



# COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDING JUNE 30, 2015 Boulder, Colorado • Boulder • Broomfield • Gilpin Counties

# Boulder Valley School District Excellence and Equity











# **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

For the fiscal year ending June 30, 2015 • Boulder, Colorado

PREPARED BY: BUSINESS SERVICES DIVISION

Leslie A. Stafford, CPA
Chief Operating Officer

Justin A. Petrone, CPA
Director of Accounting Services

# **BOULDER VALLEY SCHOOL DISTRICT RE-2**

# **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

# For the fiscal year ending June 30, 2015

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### **Business Services Division**

November 20, 2015

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

It is our pleasure to submit the Comprehensive Annual Financial Report of Boulder Valley School District RE-2 ("the district") for the fiscal year ended June 30, 2015.

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 material misstatements.

CliftonLarsonAllen, LLP, Certified Public Accountants, have issued an unmodified ("clean") opinion on the district's financial statements for the year ended June 30, 2015. The independent auditors' report is located at the front of the financial section of this report. The independent audit of the district's financial statements also included the federally mandated "Single Audit" designed to meet the specific needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the entity's internal controls and compliance with legal requirements, with special emphasis on internal control and legal compliance involving the administration of federal awards. The results of the district's Single Audit for the year ended June 30, 2015, provided no instances of material weaknesses in internal control or material violations of applicable laws, regulations, contracts or grant provisions. These reports are located in the Single Audit 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. The MD&A complements this letter of transmittal and should be read in conjunction with it.

### **Profile of the Government**

The district is a public school district, organized and existing under the School District Organization Act of 1965, Article 30, Title 22, and Colorado Revised Statutes. It was originally organized in 1860 and was reorganized in 1961 to include numerous smaller districts. A seven member board of education elected by the citizens of Boulder, Broomfield and Gilpin Counties

governs the district. Board members serve four-year terms, with four members elected every two years. Board members are term-limited at two terms.

The district is located near the foothills of the Rocky Mountains approximately twenty miles northwest of Denver. The district is made up of approximately 500 square miles in the southern half of Boulder County, the northern part of Gilpin County and a significant portion of western Broomfield County. It covers one of the larger school regions in the metro-Denver area and encompasses the communities of Boulder, Broomfield, Erie, Gold Hill, Jamestown, Lafayette, Louisville, Nederland, Superior, and Ward. For the 2014-15 school year, the district's total enrollment and student funded full time equivalent was 30,566 and 29,398, respectively, including charter schools. The district owns over 750 acres of prime Boulder and Broomfield County property and maintains 56 buildings spanning over four million square feet.

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

Five charter schools are included as component units of the district for the 2015 CAFR: Boulder Preparatory High School, Horizons K-8 School, Peak to Peak K-12 Charter School, Summit Middle School and Justice High School.

The board of education is required by state law to adopt an initial budget no later than June 30 preceding the beginning of the fiscal year on July 1. The annual budget serves as the foundation for the district's financial planning and control. The budget is prepared by fund and function, and department. State law allows the board of education to adjust the initial budget based upon updated revenues and expenditures through January 31 of the current fiscal year.

Changes to the budget following adoption by the board of education are authorized under Policy DBJ, which allows the transfer of funds between accounts with the approval of the superintendent or designee.

### **Economic Conditions and Outlook**

On December 8, 2014, the economic outlook for calendar year 2015 presented at the 50th annual Colorado Business Economic Outlook by the Business Research Division of the Colorado Leeds School of Business projected that all sectors of the state's economy will grow in 2015. After adding 72,900 jobs in 2014, the state's highest employment growth since 2000, Colorado is expected to gain 61,300 jobs in 2015, ranking it among the top 10 states in the country for job growth.

The July 2013 Colorado population is estimated by the State Demography Office (SDO) to be approximately 5,285,000, an increase of 1.5%, which is the fourth fastest state in percentage change. The population growth forecast for Colorado is an increase of 1.6% for 2014 and increases of 1.7% for 2015 and 2016.

Boulder County "has continued to outperform the state and national economies in many areas such as job growth, educational attainment, capital investment, and commercial real estate absorption," with local investments in infrastructure, business resources, and cultural amenities.

Between September 2013 and September 2014, Boulder County employment increased 2.5%, creating an additional 4,300 jobs. As of September 2014, the unemployment rate in Boulder County was 3.1%, compared to 4.0% for the state and 4.7% for the nation.

The entire 2015 Colorado Business Economic Outlook can be found at <a href="http://www.colorado.edu/business/centers/business-research-division/research">http://www.colorado.edu/business/centers/business-research-division/research</a>.

The Denver-Boulder-Greeley CPI (Consumer Price Index) is the measure of inflation that is generally used for the state of Colorado. The rate increase used as a function of funding increases for the 2015-16 fiscal year is 2.8%. Colorado school districts face a significant challenge as an improvement in fiscal resources for K-12 education will typically lag an economic recovery.

# **Long-term Financial Planning**

Each year the state budget is crafted by the governor and legislature to determine how much of the total budget will be allocated to K-12 education. The state economic picture is important to the district because a major source of funding for the district's General Operating Fund is received through the state's School Finance Act established by the state legislature. During the Great Recession, state revenue shortfalls forced cuts to K-12 education even though expectations for constitutionally mandated funding increases existed under Amendment 23. After the state sets the total funding for K-12 public education, each local district determines how to fund its specific system and allocate resources to every school within its district.

For the 2015-16 fiscal year, the legislature increased base per pupil funding by 2.8% for K-12 public education as well as provided additional dollars for statewide student growth and a minimal reduction to the negative factor. In addition, the district's student funded full-time equivalent is expected to increase 1.1% to 29,712, compared to 29,398 from the 2014-15 fiscal year. The "Negative Factor" reduction to statewide total program funding as calculated in the School Finance Act is projected to be \$855M for the 2015-16 fiscal year, or 12.1%. For BVSD, the negative factor is \$29.6M. While some expect this funding reduction should reflect a "new normal" for K-12 public education, many community leaders and advocacy groups are pushing to restore funding to pre-recession levels, necessary to provide adequate educational resources so that all students have the opportunity to reach their full potential.

Historical information on district enrollment can be found in Table 18 of the Statistical Section of this document.

# **Fund Balance Requirements**

In order to meet the challenges of school funding in Colorado, the board of education adopted Policy DB in 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. This policy allows the district to make smaller adjustments over time rather than making dramatic cuts when the cost of programs has outgrown revenue sources.

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

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

# **Spending Limitations:**

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

# Reserve Requirements:

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

At June 30, 2015, the district is in compliance with these fund balance requirements.

# **Major Initiatives**

At its June 25, 2013, meeting, the district's board of education approved updates to its Mission Statement, Vision Statement, and Goals.

# Mission

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

# **Vision of the Boulder Valley School District**

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

### **Value Statements**

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

### Goals

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

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

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

The following strategies will be used to attain these goals:

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

# Strategic Planning

In June 2013, an Executive Committee was established to ensure the implementation of the district's Mission, Vision, Values, Goals and Strategies through a strategic planning process. The BVSD Superintendent's Strategic Planning Committee, comprised of representation from all employee groups, District Accountability Committee, District Parent Council, key community members and parents, helps guide the implementation of the Success Effect through its three organizing principles - Learning, Talent and Partnerships.

The role of the BVSD Superintendent's Strategic Planning Committee is to provide guidance through the implementation of the priority action plans developed to fulfil the District Mission, Vision, Values and Goals through the district's strategic plan. There are six priority action plans within the strategic plan - The Success Effect, aligned with the three organizing principles:

- Learning
  - Systems of Support
  - Literacy & Early Learning
  - Successful, Curious, Lifelong Learners
- Talent
  - Educator Pipeline
  - Educator Growth & Development
- Partnerships
  - Parents & Families

Each focus area has key actions that are detailed on the district's website - www.bvsdsuccesseffect.org

The BVSD Superintendent's Strategic Planning Committee has been highly productive, meeting regularly to develop the necessary actions to ensure the implementation of the Mission, Vision and Goals. At Boulder Valley School District, a dynamic strategic plan is being implemented and incorporates an innovative edge meeting the unique needs of all students. A personal approach has the power to motivate students and prepare them for opportunities following high school graduation. In a spring 2015 public board of education meeting, the Superintendent's Strategic Planning Committee shared key measurements for progress to be used in 2015 and beyond. A full launch of The Success Effect is scheduled for the 2015-16 school year and will be incorporated into the unified improvement plan for every school and the Boulder Valley School District.

# **Bond Program**

In August 2014, the board of education approved the Educational Facilities Master Plan, which identified \$576.5 million in capital projects that will improve learning environments in all schools, extend the life of buildings worth investing in and replace schools that have reached the end of their service lives. Currently, almost 72% of district buildings are more than 30 years old.

In November 2014, voters approved a ballot measure authorizing the district to issue \$576.5 million in general obligation debt to fund the capital projects identified in the Educational Facilities Master Plan. To provide a high level of accountability and transparency in the implementation of the Bond Program, the board of education has appointed a Citizens' Bond Oversight Committee that will offer independent review of the capital improvement projects. The Citizens' Bond Oversight Committee is comprised of voluntary representatives of the Boulder Valley School District community. The committee's membership reflects the diversity of the district and its varied stakeholder interests.

In April 2014, the district issued \$250,000,000 General Obligation Bonds. Through June 30, 2015, the district has begun preliminary project planning, conceptual design and engineering work on several capital projects. The district will issue additional debt in future years to fund the remaining scope of work, as defined in the Educational Facilities Master Plan and as allowed by voter approval.

### Other Information

### **Awards**

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting and the Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the district for its comprehensive annual financial report for the fiscal year ended June 30, 2014. In order to be awarded a Certificate of Achievement and the Certificate of Excellence, the district must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report satisfied both generally accepted accounting principles and applicable legal requirements. The Certificate of Achievement and the Certificate of Excellence are valid for a period of one year. We believe that our current Comprehensive Annual Financial Report continues to meet the program requirements for both Certificate of Achievement and Certificate of Excellence programs. This document will be submitted to GFOA and ASBO respectively to determine eligibility for another certificate.

# **Acknowledgments**

The preparation of this report on a timely basis was made possible by the dedicated service of the entire staff of the Business Services Division. We would like to express our sincere appreciation to all members of the department for their contributions to this report. We also thank the district's independent auditors, CliftonLarsonAllen LLP, 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 Operating Officer

Justin A. Petrone, CPA

**Director of Accounting Services** 

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Government Finance Officers Association

