	904
769	748	790
97,080	97,080	97,080
650	674	630
457	340	333
129,579	130,707	152,954
925	981	1099
199	175	204
11,938	11,938	11,938
na	na	na
131	158	142
30,814	30,810	30,814
342	404	404
324	325	332
116,679	134,284	139,990
na	na	na
1405	1425	1443

Boulder Valley School District RE-2

SCHOOL BUILDING INFORMATION

Last 10 Fiscal Years

(Unaudited)

School	2002	2003	2004	2005	2006	2007	2008
<u>Charter Schools (continued)</u>							
Summit Middle School							
Square Feet	29,894	29,894	29,894	29,894	29,894	29,894	41,161
Capacity	320	320	278	337	337	337	337
Enrollment	304	303	308	309	307	312	312
Sojourner K-8 School							
Square Feet	na	na	0	0	0	0	0
Capacity	na	na	0	0	0	0	0
Enrollment	53	34	0	0	0	0	0
Justice High 6-12 School							
Square Feet	0	0	0	na	na	na	2,409
Capacity	0	0	0	na	na	na	na
Enrollment	0	0	0	0	0	79	75

Source: Boulder Valley School District RE-2

Table 15
(continued)

2009	2010	2011
52,434	49,934	49,935
337	480	493
319	324	336
0	0	0
0	0	0
0	0	0
2,409	2,409	6,590
na	na	na
97	129	111



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Boulder Valley School District RE-2

Table 16

TEACHER STATISTICS

Last 5 School Years*

(Unaudited)

	2007	2008	2009	2010	2011
Number of Teachers by Education Level					
Bachelor's Degree	143	141	151	141	144
Bachelor's Degree + 12 Hours	68	79	72	66	63
Bachelor's Degree + 24 Hours	68	73	62	58	56
Bachelor's Degree + 36 Hours	71	67	72	64	52
Bachelor's Degree + 48 Hours	267	250	247	233	217
Master's Degree	435	451	453	450	450
Master's Degree + 12 Hours	176	183	190	204	198
Master's Degree + 24 Hours	165	171	159	152	142
Master's Degree + 36 Hours	118	128	142	126	132
Master's Degree + 48 Hours	375	381	395	387	413
Doctorate	46	49	43	40	42
Other	4	4	5	4	4
Total	1,936	1,977	1,991	1,925	1,913
Average Teacher Pay by Education Level					
Bachelor's Degree	35,194	39,517	35,858	36,587	37,280
Bachelor's Degree + 12 Hours	37,886	42,872	38,946	44,281	42,411
Bachelor's Degree + 24 Hours	44,155	46,876	43,058	44,500	44,701
Bachelor's Degree + 36 Hours	45,156	49,058	44,033	48,101	46,883
Bachelor's Degree + 48 Hours	49,480	55,005	52,484	55,448	56,109
Master's Degree	45,738	51,828	47,307	51,033	51,143
Master's Degree + 12 Hours	51,169	58,454	50,784	54,896	54,988
Master's Degree + 24 Hours	56,258	61,068	55,917	59,145	61,192
Master's Degree + 36 Hours	57,464	65,306	56,713	62,768	61,602
Master's Degree + 48 Hours	61,999	68,787	65,072	70,096	69,845
Doctorate	61,776	68,954	63,710	65,547	68,594
Other	59,936	60,975	64,609	63,248	63,248

* Amounts Prior to 2007 are not available

Source: Boulder Valley School District RE-2

Boulder Valley School District RE-2

MISCELLANEOUS STATISTICAL DATA

Last 10 School Years

(Unaudited)

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Student Teacher Ratio*				
Elementary	23.28	22.94	22.60	22.27
Middle	20.45	20.57	20.33	20.54
Senior	22.14	22.49	22.83	23.21
Governmental Activities Expenses	\$ 208,901,709	\$ 218,559,476	\$ 227,311,141	\$ 233,942,454
Cost Per Student	\$ 7,481	\$ 7,860	\$ 8,159	\$ 8,378
Enrollment Data				
Student Full Time Equivalent				
Elementary	11,218.0	11,019.5	10,888.5	10,950.0
Middle	6,800.0	6,733.5	6,731.0	6,528.5
Senior	8,451.0	8,643.0	8,811.0	9,102.5
Other	234.0	233.5	213.0	208.5
Total	<u>26,703.0</u>	<u>26,629.5</u>	<u>26,643.5</u>	<u>26,789.5</u>
Total Enrollment				
K-12 Enrollment	27,609.0	27,493.0	27,604.0	27,651.0
Pre-K Enrollment	315.0	314.0	256.0	271.0
Total	<u>27,924.0</u>	<u>27,807.0</u>	<u>27,860.0</u>	<u>27,922.0</u>
Number of Students Eligible to Receive School Lunches Free Or At Reduced Cost				
Elementary	2,087	2,141	2,213	2,249
Combination	190	195	201	204
Middle	759	779	805	818
Senior	758	778	804	818
Total	<u>3,794</u>	<u>3,893</u>	<u>4,023</u>	<u>4,089</u>
Percent of Students Receiving Free or Reduced Cost Meals	13.59%	14.00%	14.44%	14.64%