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

# Boulder Valley School District RE-2 Colorado

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

# **Association of School Business Officials International**



The Certificate of Excellence in Financial Reporting Award is presented to

# **Boulder Valley School District RE-2**

For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2014

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

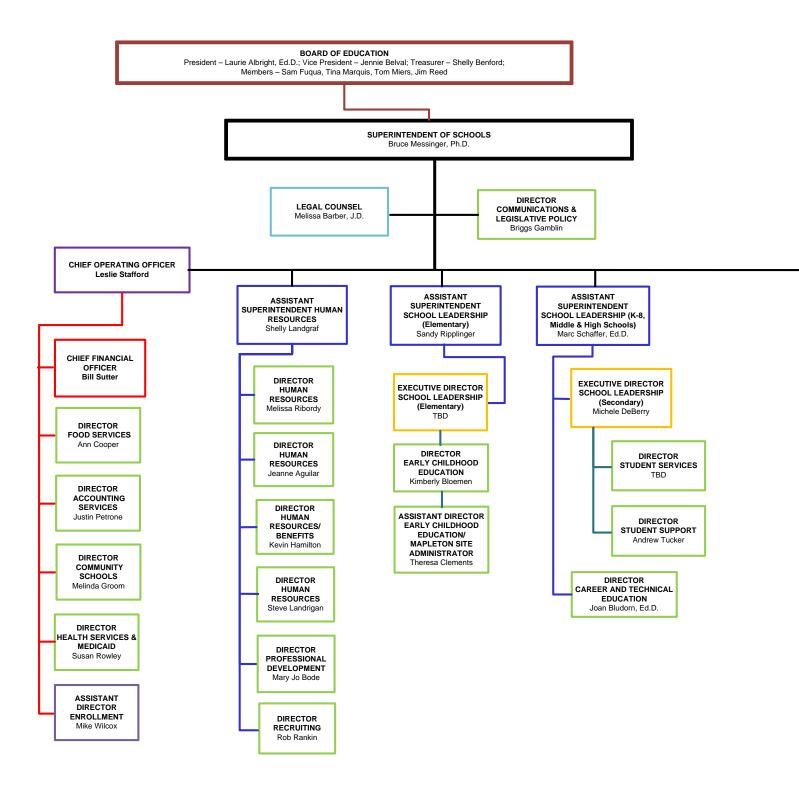


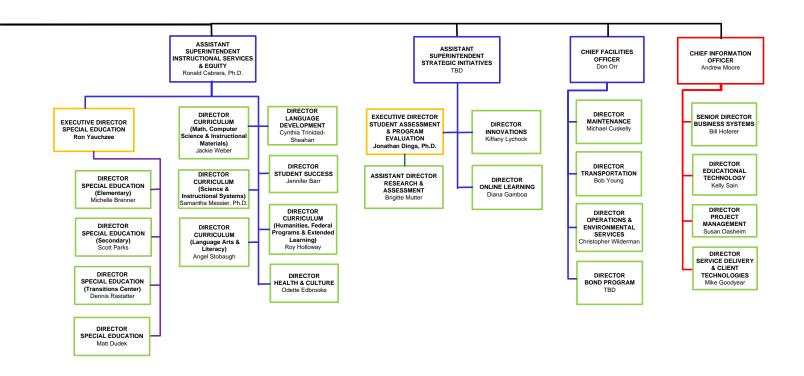
Mark C. Pepera, MBA, RSBO, SFO

President

John D. Musso, CAE, RSBA Executive Director

# BOULDER VALLEY SCHOOL DISTRICT RE-2 ORGANIZATION CHART





# **BOULDER VALLEY SCHOOL DISTRICT RE-2**

# **List of Elected and Appointed Officials**

June 30, 2015

# **Board of Education**



<u>District E</u> **Tom Miers**  District G Jim Reed <u>District D</u> **Sam Fuqua**  <u>District B</u> **Tina Marquis** 

<u>District F</u> **Jennie Belval**  <u>District C</u> **Laurie Albright, Ed.D. President** 

<u>District A</u> **Shelly Benford, Treasurer** 



# Superintendent's Cabinet

Bruce Messinger, Ph.D	Superintendent
_	Chief Operating Officer
TBD	Asst. Superintendent Strategic Initiatives
Shelly Landgraf	Asst. Superintendent of Human Resources
Ronald Cabrera, Ph.D	Asst. Superintendent for Inst. Services & Equity
Sandy Ripplinger	Asst. Superintendent for School Leadership
Marc Schaffer, Ed.D	Asst. Superintendent for School Leadership
Don Orr	Chief Facilities Officer
Andrew Moore	Chief Information Officer
Bill Sutter	Chief Financial Officer
Melissa Barber, J.D	Legal Counsel
Briggs Gamblin	Director of Communications & Legislative Policy
Tina Mueh, Ph.D	Boulder Valley Education Association President
Ginger Ramsey	Broomfield High School Principal

### INDEPENDENT AUDITORS' REPORT

Board of Education Boulder Valley School District Boulder, Colorado

# **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Boulder Valley School District, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

# Management's Responsibility for the Financial Statements

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

# Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Boulder Valley School District as of June 30, 2015, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.



# **Emphasis of Matters**

Adoption of New Accounting Standard

As described in Note 12 to the financial statements, the District adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and the related GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement* Date, an amendment of GASB Statement No. 68. As a result of the implementation of GASB Statement No. 68 and GASB Statement No. 71, the District reported a restatement for the change in accounting principle. Our opinions were not modified with respect to the restatement.

Additionally, as described in Note 12 to the financial statements, the District has recognized the Food Services Fund as a special revenue fund as of July 1, 2014 as required by the Colorado Department of Education. As a result of this change, the District reported a restatement for the change from a proprietary fund to a special revenue fund. Our opinions were not modified with respect to the restatement.

### Correction of an Error

As described in Note 12 to the financial statements, the District identified an error in its estimate for claims payable as previously reported in the prior year. Accordingly, the District's net position previously reported has been restated. Our opinions were not modified with respect to the restatement.

### Other Matters

# Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 16 – 28, pension information on pages 72 – 73, and General Fund budgetary information on page 71 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Boulder Valley School District's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, the Colorado Department of Education Auditors Integrity Report, the schedule of expenditures of federal awards, and the budgetary comparison schedules for the Food Services Fund, Grants Fund, Transportation Fund, Bond Redemption Fund, 2006 Building Fund, 2014 Building Fund, Capital Reserve Fund, Health Insurance Fund, Dental Insurance Fund, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules, the Colorado Department of Education Auditors Integrity Report, the schedule of expenditures of federal awards, and the budgetary comparison schedules for the Food Services Fund, Grants Fund, Transportation Fund, Bond Redemption Fund, 2006 Building Fund, 2014 Building Fund, Capital Reserve Fund, Health Insurance Fund, Dental Insurance Fund are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules, the Colorado Department of Education Auditors Integrity Report, the schedule of expenditures of federal awards, and the budgetary comparison schedules for the Food Services Fund, Grants Fund, Transportation Fund, Bond Redemption Fund, 2006 Building Fund, 2014 Building Fund, Capital Reserve Fund, Health Insurance Fund, Dental Insurance Fund are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

# **Report on Other Legal and Regulatory Requirements**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2015, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

Clifton Larson Allen LLP

Broomfield, Colorado November 20, 2015

# 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, 2015. We encourage readers to consider the information presented here in conjunction with additional information that can be found in the letter of transmittal on pages 1-7 of this report.

# **Financial Highlights**

- At June 30, 2015, the liabilities and deferred inflows of resources of the district exceeded its assets and deferred outflows of resources by \$445.6 million (net position deficit). The net position deficit is due primarily to a June 30, 2015 net pension liability of \$633.5 million, related deferred inflows of resources of less than \$0.1 million, offset by related deferred outflows of resources of \$37.6 million. Such balances were not required to be reported in the prior year. For the year ended June 30, 2015, the district adopted the provisions of GASB Nos. 68 and 71, which revised and established new financial reporting requirements for governments that provide their employees with pension benefits. The district now reports its proportionate share of participation in PERA, the State's cost-sharing multi-employer defined benefit pension plan.
- Total net position decreased \$19.4 million during fiscal year 2015.
- At the end of the current fiscal year, the district's governmental funds reported combined fund balance of \$343.8 million, an increase of \$288.5 million from the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund is \$20.4 million or 7.0% of total General Fund expenditures.
- The district's long-term general obligation bonds increased \$236.6 million during fiscal year 2015 to \$574.1 million at June 30, 2015. The increase is due primarily to the issuance of \$250.0 million General Obligation Bonds, Series 2015, offset by principal payments of \$13.4 million.

### **Overview of the Financial Statements**

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

### **Government-Wide Financial Statements**

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

The statement of net position presents information on all of the district's assets, deferred outflows of resources, liabilities and deferred inflows of resources. The difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources is

reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the district is improving or deteriorating.

The statement of activities presents information on how the district's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

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 services to the district's students.

The government-wide financial statements can be found on pages 31-33 of this report.

### **Fund Financial Statements**

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

**Governmental Funds:** Governmental funds are used to account for essentially the same functions reported 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 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 revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between the fund financial statements and the government-wide financial statements.

The district reports three governmental funds that are considered 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 Bond Redemption Fund and the 2014 Building Fund. They are presented separately in the fund financial statements with the remaining governmental funds combined into a single aggregated presentation labeled non-major governmental funds. Nonmajor funds include the Food Services Fund, the Grants Fund, the Transportation Fund, the 2006 Building Fund and the Capital Reserve Fund. Individual fund information for the nonmajor funds is presented as combining and individual fund statements and schedules after the notes section of this report.

The basic governmental fund financial statements can be found on pages 34-37 of this report.

**Proprietary Funds:** 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.

The basic proprietary fund financial statements can be found on pages 38-40 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 41-42 of this report.

**Notes to the Basic Financial Statements:** The notes to the basic 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 can be found on pages 43-67 of this report.

**Other Information:** In addition to the basic financial statements and accompanying notes, this report also contains other required supplementary information that includes a budgetary comparison schedule for the General Fund and certain supporting pension schedules, and accompanying notes. Required supplementary information can be found on pages 71-74 of this report.

Combining and individual fund statements and schedules can be found on pages 78-107 of this report.

# **Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The liabilities and deferred inflows of resources of the district exceeded its assets and deferred outflows of resources by \$445.6 million (net position deficit) at June 30, 2015.

Current and other assets increased \$289.9 million, due primarily to \$277.9 million in restricted cash and investments from the sale of \$250.0 million of voter approved general obligation bonds (plus bond premium). Restricted cash and investments increased an additional \$8.5 million related to property tax receipts restricted to pay future debt service.

Capital assets decreased \$13.5 million, the net result of depreciation expense offset by asset additions.

Noncurrent liabilities increased \$268.6 million due primarily to the issuance of \$250.0 million General Obligation Bonds, Series 2015, plus related premium of \$30.8 million, offset by principal payments of \$13.4 million and premium amortization of \$0.9 million. Compensated absences also increased \$2.0 million from the prior year.

# Boulder Valley School District RE-2 Comparative Summary of Net Position

	Governmental Activities				
	<u>2015</u> <u>2014 (</u> *			<u>2014 (*)</u>	
Assets					
Current and Other Assets	\$	383,668,694	\$	93,791,804	
Capital Assets		418,012,220		431,464,408	
Total Assets		801,680,914		525,256,212	
Deferred Outflows of Resources		38,218,258		929,185	
Liabilities					
Noncurrent Liabilities		618,278,109		349,722,356	
Net Pension Liability		633,523,091		- ,	
Other Liabilities		33,611,069		29,764,220	
Total Liabilities		1,285,412,269		379,486,576	
Deferred Inflows of Resources		47,304		<u> </u>	
Net Position					
Net Investment in Capital Assets		87,284,393		90,979,258	
Restricted for:		67,264,393		90,979,236	
Debt Service		30,679,879		23,855,100	
Multiple Year Obligations		120,000		120,000	
Preschool Expenditures		81,818		32,373	
Emergencies		8,950,405		8,805,092	
Medicaid		1,141,311		698,276	
Unrestricted		(573,818,207)		22,208,722	
Total Net Position (*)	\$	(445,560,401)	\$	146,698,821	
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<sup>(\*) 2014</sup> balances have been restated to reflect the change in accounting method for estimating claims payable, and for reclassifying the Food Services fund as a special revenue fund and as governmental activities (previously classified as an enterprise fund and as business-type activities). 2014 balances have not been restated for the implementation of GASB Nos. 68 and 71, as such balances are not required to be and cannot be determined. See Note 12.

At June 30, 2015, \$87.3 million of the district's net position represents its investment in capital assets (e.g. land, land improvements, buildings, equipment, and vehicles), less the outstanding debt used to acquire these assets. This balance decreased \$3.7 million from the prior year, due primarily to the amount by which depreciation expense (\$16.0 million) exceeded repayment of debt principal (\$13.4 million). The district utilizes capital assets to provide services to its constituents; consequently these assets are not available for future spending. Although the

district's investment in capital assets is reported net of related debt, the resources necessary to repay the debt must be provided from other sources since the capital assets cannot be liquidated to pay the debt.

In addition, \$41.0 million of the district's net position is subject to external restrictions on how the assets may be used. Restricted net position has increased \$7.5 million over the prior year, due primarily to an increase in property tax receipts restricted to pay future debt service, as a result of the current year debt issuance.

The remaining balance of net position is a deficit of \$573.8 million, which represents the portion that is unrestricted and would otherwise be available to meet the district's ongoing obligations. Unrestricted net position is \$596.0 million less than the amount reported in the prior year, which is due primarily to a \$572.8 million restatement (reduction) of net position as of June 30, 2014, related to the implementation of GASB Nos. 68 and 71. As a result, the district reported a net pension liability of \$633.5 million, deferred outflows of resources of \$37.6 million and deferred inflows of resources of less than \$0.1 million. Such balances were not required to be reported in the prior year.

**Governmental Activities:** Overall, the district's net position decreased \$19.4 million from the prior year. Reasons for these changes include the following:

Charges for Services: The \$1.4 million increase is associated with increased tuition revenues for the district's expanding preschool program, community schools programs (kindergarten enrichment, lifelong learning, etc.) and online education programs.

*Operating Grants and Contributions*: The \$3.0 million increase is due primarily to increases in Medicaid reimbursements and state categorical revenues.

Local Property Taxes: The \$11.0 million increase is due primarily to an increase in the bond redemption mill levy necessary to account for the additional current year debt, as well as a 0.5% increase in the district's assessed valuation for the 2015 mill levy year.

Specific Ownership Taxes: The \$1.0 million increase is due to increased automobile registrations collected by the counties.

State Equalization: The \$12.7 million increase is due to additional funding from the State for total program funding as calculated under the school finance act.

All Other Revenues: The \$5.4 million decrease is due largely to \$4.8 million of insurance proceeds received in the prior year related to damages associated with the September 2013 flood.

Instruction Expenses: Of the \$26.1 million increase in instruction expense, \$15.3 million is due to net additional pension expense related to implementation of GASB Nos. 68 and 71. The remaining increase is due primarily to a 4.8% average cost of living and step/grade pay increase and a 0.9% increase in required contributions to the state's retirement plan.

Supporting Services: Of the \$9.6 million increase in supporting services expense, \$7.9 million is due to net additional pension expense related to implementation of GASB Nos. 68 and 71. The remaining increase is due primarily to a 4.8% average cost of living and step/grade pay increase

and a 0.9% increase in required contributions to the state's retirement plan, offset by a \$4.3 million decrease in costs for damages incurred during the September 2013 floods.

# Boulder Valley School District RE-2 Comparative Summary of Changes in Net Position

	Governmental Activities				
	<u>2015</u>	<u>2014 (*)</u>			
Revenues:					
Program Revenues:					
Charges For Services	\$ 18,857,212	\$	17,439,750		
Operating Grants and Contributions	28,672,251		25,662,990		
Capital Grants and Contributions	110,791		-		
General Revenues:					
Local Property Taxes	232,169,602		221,192,341		
Specific Ownership Taxes	12,575,734		11,583,505		
State Equalization	73,935,111		61,203,456		
All Other Revenues	1,947,283		7,385,763		
Total Revenues	368,267,984		344,467,805		
Expenses:					
Instruction	240,165,692		214,083,289		
Supporting Services	131,540,473		121,922,214		
Interest Expense	 16,003,560		14,685,794		
Total Expenses	 387,709,725		350,691,297		
Change in Net Position	(19,441,741)		(6,223,492)		
Net Position, Beginning, as Restated	 (426,118,660)		152,922,313		
Net Position, Ending (*)	\$ (445,560,401)	\$	146,698,821		

<sup>(\*) 2014</sup> balances have been restated to reflect the change in accounting method for estimating claims payable, and for reclassifying the Food Services fund as a special revenue fund and as governmental activities (previously classified as an enterprise fund and as business-type activities). 2014 balances have not been restated for the implementation of GASB Nos. 68 and 71, as such balances are not required to be and cannot be determined. See Note 12.

# Financial Analysis of the Government's Funds

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

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

At June 30, 2015, the district's governmental funds reported combined fund balances of \$343.8 million, an increase of \$288.5 million from the prior year. Approximately 5.9% of this amount (\$20.1 million) constitutes unassigned fund balance, which is available for spending at the district's discretion. Remaining fund balance is either nonspendable, restricted, committed, or assigned to indicate that it is either not in a spendable form (\$1.2 million), restricted for particular purposes (\$321.0 million), or assigned for particular purposes (\$1.5 million).

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

**General Fund:** The General Fund is the chief operating fund of the district. For reporting purposes, the General Fund includes the General Operating Fund, Risk Management Fund, Technology Fund, Athletics Fund, Community Schools Fund, Preschool Fund, Tuition Preschool Fund, and Colorado Preschool Program Fund. A Combining Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances of the General Fund are shown on pages 78-81 of this report. As of June 30, 2015, the General Fund reports ending fund balance of \$31.0 million, an increase of \$3.4 million from the prior year.

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

			Amount of	Percentage
	<u>2015</u>	<u>2014</u>	Change	Change
Revenues				
Property Taxes	\$188,717,321	\$186,751,736	\$ 1,965,585	1.1%
Specific Ownership Taxes	12,575,734	11,583,505	992,229	8.6%
State Equalization	73,935,111	61,203,456	12,731,655	20.8%
State Reimbursement Programs	8,634,967	8,116,417	518,550	6.4%
Local Revenues	16,017,057	15,291,137	725,920	4.7%
Federal Grants	1,382,268	857,559	524,709	61.2%
Total	\$301,262,458	\$283,803,810	\$ 17,458,648	6.2%

*Property Taxes:* Property tax revenues were based upon a levy of 38.561 mills applied against an assessed valuation of \$4,927 million compared to 38.091 mills and an assessed valuation of \$4,903 million in the prior year. Because the district's property tax levy is based on a calendar year, property tax revenues include collections on both the 2014 and 2015 levies.

Specific Ownership Taxes: (SOT) is a personal property tax based upon the taxable value of vehicles registered in the portions of Boulder, Broomfield, and Gilpin counties that overlap with the district's boundaries. The ownership tax rate is based upon the age of the vehicle from the date of manufacture. The tax is collected at the county level and distributed to all local governments on a pro-rata basis relative to the local government's total mills. In the current

fiscal year, specific ownership tax revenue increased by 8.6% due to increased automobile sales.

State Equalization: State equalization increased by 20.8% in the current year as the district received a funding increase under the School Finance Act.

State Reimbursement Programs: Funding for state reimbursement programs (Special Education, Vocational Education, English Language Proficiency Act, Colorado READ Act and Talented and Gifted) increased by 6.4%.

*Local Revenues:* Local revenues increased by 4.7% due primarily to increased tuition for online learning programs, preschool tuition, lifelong learning and school age care programs.

Federal grants: Federal grants include primarily Medicaid reimbursements and increased 61.2% from the prior year due to increased Medicaid-eligible costs and an increase in available federal funding.

The following table reflects expenditures by major program area. Overall, expenditures increased by 3.0% from the previous year.

	<u> 2015</u>	2014	Amount of Change	Percentage Change
<b>Expenditures</b>	<u> </u>	<u>==</u>		
Instruction - Regular Programs	\$151,160,899	\$144,963,616	\$ 6,197,283	4.3%
Instruction - Special Programs	48,296,293	45,612,547	2,683,746	5.9%
Student Support Services	11,343,892	11,623,931	(280,039)	-2.4%
Instructional Staff Services	11,422,149	10,466,843	955,306	9.1%
General Administration	3,562,599	3,030,421	532,178	17.6%
School Administration	20,802,774	19,460,000	1,342,774	6.9%
Business Services	3,892,155	3,773,977	118,178	3.1%
Operations and Maintenance	22,746,641	22,103,047	643,594	2.9%
Central Support Services	13,410,329	17,696,836	(4,286,507)	-24.2%
Community Services	5,634,975	5,132,412	502,563	9.8%
Total	\$292,272,706	\$283,863,630	\$ 8,409,076	3.0%

Approximately 90% of General Fund expenditures are for staff salaries and benefits. For the 2014-15 fiscal year, employees received an average salary increase of 4.8%. The district was also required to make an additional 0.9% contribution to PERA, the State of Colorado's retirement plan. These increases were offset by a \$4.3 million decrease in costs for damages incurred during the September 2013 floods.

**Bond Redemption Fund:** The Bond Redemption Fund reported fund balance of \$33.5 million, an increase of \$8.7 million over the prior year. Property tax revenues of \$36.8 million in the current year were based upon a 2015 levy of 7.526 mills applied to an assessed valuation of \$4,927 million, compared to 5.792 mills and an assessed valuation of \$4,903 million in the prior year. The mill levy was increased in the current year to account for general obligation debt issued in fiscal year 2015. The large ending fund balance is necessary to have sufficient cash on hand to make debt service payments as they become due. Property tax levies are based

upon a calendar year cycle while debt service payments are made each fiscal year in December and June.

**2014 Building Fund:** The 2014 Building Fund was created in the current year to account for the issuance of \$250,000,000 General Obligation Bonds, Series 2015, as approved by the voters November 2014 to complete capital projects defined in the district's Facilities Master Plan. June 30, 2015, fund balance of \$277.2 million is restricted for those capital projects.

# **General Operating Fund Highlights**

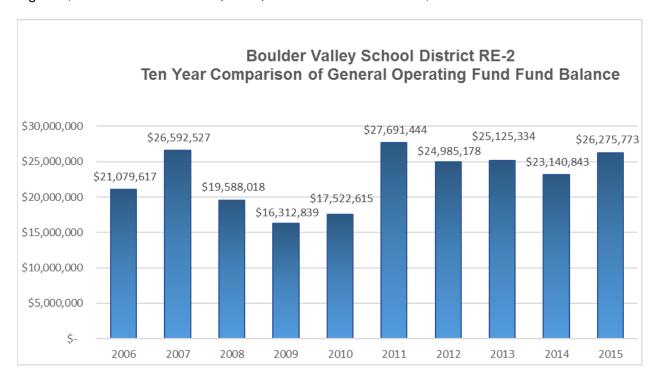
The General Operating Fund is the core operating fund of the district. For the year ended June 30, 2015, fund balance of the General Operating Fund increased \$3.1 million to \$26.3 million. Changes in revenues and expenditures of the General Operating Fund have been explained above as they represent the predominant activity of the General Fund.

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

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Regular Instruction	53.96%	53.30%	54.57%	54.52%	54.06%
Special Instruction	17.25%	16.09%	15.89%	15.81%	16.24%
Instructional Support	6.17%	7.04%	7.30%	7.93%	7.78%
Subtotal Instruction	77.38%	76.43%	77.76%	78.26%	78.08%
School Administration and Operations	16.55%	15.95%	16.19%	15.70%	15.75%
District Wide/Community Services	6.07%	7.62%	6.05%	6.04%	6.17%
Subtotal Support	22.62%	23.57%	22.24%	21.74%	21.92%
Total	100.00%	100.00%	100.00%	100.00%	100.00%

An analysis of the district's General Operating Fund ending fund balance is shown in the following chart. Over the 10 year period from fiscal year 2005-06 to 2014-15, fund balance of the General Operating Fund has fluctuated from a low of \$16.3 million at June 30, 2009, to a high of \$27.7 million at June 30, 2011, to its current amount of \$26.3 million.



One of the primary factors causing fluctuations over time is that the district's voters have approved numerous override mill levies, as allowed by the Colorado School Finance Act. In 1991, 1998 and 2002, the district's voters approved mill levy overrides. In 2010 voters approved an additional mill levy override, which incorporates the previous voter approvals, and allows for a single indexed mill levy override that generates property tax revenues in an amount equal to 25% of the district's total program funding (the maximum amount allowed by the Colorado School Finance Act), plus a one-time cost of living adjustment from 2002. This allows the override revenue amount to increase as the district's total program increases.

# **General Fund Budgetary Highlights**

Colorado local government uniform accounting and budget laws require that a budget be adopted and reported for all funds. Total expenditures for each fund may not exceed the amount appropriated. Appropriations for a fund may be increased provided they are offset by unanticipated revenues. All appropriations lapse at the end of the fiscal year. Supplemental appropriations that alter the total expenditures of any fund must be approved by the board of education.

The board of education adopted the 2014-15 budget in June 2014, and approved the revised budget in December 2014. The total General Fund appropriation was increased \$8.6 million, due primarily to a surplus in reserves from fiscal year 2013-14, which caused beginning fund

balance to come in higher than anticipated as part of the 2014-15 budget development process. The surplus was caused by a combination of carryover balances for schools and departments, in addition to revenues exceeding budgeted amounts.