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

Source: Boulder Valley School District RE-2

Table 17

2006	2007	2008	2009	2010	2011
22.19	22.29	22.32	22.29	22.35	22.54
20.52	20.66	20.64	20.53	20.86	20.93
23.31	22.91	22.57	22.50	22.88	24.30
\$ 242,710,503	\$ 257,223,290	\$ 278,784,336	\$ 289,549,755	\$ 294,156,553	\$ 306,813,347
\$ 8,692	\$ 9,123	\$ 9,742	\$ 10,118	\$ 10,200	\$ 10,464
10,921.5	11,147.0	11,331.0	11,658.2	11,716.8	12,029.8
6,420.5	6,324.0	6,385.5	6,356.0	6,576.0	6,536.0
9,146.0	9,155.5	9,204.0	9,142.0	9,128.0	9,324.5
252.5	288.0	302.0	299.0	252.5	258.5
26,740.5	26,914.5	27,222.5	27,455.2	27,673.3	28,148.8
27,593.0	27,798.0	28,173.0	28,171.00	28,344.00	28,815.00
329.0	398.0	445.0	445.00	494.00	505.00
27,922.0	28,196.0	28,618.0	28,616.0	28,838.0	29,320.0
2,460	2,498	2,544	2,529	2,473	2,646
224	221	191	207	256	317
895	877	900	864	893	946
895	777	963	1,101	1,025	1,177
4,474	4,373	4,598	4,701	4,647	5,086
16.02%	15.51%	16.07%	16.43%	16.11%	17.35%



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SINGLE AUDIT



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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component units and remaining fund information of the Boulder Valley School District RE-2 as of and for the year ended June 30, 2011, which collectively comprise the basic financial statements of the Boulder Valley School District RE-2, and have issued our report thereon dated October 28, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

We noted certain matters that we reported to management and the Board of Education of the Boulder Valley School District RE-2 in a separate letter dated October 28, 2011.

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

Swanlund & Company, LLC

October 28, 2011



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

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

Compliance

We have audited the Boulder Valley School District RE-2's compliance with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. The Boulder Valley School District RE-2's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Boulder Valley School District RE-2's management. Our responsibility is to express an opinion on the Boulder Valley School District RE-2's compliance based on our audit.

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

In our opinion, the Boulder Valley School District RE-2 complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as item 2011-1.

Internal Control Over Compliance

Management of the Boulder Valley School District RE-2 is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Boulder Valley School District RE-2's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Boulder Valley School District RE-2's internal control over compliance.

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

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

The Boulder Valley School District RE-2's response to the findings identified in our audit is described in the accompanying corrective action plan. We did not audit the Boulder Valley School District RE-2's response and, accordingly, we express no opinion on the response.

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.

SW Lambert & Company LLC

October 28, 2011

BOULDER VALLEY SCHOOL DISTRICT RE-2

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2011

Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: unqualified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted?

_____ yes no

Federal Awards

Internal control over major programs:

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

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

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

yes _____ no

Identification of major programs:

- 84.010 Title I
- 84.389 ARRA - Title I
- 84.027 Special Education
- 84.173 Special Education Preschool
- 84.391 ARRA - Special Education
- 84.392 ARRA - Special Education Preschool
- 84.394 ARRA - State Fiscal Stabilization Fund
- 84.397 ARRA - State Fiscal Stabilization Fund
- 84.410 Education Jobs Fund

Dollar threshold used to distinguish between type A and type B programs: \$731,144

Auditee qualified as low-risk auditee? yes _____ no

Financial Statement Findings

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

(Continued)

BOULDER VALLEY SCHOOL DISTRICT RE-2

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2011

Federal Awards Findings and Questioned Costs

2011-1 Procurement and Suspension and Debarment

U.S. Department of Education
Passed through Colorado Department of Education
CFDA 84.010 Title I
CFDA 84.389 ARRA - Title I
CFDA 84.027 Special Education
CFDA 84.173 Special Education Preschool
CFDA 84.391 ARRA - Special Education
CFDA 84.392 ARRA - Special Education Preschool