A Budgetary Comparison Schedule for the General Fund is included on page 71 of this report. Significant differences between final budgeted and actual revenues are as follows:

Actual revenues exceeded budget by \$2.3 million (0.8%), related to increased tuition and fees, State equalization and state and federal reimbursement programs.

Actual expenditures were \$7.9 million less than budget (2.6%), after deducting reserves. \$3.6 million of the savings is due to carryover expenditures from the previous year for schools, departments and the Medicaid program. In addition, planned technology purchases of \$1.6 million will be completed in fiscal year 2015-16. Finally, salary and benefit expenditures were \$1.4 million less than budget due to short term vacancy savings and a slight difference between average salaries (applied to budgeted FTE to create budgeted expenditures) and actual salaries, which are based on individual credentials, years of service, etc. The remaining balance relates to various cost savings throughout the General Fund.

# **Capital Assets and Debt Administration**

**Capital Assets:** The district's investment in capital assets as of June 30, 2015, and 2014, is summarized as follows:

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

	<b>Governmental Activities</b>				
		<u>2015</u>			<u>2014</u>
Land	\$	4,726,468		\$	4,726,468
Construction in Progress		1,559,174			2,389,797
Land Improvements		20,433,562			20,836,609
Buildings		385,954,913			396,105,721
Equipment		1,279,727			2,619,330
Vehicles		4,058,376			4,786,483
		_	-		
Total Capital Assets	\$	418,012,220	:	\$	431,464,408

Changes in capital assets from the prior year include \$3.0 million of capital asset addition, offset by \$16.0 million of depreciation expense and a \$0.4 million contribution to a charter school for the portion of construction in progress completed on the charter's behalf as of June 30, 2015. The majority of current year capital additions are related to projects funded by the district's voter approved debt (see Debt Administration section below).

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

**Debt Administration**: The district's long term debt as of June 30, 2015 and 2014, is summarized as follows:

# Boulder Valley School District RE-2 Long Term Debt

	<b>Governmental Activities</b>				
	<u>2015</u> <u>2014</u>			<u>2014</u>	
General Obligation Bonds	\$	574,125,000	\$	337,495,000	
Bond Premium		35,075,710		5,150,466	
Compensated Absences		9,077,399		7,076,890	
		_			
Total Long Term Debt	\$	618,278,109	\$	349,722,356	

In November 2014, voters approved a ballot measure authorizing the district to issue up to \$576,520,000 of general obligation bonds to fund critical repairs and capital improvements to the district's infrastructure as identified in its August 2014 Educational Facilities Master Plan. In April 2014, the district issued \$250,000,000 General Obligation Bonds, Series 2105, including a premium of \$30.8 million. Additional debt will be issued in future years, as allowed by voter approval.

During the current fiscal year, the district also repaid \$13.4 million of principal on general obligation bonds.

The district maintains an "AA" rating from Standard & Poor's, an "AA+" rating from Fitch Ratings and an "Aa1" rating from Moody's Investors Services for its general obligation debt.

State statue limits the amount of general obligation debt a government may issue to 20% of its total assessed valuation. At June 30, 2015, the district's legal debt limit is \$985.4 million, which exceeds the district's total outstanding debt by \$411.3 million.

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

# **Economic Factors and Next Year's Budget**

Each year the state budget is crafted by the governor and legislature to determine how much of the total budget will be allocated to K-12 education. The state economic picture is important to the district because a major source of funding for the district's General Operating Fund is received through the state's School Finance Act, established by the state legislature. During the Great Recession, state revenue shortfalls forced cuts to K-12 education even though constitutionally mandated funding increases exist under Amendment 23. After the state sets the total funding for K-12 public education, each local district determines how to fund its specific system and allocate resources to every school within its district.

Nearly 70% of the district's General Operating Fund revenues are a result of state level decisions. The Colorado State Legislature approved the 2015-16 School Finance Act (SFA) and increased the statewide per pupil base funding by inflation, or 2.8%, and an additional amount beyond inflation and student growth. However, for the seventh consecutive year the Colorado

State Legislature continued to lower the statewide total funding by applying a negative factor to reduce total program funding received by each school district. For Boulder Valley School District RE-2, this negative factor in the SFA equates to \$29.6 million in lost state revenues for 2015-16.

The district's projected state per pupil revenue (PPR) for 2015-16 is \$7,205 (slightly rounded). Total program funding, defined by the SFA, is projected to be \$214.1 million (this figure does not include the estimated uncollectable property taxes due to the timing of tax collections), an increase of \$10.1 million from the prior year.

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 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, or district membership. The official pupil count occurs each October 1 and results in the funded pupil count numbers.

The budget implications are substantial if projected enrollment growth is not realized. If an unexpected shortfall in actual enrollment occurs, 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 Operating Officer Boulder Valley School District RE-2 6500 East Arapahoe P.O. Box 9011 Boulder, Colorado 80301 **BASIC FINANCIAL STATEMENTS** 



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# Boulder Valley School District RE-2 STATEMENT OF NET POSITION

# June 30, 2015

ASSETS Cash and Investments \$ 64,324,948 \$ 8,56	2,642 5,115
Cash and Investments \$ 64,324,948 \$ 8,56	5,115
	5,115
	-
	3,862 -
Accounts Receivable 595,641	-
Taxes Receivable, Net 5,251,634	
Grants Receivable 1,344,855	-
Inventories 876,677	650
·	7,728
, and the second se	6,976
Capital Assets, Net of Accumulated Depreciation 411,726,578 14,89	4,882
TOTAL ASSETS801,680,91429,30	1,855
DEFERRED OUTFLOWS OF RESOURCES	
	3,616
	5,790
	7,774
	3,631
	0,00.
TOTAL DEFERRED OUTFLOWS OF RESOURCES 38,218,258 5,77	0,811
LIABILITIES	
	6,921
Accrued Liabilities 10,176,289	-
•	4,347
	4,896
•	3,994
Claims Payable 1,362,515	-
Noncurrent Liabilities	
	1,889
•	0,253
• • • • • • • • • • • • • • • • • • • •	9,623
TOTAL LIABILITIES	1,923
DEFERRED INFLOWS OF RESOURCES	
Change in Experience 47,304	2,551
Change in Proportionate Share 87	5,705
TOTAL DEFERRED INFLOWS OF RESOURCES 47,304 87	8,256
NET POSITION	
Net Investment in Capital Assets 87,284,393 1,48	6,965
	9,972
	0,497
	0,639
	0,013
Restricted for Multiple Year Obligations 120,000	-
Restricted for Colorado Preschool Program 81,818	-
	0,000
	0,243
Restricted for Medicaid 1,141,311	-
•	4,477
	0,319 <u>)</u>
TOTAL NET POSITION <u>\$ (445,560,401)</u> <u>\$ (20,88</u>	7,513)

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

STATEMENT OF ACTIVITIES Year Ended June 30, 2015

		PROGRAM REVENUES							
FUNCTIONS/PROGRAMS	 CHARGES FOR EXPENSES SERVICES			OPERATING GRANTS AND CONTRIBUTIONS		CAPITAL GRANTS AND CONTRIBUTION			
PRIMARY GOVERNMENT									
Instruction	\$ 240,165,692	\$	7,938,683	\$	19,810,986	\$	-		
Supporting Services	131,540,473		10,918,529		8,861,265		110,791		
Interest Expense	 16,003,560		-		-		-		
TOTAL PRIMARY GOVERNMENT	 387,709,725	\$	18,857,212	\$	28,672,251	\$	110,791		
COMPONENT UNITS									
Charter Schools	 24,744,617		1,659,709		1,101,790		386,677		
TOTAL COMPONENT UNITS	\$ 24,744,617	\$	1,659,709	\$	1,101,790	\$	386,677		

#### **GENERAL REVENUES**

Local Property Taxes Specific Ownership Taxes

State Equalization

Grants and Contributions Not Restricted to Specific Programs

State Capital Construction Funding

Investment Earnings

Insurance Proceeds

Other

TOTAL GENERAL REVENUES AND TRANSFERS

CHANGE IN NET POSITION

NET POSITION, Beginning, as restated (See Note 12)

**NET POSITION, Ending** 

#### NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION

PRIMARY GOVERNMENT UNITS  GOVERNMENTAL ACTIVITIES  \$ (212,416,023) \$ - (111,649,888) - (16,003,560) (21,596,441)  (21,596,441)		AND CHANGES IN NET POSITION					
\$ (212,416,023) \$ - (111,649,888) (16,003,560)		PRIMARY	COMPONENT				
\$ (212,416,023) \$ - (111,649,888) (16,003,560) - (340,069,471) - (21,596,441)  232,169,602 - (21,596,441)  232,169,602 - 12,575,734 - 73,935,111 - 209,216 802,773 - 91,746 68,996 35,398 336,130 - 1,332,941 22,747,144  320,627,730 23,677,061  (19,441,741) 2,080,620  (426,118,660) (22,968,133)	G	OVERNMENT	UNIT	S			
\$ (212,416,023) \$ - (111,649,888)	GO	VERNMENTAL	CHART	ER			
\$ (212,416,023) \$ - (111,649,888)		ACTIVITIES	SCHOO	DLS			
(111,649,888)     -       (16,003,560)     -       (340,069,471)     -       (21,596,441)     (21,596,441)       (21,596,441)     (21,596,441)       232,169,602     -       12,575,734     -       73,935,111     -       209,216     802,773       91,746     68,996     35,398       336,130     -       1,332,941     22,747,144       320,627,730     23,677,061       (19,441,741)     2,080,620       (426,118,660)     (22,968,133)							
(111,649,888)     -       (16,003,560)     -       (340,069,471)     -       (21,596,441)     (21,596,441)       (21,596,441)     (21,596,441)       232,169,602     -       12,575,734     -       73,935,111     -       209,216     802,773       91,746     68,996     35,398       336,130     -       1,332,941     22,747,144       320,627,730     23,677,061       (19,441,741)     2,080,620       (426,118,660)     (22,968,133)							
(111,649,888)     -       (16,003,560)     -       (340,069,471)     -       (21,596,441)     (21,596,441)       (21,596,441)     (21,596,441)       232,169,602     -       12,575,734     -       73,935,111     -       209,216     802,773       91,746     68,996     35,398       336,130     -       1,332,941     22,747,144       320,627,730     23,677,061       (19,441,741)     2,080,620       (426,118,660)     (22,968,133)	\$	(212.416.023)	\$	_			
(16,003,560)     -       (340,069,471)     -       (21,596,441)     (21,596,441)       (232,169,602     -       12,575,734     -       73,935,111     -       209,216     802,773       -     91,746       68,996     35,398       336,130     -       1,332,941     22,747,144       320,627,730     23,677,061       (19,441,741)     2,080,620       (426,118,660)     (22,968,133)	Ψ		*	_			
(340,069,471)     -       (21,596,441)     (21,596,441)       232,169,602     -       12,575,734     -       73,935,111     -       209,216     802,773       -     91,746       68,996     35,398       336,130     -       1,332,941     22,747,144       320,627,730     23,677,061       (19,441,741)     2,080,620       (426,118,660)     (22,968,133)		,					
(21,596,441) (21,596,441) (21,596,441) (21,596,441) (21,596,441) (21,596,441) 		(10,003,300)					
232,169,602 - 12,575,734 - 73,935,111 - 209,216 802,773		(340,069,471)		-			
232,169,602 - 12,575,734 - 73,935,111 - 209,216 802,773		_					
232,169,602 - 12,575,734 - 73,935,111 - 209,216 802,773 - 91,746 68,996 35,398 336,130 - 1,332,941 22,747,144  320,627,730 23,677,061  (19,441,741) 2,080,620 (426,118,660) (22,968,133)			(21,5	96,441)			
12,575,734       -         73,935,111       -         209,216       802,773         -       91,746         68,996       35,398         336,130       -         1,332,941       22,747,144         320,627,730       23,677,061         (19,441,741)       2,080,620         (426,118,660)       (22,968,133)			(21,5	96,441)			
(426,118,660) (22,968,133)		12,575,734 73,935,111 209,216 - 68,996 336,130 1,332,941	22,7	91,746 35,398 - 47,144			
		(19,441,741)	2,0	80,620			
\$ (445,560,401) \$ (20,887,513)		(426,118,660)	(22,9	68,133)			
	\$	(445,560,401)	\$ (20,8	87,513)			

#### BALANCE SHEET GOVERNMENTAL FUNDS June 30, 2015

		GENERAL	RE	BOND EDEMPTION		2014 BUILDING	IONMAJOR /ERNMENTAL FUNDS	TOTAL
ASSETS								 
Cash and Investments	\$	52,563,932	\$	-	\$	-	\$ 2,629,312	\$ 55,193,244
Restricted Cash and Investments		103,463		32,974,200		277,884,792	-	310,962,455
Accounts Receivable		126,580		3,103		101,000	364,958	595,641
Taxes Receivable, Net		4,296,785		795,021		-	159,828	5,251,634
Grants Receivable		-		-		-	1,344,855	1,344,855
Due from Other Funds		1,251,739		-		-	-	1,251,739
Inventories		570,397		-		-	306,280	876,677
Prepaid Items		312,484			_	-	 -	 312,484
TOTAL ASSETS	\$	59,225,380	\$	33,772,324	\$	277,985,792	\$ 4,805,233	\$ 375,788,729
LIABILITIES								
Accounts Payable	\$	2,509,715	\$	-	\$	829,824	\$ -	\$ 3,339,539
Accrued Liabilities		10,082,133		-		-	94,156	10,176,289
Accrued Compensation								
and Benefits		13,714,999		-		375	941,634	14,657,008
Due to Other Funds		-		-		-	1,251,739	1,251,739
Unearned Revenues		635,122				-	 347,600	 982,722
TOTAL LIABILITIES		26,941,969				830,199	 2,635,129	 30,407,297
DEFERRED INFLOWS OF RESOURCE	CES							
Property Tax Revenue		1,313,636		239,810		-	 51,366	 1,604,812
FUND BALANCES								
Nonspendable		882,881		-		-	306,280	1,189,161
Restricted		9,655,786		33,532,514		277,155,593	637,748	320,981,641
Assigned		-		-		-	1,480,990	1,480,990
Unassigned		20,431,108			_	-	 (306,280)	 20,124,828
TOTAL FUND BALANCES		30,969,775		33,532,514		277,155,593	 2,118,738	 343,776,620
TOTAL LIABILITIES, DEFERRE	D							
INFLOWS OF RESOURCES,								
AND FUND BALANCES	\$	59,225,380	\$	33,772,324	\$	277,985,792	\$ 4,805,233	\$ 375,788,729

#### RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION Year Ended June 30, 2015

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

Total Fund Balances	\$ 343,776,620
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.	418,012,220
Other long-term assets are not available to pay for current year expenditures and, therefore, are unavailable in the funds.	1,604,812
An internal service fund is used by management to charge the costs of employee health and dental insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.	7,768,638
Long-term liabilities and related items, including bonds payable (\$574,125,000), bond premium (\$35,075,710), compensated absences (\$9,077,399), loss on refunding \$588,091 and accrued interest payable (\$3,092,445) are not due and payable in the current year and, therefore, are not reported in the funds.	(620,782,463)
Net pension liability is not due and payable in the current period and, therefore, is not reported in the funds.	(633,523,091)
Deferred outflows of resources used in governmental activities are not financial resources and, therefore, are not reported in the funds.  Change in investment earnings  Change in proportionate share  Contributions subsequent to the measurement date	14,568,962 5,429,670 17,631,535
Deferred inflows of resources used in governmental activities are not due and payable in the current year and, therefore, are not reported in the funds.  Change in experience	(47,304)
Net Position of Governmental Activities	\$ (445,560,401)

### Boulder Valley School District RE-2 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES **GOVERNMENTAL FUNDS** Year Ended June 30, 2015

		BOND	2014	NONMAJOR GOVERNMENTAL	
	GENERAL	REDEMPTION	BUILDING	FUNDS	TOTAL
REVENUES					
Local Sources	\$ 217,310,112	\$ 36,789,459	\$ 27,824	\$ 12,331,354	\$ 266,458,749
State Sources	82,570,078	-	-	4,539,878	87,109,956
Federal Sources	1,382,268			13,388,975	14,771,243
TOTAL REVENUES	301,262,458	36,789,459	27,824	30,260,207	368,339,948
EXPENDITURES					
Current					
Instruction	199,457,192	-	-	8,475,763	207,932,955
Supporting Services	92,815,514	-	-	25,087,047	117,902,561
Capital Outlay	-	-	2,771,399	3,504,444	6,275,843
Debt Service					
Principal	-	13,370,000	-	-	13,370,000
Interest and Fiscal Charges	-	14,709,074	-	-	14,709,074
Bond Issuance Costs			913,732	·	913,732
TOTAL EXPENDITURES	292,272,706	28,079,074	3,685,131	37,067,254	361,104,165
EXCESS OF REVENUES OVER					
(UNDER) EXPENDITURES	8,989,752	8,710,385	(3,657,307)	(6,807,047)	7,235,783
(SNBER) EXILENSITERES	0,000,102	0,7 10,000	(0,001,001)	(0,001,011)	7,200,700
OTHER FINANCING SOURCES (USES)					
Insurance Proceeds	495,830	-	-	-	495,830
Bonds Issued	-	-	250,000,000	-	250,000,000
Bond Premium	-	-	30,812,900	-	30,812,900
Transfers In	-	-	-	6,086,810	6,086,810
Transfers Out	(6,086,810)			<u> </u>	(6,086,810)
TOTAL OTHER FINANCING					
SOURCES (USES)	(5,590,980)		280,812,900	6,086,810	281,308,730
NET CHANGE IN FUND BALANCES	3,398,772	8,710,385	277,155,593	(720,237)	288,544,513
FUND BALANCES, Beginning, as Restated	27,571,003	24,822,129	-	2,838,975	55,232,107
FUND BALANCES, Ending	\$ 30,969,775	\$ 33,532,514	\$ 277.155.502	\$ 2,118,738	\$ 343,776,620
TORD DALANCES, LIMING	Ψ 30,303,113	Ψ 33,332,314	\$ 277,155,593	Ψ 2,110,130	ψ 343,110,020

# Boulder Valley School District RE-2 RECONCILIATION OF THE STATEMENT OF REVENUES,

# RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES Year Ended June 30, 2015

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

Net Change in Fund Balances	\$ 288,544,513
Capital outlays to aquire capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are reported as assets in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount by which depreciation expense (\$16,008,677) and the net book value of disposed assets (\$61,157) exceeded capital outlay \$3,006,508 in the current year. In addition, the district contributed to a charter school the portion of construction in progress that was completed on the charter's behalf as of June 30, 2015 (\$388,862).	(13,452,188)
Revenues that do not provide current financial resources are unavailable in the governmental fund financial statements but are recognized in the government-wide financial statements. This amount represents the change in unavailable property tax revenue (\$564,794).	(567,794)
Repayments of debt principal are expenditures in the governmental funds, but they reduce long-term liabilities in the statement of net position and do not affect the statement of activities.	13,370,000
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position and does not affect the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt related items: debt issued (\$250,000,000), bond premium (\$30,812,900), amortization of loss on refunding (\$341,094), and amortization of bond premium \$887,656.	(280,266,338)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported expenditures in the governmental funds. This amount represents the change in accrued interest payable (\$1,841,048) and compensated absences (\$2,000,509).	(3,841,557)
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.	(105,630)
Some items reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. The (increases) decreases in these activities consist of:	
Change in contributions subsequent to the measurement date	1,685,448
Pension expense	(54,970,293)
Pension expense (first year amortization) Employer contribution expense	 (2,010,989) 32,173,087
Change in Net Position of Governmental Activities	\$ (19,441,741)

#### STATEMENT OF NET POSITION PROPRIETARY FUNDS June 30, 2015

	GOVERNMENTAL ACTIVITIES
	INTERNAL SERVICE FUNDS
ASSETS	<u> </u>
Cash and Investments	\$ 9,131,704
TOTAL ASSETS	9,131,704
LIABILITIES	
Claims Payable	1,362,515
Accrued Compensation and Benefits	551_
TOTAL LIABILITIES	1,363,066
NET POSITION	
Unrestricted	7,768,638
TOTAL NET POSITION	\$ 7,768,638

### Boulder Valley School District RE-2 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION PROPRIETARY FUNDS Year Ended June 30, 2015

	GOVERNMENTAL ACTIVITIES
	INTERNAL
	SERVICE FUNDS
OPERATING REVENUES	
Premiums and Services	\$ 28,692,563
Other	462,359
TOTAL OPERATING REVENUES	29,154,922
OPERATING EXPENSES	
Salaries	221,117
Benefits	54,300
Insurance Premiums and Claims	25,860,995
Administrative Fees	1,065,837
Other	2,058,303
TOTAL OPERATING EXPENSES	29,260,552
CHANGE IN NET POSITION	(105,630)
NET POSITION, Beginning, as Restated	7,874,268
NET POSITION, Ending	\$ 7,768,638

# STATEMENT OF CASH FLOWS PROPRIETARY FUNDS Increase (Decrease) in Cash and Cash Equivalents Year Ended June 30, 2015

	<u>A</u>	VERNMENTAL ACTIVITIES NTERNAL RVICE FUNDS
Cash Flows From Operating Activities Premiums Received Cash Payments for Premiums and Claims Cash Paid to Employees	\$	29,154,922 (29,173,491) (275,417)
Net Cash Provided (Used) by Operating Activities		(293,986)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(293,986)
CASH AND CASH EQUIVALENTS, Beginning		9,425,690
CASH AND CASH EQUIVALENTS, Ending	\$	9,131,704
RECONCILIATION OF CHANGE IN NET POSITION TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES Change in Net Position Adjustments to Reconcile Change in Net Position to Net Cash Provided (Used) by Operating Activities Changes in Assets and Liabilities Related to Operations Claims Payable	\$	(105,630) (188,356)
Net Cash Provided (Used) by Operating Activities	\$	(293,986)

### Boulder Valley School District RE-2 STATEMENT OF NET POSITION

#### STATEMENT OF NET POSITION FIDUCIARY FUNDS June 30, 2015

	PRIVATE PURPOSE TRUST FUNDS	AGENCY FUND
ASSETS Cash and Investments	\$ 1,328,378	\$ 3,987,192
Casil and investments	φ 1,326,376	<u>\$ 3,967,192</u>
TOTAL ASSETS	1,328,378	3,987,192
LIABILITIES		
Due to Student and School Groups		3,987,192
TOTAL LIABILITIES		3,987,192
NET POSITION		
Held in Trust for Scholarships	1,328,378	· <u> </u>
TOTAL NET POSITION	\$ 1,328,378	\$ -

# Boulder Valley School District RE-2 STATEMENT OF CHANGES IN NET POSITION

#### STATEMENT OF CHANGES IN NET POSITION FIDUCIARY FUNDS Year Ended June 30, 2015

	PRIVATE PURPOSE TRUST FUNDS				
ADDITIONS					
Contributions	_ \$	10,661			
DEDUCTIONS Scholarships and Awards		15,000			
CHANGE IN HELD IN TRUST FOR SCHOLARSHIPS		(4,339)			
HELD IN TRUST FOR SCHOLARSHIPS, Beginning		1,332,717			
HELD IN TRUST FOR SCHOLARSHIPS, Ending	\$	1,328,378			

# NOTES TO BASIC FINANCIAL STATEMENTS June 30, 2015

#### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

#### **Reporting Entity**

The financial reporting entity consists of the district, organizations for which the district is financially accountable, and organizations that raise and hold economic resources for the direct benefit of the district. All funds, organizations, institutions, agencies, departments and offices that are not legally separate are part of the district. In addition, any legally separate organizations for which the district is financially accountable are considered part of the reporting entity. Financial accountability exists if the district appoints a voting majority of the organization's governing board or if the organization is fiscally dependent, 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 misleading. Since the charter schools have separately elected boards, the balances and transactions of the charter schools are discretely presented in the financial statements. Separate financial statements may be obtained by contacting the schools individually at the following addresses: Boulder Preparatory High School at 5075 Chaparral Court, Boulder, Colorado 80301; Horizon's K-8 School at 4545 Sioux Drive, Boulder, Colorado 80303; Peak to Peak Charter School at 800 Merlin Drive, Lafayette, Colorado 80026; Summit Middle School at 4655 Hanover Avenue, Boulder, Colorado, 80305; and Justice High School at 805 Excalibur, Lafayette, Colorado 80026.