Criteria	Recipients of federal awards must follow federal laws and regulations applicable to procurement as outlined in the A-102 Common Rule. Specifically, entities are prohibited from contracting with outside parties for goods or services used in federally-funded projects that are suspended or debarred or whose principals are suspended or debarred.
Condition	The District does not have procedures in place to verify that contractors retained for goods or services using federal awards are not suspended or debarred from performing such work.
Questioned Costs	None. The contractors hired by the District were not included on the General Services Administration's list of suspended or debarred entities.
Context	Our inquiries of District personnel revealed that they do not verify suspension or debarment for contractors utilized for federally-funded projects.
Effect	The District could have awarded a contract on a federally-funded project to an ineligible contractor, which increases the risk that substandard services could be provided.
Cause	The District receives many federal grant awards annually but has not historically paid contractors in excess of \$25,000. As a result, District personnel were not completely aware of the requirements related to procurement and suspension and debarment.
Recommendation	When the District enters into a contract that utilizes federal awards of \$25,000 or more, the District must verify that the vendor is not suspended or debarred or otherwise excluded. This verification may be accomplished by checking the Excluded Parties List System (EPLS) maintained by General Services Administration (GSA), collecting a certification from the vendor, or adding a clause or condition to the contract with that vendor. In addition, District personnel responsible for federal grant administration should receive ongoing training to understand the laws and regulations that apply to its federal grant awards.

Views of Responsible Officials and Planned Corrective Actions

See the accompanying Corrective Action Plan.

Corrective Action Plan

Effective November 1, 2011, payments to vendors for purchased goods and services that are expected to equal or exceed \$25,000 will be verified by checking the *Excluded Parties List System (EPLS)* maintained by the General Services Administration before the disbursement is made. The verification will be performed by the District staff member in charge of the award.



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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component units and remaining fund information of the Boulder Valley School District RE-2 as of and for the year ended June 30, 2011, which collectively comprise the basic financial statements of the Boulder Valley School District RE-2, and have issued our report thereon dated October 28, 2011. These financial statements are the responsibility of the Boulder Valley School District RE-2's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Boulder Valley School District RE-2's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. The information in this schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Swanhorst & Company LLC

October 28, 2011



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Boulder Valley School District RE-2
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2011

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass- Through Entity Grant Code	Accrued (Deferred) Revenue 6/30/2010	Receipts	Disbursements	Accrued (Deferred) Revenue 6/30/2011
U.S. Department of Education						
Direct Programs						
Indian Education	84.060		\$ 4,097	\$ 22,890	\$ 24,192	\$ 5,399
Safe and Drug Free Schools and Communities	84.184		72,723	518,559	554,412	108,576
Fund for the Improvement of Education	84.215		64,556	64,556	-	-
Passed Through State Department of Education						
Adult Education	84.002	5002	620	102,861	104,900	2,659
Title I	84.010	4010/5010	689,048	3,108,959	2,997,058	577,147
Special Education	84.027	4027	1,637,747	4,860,091	4,171,886	949,542
Special Education Preschool	84.173	4173	81,393	180,661	113,117	13,849
Safe and Drug Free Schools and Communities	84.186	4186	19,080	24,003	4,923	-
Education for Homeless Children and Youth	84.196	5196	12,709	34,627	31,341	9,423
21st Century Community Learning Centers	84.287	5287	62,946	451,372	557,138	168,712
Education Technology	84.318	4318/5318	8,987	82,805	198,359	124,541
Advanced Placement Program	84.330	5330	-	6,658	6,658	-
English Language Acquisition	84.365	4365/7365	200,629	411,926	234,750	23,453
Improving Teacher Quality	84.367	4367	156,543	833,363	817,118	140,298
School Improvement	84.377	5377	38,877	76,234	51,157	13,800
ARRA Education Technology	84.386	4386	7,599	24,578	36,145	19,166
ARRA Education for Homeless Children and Youth	84.387	5387	26,691	28,858	16,301	14,134
ARRA Title I	84.389	4389	257,701	1,135,467	1,241,177	363,411
ARRA State Fiscal Stabilization Fund	84.397	6397	(82)	-	82	-
ARRA Special Education	84.391	4391	855,535	3,244,386	2,668,321	279,470
ARRA Special Education Preschool	84.392	4392	13,528	109,774	124,049	27,803
ARRA State Fiscal Stabilization Fund	84.394	4394	-	1,671,354	2,116,381	445,027
Education Jobs Fund	84.410	4410	-	4,443,269	5,511,842	1,068,573
Passed Through State Department of Human Services						
Vocational Rehabilitation	84.126		(23,281)	128,948	187,508	35,279
Passed Through State Community College System						
Career and Technical Education	84.048		90,072	198,222	126,897	18,747
TOTAL U.S. DEPARTMENT OF EDUCATION			<u>4,277,718</u>	<u>21,764,421</u>	<u>21,895,712</u>	<u>4,409,009</u>
U.S. Department of Agriculture						
Passed Through State Department of Human Services						
Donated Commodities	10.555		-	318,414	318,414	-
Passed Through State Department of Education						
National School Lunch Program	10.555	4555	409,102	1,866,851	1,638,497	180,748
School Breakfast Program	10.553	4553	119,235	502,320	435,371	52,286
Summer Food Service Program for Children	10.559	4559	-	13,627	30,710	17,083
Fresh Fruit and Vegetable Program	10.582	4582	6,318	6,318	-	-
TOTAL U.S. DEPARTMENT OF AGRICULTURE			<u>534,655</u>	<u>2,707,530</u>	<u>2,422,992</u>	<u>250,117</u>
U.S. Department of Transportation						
Passed Through State Department of Transportation						
Highway Planning and Construction	20.205		76,869	52,546	52,709	77,032
U.S. Department of Energy						
Passed Through State of Colorado Governor's Energy Office						
State Energy Program	81.041		-	1,000	60	(940)
TOTAL FEDERAL FINANCIAL ASSISTANCE			<u>\$ 4,889,242</u>	<u>\$ 24,525,497</u>	<u>\$ 24,371,473</u>	<u>\$ 4,735,218</u>