#### **Government-Wide and Fund Financial Statements**

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

# Boulder Valley School District RE-2 NOTES TO BASIC FINANCIAL STATEMENTS June 30, 2015

#### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### **Government-Wide and Fund Financial Statements** (Continued)

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the district's government-wide financial statements. Major individual governmental and proprietary funds are reported as separate columns in the fund 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.

# NOTES TO BASIC FINANCIAL STATEMENTS June 30, 2015

#### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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

The district reports the following major governmental funds:

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

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

The 2014 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 *Internal Service Funds* account for the district's employee health and dental insurance programs, which are partially self-insured by the district.

The *Fiduciary Funds* account for the activities of various scholarship accounts, student activities 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.

# NOTES TO BASIC FINANCIAL STATEMENTS June 30, 2015

#### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Assets, Liabilities and Fund Equity (Continued)

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

Interfund Receivables and Payables - During the course of operations, numerous transactions occur between individual funds. The resulting receivables and payables are classified on the balance sheet as due from other funds and due to other funds.

Inventories - Materials and supplies inventories are stated at average cost using the first-in/first-out (FIFO) method. Food Services Fund inventories consist of purchased and donated commodities. Donated commodities, 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 or as expenditures in the governmental fund financial statements.

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

Capital Assets - Capital assets, which include property and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and the proprietary funds in the fund financial statements. Capital assets are defined 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 materially extend asset lives are not capitalized.

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

Land Improvements15 to 20 yearsBuildings50 yearsEquipment and Vehicles5 to 20 years

# NOTES TO BASIC FINANCIAL STATEMENTS June 30, 2015

#### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Fund Equity (Continued)

Deferred Outflows of Resources - In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The district reports certain items in this category related to its defined benefit pension plan (see Note 9) and a loss on refunding equal to the difference in the carrying value of refunded debt and its reaquisition price. The loss on refunding is amortized over the shorter of the life of the refunded or refunding debt.

Accrued Compensation and Benefits - 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, are reflected as a liability in the accompanying financial statements.

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

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

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

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

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 accrued compensated absences.

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

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

*Net Pension Liability* - The district reports a net pension liability for its proportionate share of PERA's unfunded pension liability. See Note 9 for additional information.

# NOTES TO BASIC FINANCIAL STATEMENTS June 30, 2015

#### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Fund Equity (Continued)

Deferred Inflows of Resources - In addition to liabilities, the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The governmental funds report as deferred inflows of resources unavailable revenues from property taxes, which are deferred and recognized as an inflow of resources in the period that the amounts are earned. In the statement of net position, the district reports one item in this category related to its defined benefit pension plan (see Note 9).

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

*Net Position* - In the government-wide financial statements, net position is restricted when constraints placed on the use of resources are externally imposed.

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

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

Fund Balance Policy - The district's policy is to have a sufficient balance in the 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.

#### NOTES TO BASIC FINANCIAL STATEMENTS June 30, 2015

#### NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

#### Assets, Liabilities and Fund Equity (Continued)

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 2015 are certified to the county in December 2014 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 Building Fund and certain Trust and Agency Fund accounts is recorded when earned in the related fund.

#### NOTE 2: **CASH AND INVESTMENTS**

At June 30, 2015, the district had the following cash and investments:

Cash on Hand Deposits	\$ 109,407 17,246,475
Investments	 365,768,769
Total	\$ 383,124,651
Cash and investments are reported in the financial statements as follows:	
Primary Government Cash and Investments	\$ 64,324,948
Primary Government Restricted Cash and Investments	310,962,455
Fiduciary Funds Cash and Investments	5,315,570
Charter School Cash Held by District	2,521,678
Total	\$ 383,124,651

# NOTES TO BASIC FINANCIAL STATEMENTS June 30, 2015

#### NOTE 2: CASH AND INVESTMENTS (Continued)

#### **Deposits**

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

#### Investments

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

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

The district had the following investments at June 30, 2015:

						S&P
	Less than 1			1 to 5	 Total	Rating
US Agency Securities	\$	25,928,067	\$	104,535,335	\$ 130,463,402	AA+
US Agency Securities		14,070,249		-	14,070,249	A-1+
US Government Securities		14,118,778		37,813,283	51,932,061	AA+
Local Government Investment Pool		142,299,049		-	142,299,049	AAAm
Money Market Mutual Funds		43,978		=	43,978	AAAm
Commercial Paper		16,984,730		=	16,984,730	A-1
Commercial Paper		9,975,300		-	9,975,300	NR
	\$	223,420,151	\$	142,348,618	\$ 365,768,769	

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

*Credit Risk* - The district has no policy toward credit risk other than to follow State statutes, which limit certain investments to those with specified ratings provided by nationally recognized statistical rating organizations, depending on the type of investment.

# NOTES TO BASIC FINANCIAL STATEMENTS June 30, 2015

#### NOTE 2: CASH AND INVESTMENTS (Continued)

#### **Investments** (Continued)

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

Local Government Investment Pool - At June 30, 2015, the district had \$142,299,050 invested in the Colorado Local Government Liquid Asset Trust (Colotrust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces the requirements of creating and operating Colotrust. The pool operates in conformity with the Securities and Exchange Commission's Rule 2a-7 as promulgated under the Investment Company Act of 1940, as amended, which includes the maintenance of each share equal in value to \$1.00. Investments of Colotrust are limited to those allowed by state statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

#### **Restricted Cash and Investments**

Restricted cash and investments include \$103,463 in the General Fund for employee flexible spending balances, \$32,974,200 in the Bond Redemption Fund restricted for future debt service payments, and \$277,985,792 in the 2014 Building Fund for unspent bond proceeds restricted for capital projects.

#### NOTE 3: INTERFUND BALANCES AND TRANSFERS

Total		<u>\$</u>	1,251,739
General Fund General Fund	Grants Fund Food Services Fund	\$	923,554 328,185
Due from Other Funds	Due to Other Funds		Balance

The internal balances above represent negative cash balances in the Grants Fund and Food Services Fund, which will be satisfied from operations in the subsequent year.

Transfers In	Transfers Out	 Balance
Capital Reserve Fund	General Fund	\$ 2,765,266
Transportation Fund	General Fund	2,826,619
Food Services Fund	General Fund	 494,925
Total		\$ 6,086,810

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

# NOTES TO BASIC FINANCIAL STATEMENTS June 30, 2015

### NOTE 4: <u>CAPITAL ASSETS</u>

Capital asset activity for the year ended June 30, 2015, is summarized below.

		Balances 6/30/14 (*)		Additions		Deletions		Balances 6/30/15
Governmental Activities								
Capital Assets, Not Being Depreciated								
Land	\$	4,726,468	\$	-	\$	-	\$	4,726,468
Construction in Progress		2,389,797		2,356,138		(3,186,761)		1,559,174
Total Capital Assets, Not Being Depreciated		7,116,265		2,356,138		(3,186,761)		6,285,642
Capital Assets, Being Depreciated								
Land Improvements		26,409,709		1,090,046		(305,786)		27,193,969
Buildings		551,921,455		1,849,101		-		553,770,556
Equipment		11,151,830		201,862		(9,913)		11,343,779
Vehicles		22,248,353		307,260		(177,100)		22,378,513
Total Capital Assets, Being Depreciated		611,731,347		3,448,269		(492,799)		614,686,817
Less Accumulated Depreciation For								
Land Improvements		5,573,100		1,431,936		(244,629)		6,760,407
Buildings		155,815,734		11,999,909		(= : :,===; -		167,815,643
Equipment		8,593,814		1,480,151		(9,913)		10,064,052
Vehicles		17,400,556		1,096,681		(177,100)		18,320,137
Total Accumulated Depreciation		187,383,204		16,008,677		(431,642)		202,960,239
Total Capital Assets, Being Depreciated, Net		424,348,143		(12,560,408)		(61,157)		411,726,578
Governmental Activities Capital Assets, Net	\$	431,464,408	\$	(10,204,270)	\$	(3,247,918)	\$	418,012,220
(*) Beginning balances have been restated (see Note 12).	d to ir	nclude capital a	sset	s previously rep	ortec	I as Business-1	Гуре	Activities
Component Units								
Capital Assets, Not Being Depreciated								
Land	\$	1,734,366	\$	-	\$	-	\$	1,734,366
Construction in Progress		139,964		455,027		(52,381)		542,610
Total Capital Assets, Not Being Depreciated		1,874,330		455,027		(52,381)		2,276,976
Capital Assets, Being Depreciated								
Land Improvements		2,673,317		102,181		-		2,775,498
Buildings		17,741,043		136,541		-		17,877,584
Equipment		288,504		162,439		-		450,943
Total Capital Assets, Being Depreciated		20,702,864		401,161		-		21,104,025
Less Accumulated Depreciation For								
Land Improvements		1,017,222		96,838		-		1,114,060
Buildings		4,635,413		355,530		-		4,990,943
Equipment		62,737		41,403		_		104,140
Total Accumulated Depreciation		5,715,372		493,771				6,209,143
Total Capital Assets, Being Depreciated, Net		14,987,492		(92,610)				14,894,882
Component Units Capital Assets, Net	\$	16,861,822	\$	362,417	\$	(52,381)	\$	17,171,858

# NOTES TO BASIC FINANCIAL STATEMENTS June 30, 2015

#### NOTE 4: CAPITAL ASSETS (Continued)

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

Governmental Activities Instruction Supporting Services

\$ 13,927,549 2,081,128

Total \$ 16,008,677

#### NOTE 5: SHORT-TERM DEBT

During the year ended June 30, 2015, the district borrowed \$107,889,944 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, 2015, from property taxes received primarily from February through June. The schedule of changes is summarized below.

	Balances 6/30/14	Additions	Payments	Balances 6/30/15		
State-sponsored interest-free loan	\$	 \$ 107,889,944	\$ 107,889,944	\$		
Total	\$	 \$ 107,889,944	\$ 107,889,944	\$		

#### NOTE 6: LONG-TERM DEBT

Following is a summary of long-term debt transactions of the district for the year ended June 30, 2015.

	Balances 6/30/14	Additions	Pavments	Balances 6/30/15	Due Within One Year
Governmental Activities					
General Obligation Bonds	\$ 337,495,000	\$ 250,000,000	\$ 13,370,000	\$ 574,125,000	\$ 13,835,000
Bond Premium	5,150,466	30,812,900	887,656	35,075,710	· · · · · -
Compensated Absences	7,076,890	7,870,718	5,870,209	9,077,399	6,518,390
Total	\$ 349,722,356	\$ 288,683,618	\$ 20,127,865	\$ 618,278,109	\$ 20,353,390

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

# NOTES TO BASIC FINANCIAL STATEMENTS June 30, 2015

#### NOTE 6: LONG-TERM DEBT (Continued)

#### **General Obligation Bonds**

General obligation bonds payable at June 30, 2015, are comprised of the following issues:

\$250,000,000 General Obligation Bonds, Series 2015.

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 2044. Interest accrues at rates ranging from 4.00% to 5.00%.

\$ 250,000,000

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

Issued to refund the general obligation bonds, Series 1999. Principal payments due on December 1 and interest payments due on December 1 and June 1, through 2018. Interest accrues at rates ranging from 2.00% to 4.00%.

47,390,000

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

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

\$ 173,205,000

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

Issued to implement a district-wide capital construction and improvement program. Principal payments due on December 1 and interest payments due on December 1 and June 1, through 2032. Interest accrues at rates ranging from 3.50% to 4.50%.

\$ 103,530,000

Total \$ 574,125,000

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ended June 30,	Principal	Interest	Total
2016 2017 2018	\$ 13,835,000 19,225,000 24,685,000	25,381,942	\$ 40,781,722 44,606,942 49,220,305
2019	15,165,000	, ,	38,907,305
2020 2021 - 2025	11,930,000 66,925,000	, ,	35,096,005 173,794,090
2021 - 2023	83,040,000	, ,	173,794,090
2031 - 2035	104,320,000	68,067,431	172,387,431
2036 - 2040	103,240,000	42,532,875	145,772,875
2041 - 2045	131,760,000	14,349,063	146,109,063
Total	\$ 574,125,000	\$ 444,983,632	\$ 1,019,108,632

# NOTES TO BASIC FINANCIAL STATEMENTS June 30, 2015

#### NOTE 6: LONG-TERM DEBT (Continued)

#### **General Obligation Bonds** (Continued)

On November 4, 2014, voters approved a ballot measure authorizing the district to issue general obligation bonds in an amount not to exceed \$576,520,000. The bonds may be sold in one or more series and are for the purpose of funding capital projects outlined in the district's Facilities Master Plan. On April 14, 2015, the district issued \$250,000,000 of General Obligations Bonds, Series 2015. The remaining amount authorized will be issued in future years to complete the capital projects.

#### **Component Units**

In August 2007, Boulder Prep High School entered into a loan agreement with First National Bank in the amount of \$250,000. Proceeds of the loan were used to purchase a building. The loan agreement requires monthly payments through April 30, 2032. Interest accrues at a variable rate calculated from the 5-Year Treasury Rate plus 1.28 percentage points. At June 30, 2015, the interest rate was 2.97%.

In April, 2004, the Colorado Educational and Cultural Facilities Authority (CECFA) issued \$23,300,000 Charter School Revenue and Refunding Bonds, Series 2004. Proceeds of the bonds were used to advance refund CECFA's outstanding Charter School Revenue Bonds, Series 2001. Proceeds of the Series 2001 bonds were used to construct Peak to Peak's educational facilities. Peak to Peak is obligated under a lease agreement to make monthly lease payments to Prairie View, Inc., for use of the facilities. Prairie View, Inc., was required to make equal loan payments to the Trustee, for payment of the bonds. Interest accrued at rates ranging from 3.00% to 5.25% per annum, and was payable semi-annually on August 15 and February 15. Principal payments are due annually on August 15, through 2034.

On July 15, 2014, the CECFA issued \$17,880,000 Charter School Refunding Revenue Bonds, Series 2014. Proceeds will be used to refund the outstanding Series 2004 Bonds discussed above. Interest accrues at rates ranging from 2% to 5% per annum, and is payable semi-annually on August 15 and February 15. Principal payments are due annually on August 15, through 2034. The refunding reduced total debt service payments over the next five years by \$2,434,417 and has an amount of \$1,769,452 in present value savings.

Changes in long-term debt of the Component Units for the year ended June 30, 2015, were as follows:

	 Balances 6/30/14	Additions		Payments			Balances 6/30/15	Due Within One Year		
Loan Payable	\$ 210,746	\$	-	\$	7,473	\$	203,273	\$	9,301	
Bonds Payable	19,305,000		17,880,000		19,305,000		17,880,000		470,000	
Bond Premium	351,852		1,279,196		415,812		1,215,236		-	
Compensated										
Absences	61,224		133,540		131,131		63,633		2,588	
Total	\$ 19,928,822	\$	19,292,736	\$	19,859,416	\$	19,362,142	\$	481,889	

# NOTES TO BASIC FINANCIAL STATEMENTS June 30, 2015

### NOTE 6: LONG-TERM DEBT (Continued)

#### Component Units (Continued)

Annual debt service requirements to maturity for the outstanding loan payable are as follows:

Year Ended June 30,	Principal			Interest	Total		
2016	\$	9,301	\$	5,911	\$	15,212	
2017		9,582		5,631		15,213	
2018		9,870		5,343		15,213	
2019		10,167		5,046		15,213	
2020		10,473		4,740		15,213	
2021 - 2025		57,290		18,773		76,063	
2026 - 2030		66,450		9,614		76,064	
2031 - 2032		30,140		960		31,100	
Total	\$	203,273	\$	56,018	\$	259,291	

Annual debt service requirements to maturity for outstanding bonds payable are as follows:

Year Ended June 30.	 Principal	 Interest	Total		
2016	\$ 470,000	\$ 878,204	\$	1,348,204	
2017 2018	620,000 640,000	801,250 782,650		1,421,250 1,422,650	
2019 2020	655,000 680,000	763,450 737,750		1,418,450 1,417,750	
2021 - 2025	3,850,000	3,256,750		7,106,750	
2026 - 2030 2031 - 2035	4,815,000 6,150,000	2,283,500 952,000		7,098,500 7,102,000	
	-, -, -, -, -, -, -, -, -, -, -, -, -, -			, ==,===	
Total	\$ 17,880,000	\$ 10,455,554	\$	28,335,554	

# NOTES TO BASIC FINANCIAL STATEMENTS June 30, 2015

### NOTE 7: FUND BALANCES

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

					N	ONMAJOR	
			BOND	2014	GOV	<b>ERNMENTAL</b>	
	 GENERAL	RI	EDEMPTION	BUILDING	DING FUNDS		TOTAL
FUND BALANCES							
Nonspendable:							
Inventories	\$ 570,397	\$	-	\$ -	\$	306,280	\$ 876,677
Prepaid Items	 312,484		<u>-</u>	-		-	312,484
Total Nonspendable	882,881		-	-		306,280	1,189,161
Restricted For:							
Debt Service	-		33,532,514	-		-	33,532,514
Capital Projects	-		-	277,155,593		-	277,155,593
Multiple Year							
Obligations	120,000		-	-		-	120,000
Colorado Preschool							
Program	81,818		-	-		-	81,818
Emergencies	8,312,657		-	-		637,748	8,950,405
Medicaid	 1,141,311		-	 -			1,141,311
Total Restricted	9,655,786		33,532,514	 277,155,593		637,748	320,981,641
Assigned To:							
Capital Projects	 		-	 -		1,480,990	1,480,990
Total Assigned	-		-	-		1,480,990	1,480,990
Unassigned, Reported In							
General Fund	20,431,108		-	-		-	20,431,108
Food Services	 -		<u>-</u>	-		(306,280)	(306,280)
Total Unassigned	20,431,108		-	 -		(306,280)	20,124,828
Total Unassigned	\$ 30,969,775	\$	33,532,514	\$ 277,155,593	\$	2,118,738	\$ 343,776,620

# NOTES TO BASIC FINANCIAL STATEMENTS June 30, 2015

#### NOTE 8: RISK MANAGEMENT

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

#### Joint School District Worker's Compensation Self-Insurance Pool

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

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

Each member of the JSD Pool is responsible for the first \$100,000 of each loss. Losses between \$100,000 and \$500,000 are pooled between the member districts, and losses in excess of \$500,000 are reinsured for up to statutory limits.

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

#### Colorado School Districts Self Insurance Pool

The Colorado School Districts Self Insurance Pool (CSDSIP) 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. 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.

# NOTES TO BASIC FINANCIAL STATEMENTS June 30, 2015

#### NOTE 8: RISK MANAGEMENT (Continued)

#### **Health and Dental Self-Insurance**

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

	Health		Dental	
	Insurance		Insurance	
Claims Payable, June 30, 2013	\$	714,022	\$	188,117
Claims Incurred and Adjustments		15,687,004		2,147,426
Payments		(15,130,536)		(2,055,162)
Claims Payable, June 30, 2014		1,270,490		280,381
Claims Incurred and Adjustments		14,877,230		1,933,331
Payments		(14,930,428)		(2,068,489)
Claims Payable, June 30, 2015	\$	1,217,292	\$	145,223

Claims payable at June 30, 2015 are expected to be liquidated within the next fiscal year. Prior year balances have been restated (see Note 12).

#### NOTE 9: DEFINED BENEFIT PENSION PLAN

#### **Summary of Significant Accounting Policies**

Pensions. The district participates in the School Division Trust Fund (SCHDTF), a cost-sharing multiple-employer defined benefit pension fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SCHDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

# NOTES TO BASIC FINANCIAL STATEMENTS June 30, 2015

#### NOTE 9: <u>DEFINED BENEFIT PENSION PLAN</u> (Continued)

#### **General Information about the Pension Plan**

Plan Description - Eligible employees of the district are provided with pensions through the School Division Trust Fund (SCHDTF)—a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained www.copera.org/investments/pera-financial-reports.

Benefits provided - PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

The lifetime retirement benefit for all eligible retiring employees under the PERA Benefit Structure is the greater of the:

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit.
- The value of the retiring employee's member contribution account plus a 100 percent match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

In all cases the service retirement benefit is limited to 100 percent of highest average salary and also cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50 percent or 100 percent on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

Benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments (COLAs), referred to as annual increases in the C.R.S. Benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 2 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 receive an annual increase of the lesser of 2 percent or the average CPI-W for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve for the SCHDTF.

# NOTES TO BASIC FINANCIAL STATEMENTS June 30, 2015

#### NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the retirement benefit formula shown above considering a minimum 20 years of service credit, if deemed disabled.

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure(s) under which service credit was obtained, and the qualified survivor(s) who will receive the benefits.

Contributions - Eligible employees and the district are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, et seq. Eligible employees are required to contribute 8 percent of their PERA-includable salary. The employer contribution requirements are summarized in the table below:

	For the Year Ended		
	12/31/2014	12/31/2015	
Employer Contribution Rate <sup>1</sup>	10.15%	10.15%	
Amount of Employer Contribution apportioned to the Health Care			
Trust Fund as specified in C.R.S. § 24-51-208(1)(f) 1	(1.02)%	(1.02)%	
Amount Apportioned to the SCHDTF <sup>1</sup>	9.13%	9.13%	
Amortization Equalization Disbursement (AED) as specified in			
C.R.S. § 24-51-411 <sup>1</sup>	3.80%	4.20%	
Supplemental Amortization Equalization Disbursement (SAED)			
as specified in C.R.S. § 24-51-411 <sup>1</sup>	3.50%	4.00%	
Total Employer Contribution Rate to the SCHDTF <sup>1</sup>	16.43%	17.33%	

<sup>&</sup>lt;sup>1</sup>Rates are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the district is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the district were \$32,173,087 for the year ended June 30, 2015.

# Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2015, the district reported a liability of \$633,523,091 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2013. Standard update procedures were used to roll forward the total pension liability to December 31, 2014. The district's proportion of the net pension liability was based on the district's contributions to the SCHDTF for the calendar year 2014 relative to the total contributions of participating employers to the SCHDTF.

# NOTES TO BASIC FINANCIAL STATEMENTS June 30, 2015

#### NOTE 9: <u>DEFINED BENEFIT PENSION PLAN</u> (Continued)

At December 31, 2014, the district's proportion was 4.7770989 percent, which was an increase of 0.0579312 from its proportion measured as of December 31, 2013. The district's proportion includes the primary government (approximately 97.8%) and four of the district's five charter schools (approximately 2.2%). Peak to Peak Charter School's proportion is calculated separately by PERA. The district allocates its proportion to the primary government and to each of the four charter schools based on contributions to the SCHDTF for the calendar year, which is the same methodology used by PERA in allocating to its members. Required footnote disclosures for each of the five charter schools are included in their respective separately issued financial statements.

For the year ended June 30, 2015, the district recognized pension expense of \$56,981,282. At June 30, 2015, the district reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows		Deferred Inflows		
	of Resources		of Resources		
Difference between expected and actual experience	\$	-	\$	;	47,304
Net difference between projected and actual earnings on pension plan investments		14,568,962			-
Changes in proportion and differences between contributions recognized and proportionate share of contributions		5,429,670			-
Contributions subsequent to the measurement date		17,631,535			-
Total	\$	37,630,167	\$	5	47,304

\$17,631,535 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

#### Year ended June 30,

2016	\$ 5,635,710
2017	5,635,710
2018	5,037,668
2019	3,642,240
2020	-
Thereafter	-

# NOTES TO BASIC FINANCIAL STATEMENTS June 30, 2015

#### NOTE 9: <u>DEFINED BENEFIT PENSION PLAN</u> (Continued)

Actuarial assumptions. The total pension liability in the December 31, 2013 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Price inflation 2.80 percent
Real wage growth 1.10 percent
Wage inflation 3.90 percent

Salary increases, including wage inflation 3.90 – 10.10 percent

Long-term investment Rate of Return, net of pension

plan investment expenses, including price inflation 7.50 percent

Future post-retirement benefit increases: PERA Benefit Structure hired prior to 1/1/07; PERA Benefit Structure hired after 12/31/06

(ad hoc, substantively automatic) Financed by the Annual

Increase Reserve

Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on a projection of Scale AA to 2020 with Males set back 1 year, and Females set back 2 years.