See the accompanying Independent Auditors' Report.

Boulder Valley School District RE-2
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2011

NOTE 1: BASIS OF PRESENTATION

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

STATE COMPLIANCE



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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component units and remaining fund information of the Boulder Valley School District RE-2 as of and for the year ended June 30, 2011, which collectively comprise the basic financial statements of the Boulder Valley School District RE-2, and have issued our report thereon dated October 28, 2011. These financial statements are the responsibility of the Boulder Valley School District RE-2's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Boulder Valley School District RE-2's basic financial statements. The accompanying auditor's integrity report is presented for purposes of additional analysis as required by State of Colorado statutes and is not a required part of the basic financial statements. The information in this schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Swanhorst & Company LLC

October 28, 2011



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Colorado Department of Education
Fiscal Year 2010-2011
Colorado School District/BOCES
Auditor's Integrity Report

BOULDER BOULDER VALLEY RE 2
District Code: 0480

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*) +	1000 - 5999 Total Revenues & Other Sources -	0000 - 0999 Expenditures & Other Uses =	6700 - 6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental				
10 General Fund	19,429,980	222,552,100	211,506,352	30,475,728
18 Risk Mgmt Sub-Fund of General Fund	123,247	2,820,507	2,850,023	93,731
19 Colorado Preschool Program Fund	92,136	1,091,679	1,127,952	55,863
Subtotal	19,645,363	226,464,286	215,484,327	30,625,321
11 Charter School Fund	7,650,525	24,134,163	23,256,541	8,528,147
20,26-29 Special Revenue Fund	0	0	0	0
21 Capital Reserve Spec Revenue Fund	0	0	0	0
22 Govt Designated-Purpose Grants Fund	-1,422,177	22,879,479	21,457,302	0
23 Pupil Activity Special Revenue Fund	0	0	0	0
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	905,330	11,626,534	12,270,435	261,429
30 Debt Service Fund	0	0	0	0
31 Bond Redemption Fund	24,032,073	28,233,751	27,940,192	24,325,632
39 Non-Voter Approved Debt Service Fund	0	0	0	0
41 Building Fund	94,510,828	730,150	54,891,218	40,349,760
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	7,039,026	11,017,731	11,340,970	6,715,787
TOTALS	152,360,969	325,086,094	366,640,986	110,806,076
Proprietary				
51 Food Service Fund	-364,156	6,285,955	5,735,910	185,889
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	4,758,334	2,354,831	-1,898,373	9,011,537
TOTALS	4,394,178	8,640,786	3,837,537	9,197,426
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	261,014	21,191	9,000	273,205
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	3,024,967	10,964,252	10,849,975	3,139,244
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
TOTALS	3,285,981	10,985,442	10,858,975	3,412,449

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



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