The actuarial assumptions used in the December 31, 2013 valuation were based on the results of an actuarial experience study for the period January 1, 2008 through December 31, 2011, adopted by PERA's Board on November 13, 2012, and an economic assumption study, adopted by PERA's Board on November 15, 2013 and January 17, 2014.

The SCHDTF's long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

# NOTES TO BASIC FINANCIAL STATEMENTS June 30, 2015

#### NOTE 9: <u>DEFINED BENEFIT PENSION PLAN</u> (Continued)

As of the most recent analysis of the long-term expected rate of return, presented to the PERA Board on November 15, 2013, the target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	10 Year Expected Geometric
		Real Rate of Return
U.S. Equity – Large Cap	26.76%	5.00%
U.S. Equity - Small Cap	4.40%	5.19%
Non U.S. Equity – Developed	22.06%	5.29%
Non U.S. Equity – Emerging	6.24%	6.76%
Core Fixed Income	24.05%	0.98%
High Yield	1.53%	2.64%
Long Duration Gov't/Credit	0.53%	1.57%
Emerging Market Bonds	0.43%	3.04%
Real Estate	7.00%	5.09%
Private Equity	7.00%	7.15%
Total	100.00%	

<sup>\*</sup> In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.50%.

Discount rate. The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the fixed statutory rates specified in law, including current and future AED and SAED, until the Actuarial Value Funding Ratio reaches 103 percent, at which point, the AED and SAED will each drop 0.50 percent every year until they are zero. Based on those assumptions, the SCHDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the Municipal Bond Index Rate. There was no change in the discount rate from the prior measurement date.

Sensitivity of the district's proportionate share of the net pension liability to changes in the discount rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1% Decrease	Current Discount	1% Increase
	(6.50%)	Rate (7.50%)	(8.50%)
Proportionate share of the net pension liability	835,358,071	633,523,091	464,583,790

Pension plan fiduciary net position. Detailed information about the SCHDTF's fiduciary net position is available in PERA's comprehensive annual financial report which can be obtained at www.copera.org/investments/pera-financial-reports.

# NOTES TO BASIC FINANCIAL STATEMENTS June 30, 2015

#### NOTE 10: OTHER POST-EMPLOYMENT BENEFITS

#### **Health Care Trust Fund**

Plan Description - The School contributes to the Health Care Trust Fund ("HCTF"), a cost-sharing multiple-employer healthcare trust administered by PERA. The HCTF benefit provides a health care premium subsidy and health care programs (known as PERACare) to PERA-participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the C.R.S., as amended, establishes the HCTF and sets forth a framework that grants authority to the PERA Board to contract, self-insure and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of health care subsidies. PERA issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for the HTCF. That report may be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy - The School is required to contribute at a rate of 1.02% of PERA-includable salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the School are established under Title 24, Article 51, Part 4 of the C.R.S., as amended. The apportionment of the contributions to the HCTF is established under Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended. For the years ending June 30, 2015, 2014, and 2013, the School's contribution to the HCTF were \$2,086,869, \$1,995,319, and \$1,875,353, respectively, equal to their required contributions for each year.

#### NOTE 11: COMMITMENTS AND CONTINGENCIES

#### **Claims and Judgments**

The district participates in a number of federal 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, 2015, 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, 2015, the district had construction commitments totaling approximately \$8.1 million, primarily for facility construction contracts to be funded with bond proceeds. Subsequent to June 30, 2015, the district entered into additional construction commitments of approximately \$22.9 million for the same purpose.

# NOTES TO BASIC FINANCIAL STATEMENTS June 30, 2015

#### NOTE 11: COMMITMENTS AND CONTINGENCIES (Continued)

#### **Tabor Amendment**

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

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

The Amendment requires all governments to establish a reserve for emergencies. At June 30, 2015, \$8,950,405 was restricted to satisfy the reserve requirement.

#### NOTE 12: RESTATEMENT OF NET POSITION / FUND BALANCE

For the year ended June 30, 2015, the district adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* (GASB No. 68), and the related GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, an amendment of GASB Statement No. 68, which are effective for financial statements for periods beginning after June 15, 2014. GASB No. 68 revises and establishes new financial reporting requirements for most governments that provide their employees with pension benefits. GASB No. 68 requires cost-sharing employers participating in the PERA program to record their proportionate share, as defined in GASB No. 68, of PERA's unfunded pension liability.

For the district, the effect of implementing this standard was to change how it accounts and reports the net pension liability. Implementation of the standard resulted in a restatement of the prior period net position as shown in the table below.

The district also restated beginning net position and fund balance as a result of classifying the Food Services Fund as a special revenue fund and as a governmental activity as of July 1, 2014, as required by the Colorado Department of Education. This restated the beginning governmental activities net position by increasing the amount as of July 1, 2014, by \$201,187.

Due to a change in accounting method for estimating claims payable, the district also restated beginning net position as of July 1, 2014. This restated the beginning governmental activities net position by increasing the amount as of July 1, 2014, by \$2,489,352.

### NOTES TO BASIC FINANCIAL STATEMENTS June 30, 2015

### NOTE 12: RESTATEMENT OF NET POSITION / FUND BALANCE (Continued)

	PRIMARY GOVERNMENT	COMPONENT UNITS
Beginning Net Position, as previously reported at July 1, 2014	\$ 144,008,282	\$ 8,979,429
Business-type activities now presented as governmental activities	201,187	-
Claims Payable: Health Insurance Fund Dental Insurance Fund	2,258,941 230,411	-
GASB Statement No. 71 Implementation: Deferred Outfows of Resources - District contributions made January 1, 2014 through June 30, 2014	15,946,087	918,994
Net Pension Liability, at December 31, 2013 (measurement date)	(588,763,568)	(32,866,556)
Net Position, July 1, 2014, as restated	\$ (426,118,660)	\$ (22,968,133)

The restatement of the Food Services Fund from an enterprise fund to a special revenue fund as of July 1, 2014, also effected fund balance of nonmajor governmental funds. Below is a reconciliation of that restatement:

	Food Services Fund			Nonmajor vernmental Funds
Beginning fund balance (or net position), as previously				
reported at July 1, 2014	\$	201,187	\$	2,809,108
Capital assets, net of accumulated depreciation		(171,320)		-
Food Services fund balance, as restated				29,867
Fund balance, July 1, 2014, as restated	\$	29,867	\$	2,838,975



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**REQUIRED SUPPLEMENTARY INFORMATION** 



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### GENERAL FUND

Year Ended June 30, 2015

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL Positive (Negative)
REVENUES	<b>*</b>		<b>*</b>	<b>A</b> (4 000 700)
Property Taxes	\$ 188,985,173	\$ 190,406,914	\$ 188,717,321	\$ (1,689,593)
Specific Ownership Taxes	10,895,303	10,895,303	12,575,734	1,680,431
Tuition and Fees	9,372,972	9,604,456	10,227,717	623,261
Other Local Revenue	5,621,707	5,755,451	5,789,340	33,889
State Equalization	71,223,798	73,101,804	73,935,111	833,307
State Reimbursement Programs	7,982,535	8,127,928	8,634,967	507,039
Federal Grants	1,075,000	1,075,000	1,382,268	307,268
TOTAL REVENUES	295,156,488	298,966,856	301,262,458	2,295,602
EXPENDITURES				
Current				
Instruction - Regular Programs	153,223,858	153,649,086	151,160,899	2,488,187
Instruction - Special Programs	47,936,630	48,369,094	48,296,293	72,801
Student Support Services	10,605,840	12,607,682	11,343,892	1,263,790
Instructional Staff Services	11,025,946	12,101,588	11,422,149	679,439
General Administration	2,949,147	3,850,065	3,562,599	287,466
School Administration	21,194,414	21,669,238	20,802,774	866,464
Business Services	3,863,265	4,098,672	3,892,155	206,517
Operations and Maintenance	22,566,428	22,829,357	22,746,641	82,716
Central Support Services	13,390,206	15,364,276	13,410,329	1,953,947
Community Services	5,386,973	5,614,844	5,634,975	(20,131)
Emergency Reserves	8,126,638	8,363,009	-	8,363,009
Reserves	8,129,644	8,452,021		8,452,021
TOTAL EXPENDITURES	308,398,989	316,968,932	292,272,706	24,696,226
EXCESS OF REVENUES OVER				
(UNDER) EXPENDITURES	(13,242,501)	(18,002,076)	8,989,752	26,991,828
	<u> </u>			
OTHER FINANCING SOURCES (USES)				<del></del> ->
Insurance Proceeds	-	500,000	495,830	(4,170)
Transfers Out	(5,238,365)	(5,760,556)	(6,086,810)	(326,254)
NET CHANGE IN FUND BALANCE	(18,480,866)	(23,262,632)	3,398,772	26,661,404
FUND BALANCE, Beginning	20,150,683	27,540,422	27,571,003	30,581
FUND BALANCE, Ending	\$ 1,669,817	\$ 4,277,790	\$ 30,969,775	\$ 26,691,985
	·			

## SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY June 30, 2015

	2014	2013
District's proportion (percentage) of the collective net pension liability (asset)	4.67428842%	4.61595307%
District's proportionate share of the collective pension liability (asset)	633,523,091	588,763,568
Covered-employee payroll	195,818,956	186,083,709
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	323.52%	316.40%
Plan fiduciary net position as a percentage of the total pension liability	62.84%	64.06%

<sup>\*</sup> The amounts presented for each fiscal year were determined as of December 31 based on the measurement date of the Plan. Information earlier than 2013 was not available.

### Boulder Valley School District RE-2 SCHEDULE OF THE CONTRIBUTIONS AND RELATED RATIOS June 30, 2015

As of June 30,	2015	2014
Statutorily required contributions	\$ 36,639,575	\$ 33,270,796
Contributions in relation to the statutorily	36,639,575	33,270,796
Contribution deficiency (excess)	\$ -	\$ -
Covered-employee payroll	204,594,988	195,619,492
Contribution as a percentage of covered-employee payroll	17.91%	17.01%

<sup>\*</sup> The amounts presented for each fiscal year were determined as of June 30. Information earlier than 2014 was not available.

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION June 30, 2015

#### 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 December, a revised budget is legally adopted by the board of education.

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

### **Legal Compliance**

For the year ended June 30, 2015, the 2006 Building Fund expenditures exceeded the amount budgeted by \$237, which will be covered with subsequent year revenue. This may be a violation of State statutes.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES



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**GENERAL FUND** 

## Boulder Valley School District RE-2 COMBINING BALANCE SHEET

#### COMBINING BALANCE SHEET GENERAL FUND June 30, 2015

ASSETS	GENERAL OPERATING		MAN	RISK NAGEMENT	TECHNOLOGY	
	Φ	47 444 400	æ	400.040	Φ	4 700 500
Cash and Investments	\$	47,411,163	\$	438,042	\$	1,799,502
Restricted Cash and Investments Accounts Receivable		103,463		-		-
		69,164		-		-
Taxes Receivable, Net		4,296,785		-		-
Due from Other Funds		1,251,739		-		-
Inventories		570,397		-		-
Prepaid Items		312,484				
TOTAL ASSETS	\$	54,015,195	\$	438,042	\$	1,799,502
LIABILITIES						
Accounts Payable	\$	2,509,715	\$	-	\$	-
Accrued Liabilities		10,082,133		-		-
Accrued Compensation and Benefits		13,698,808		-		372
Unearned Revenues		135,130				
TOTAL LIABILITIES		26,425,786				372
DEFERRED INFLOWS OF RESOURCES						
Property Tax Revenue		1,313,636				-
FUND BALANCES						
Nonspendable		882,881		-		-
Restricted		8,923,332		123,499		130,994
Unassigned		16,469,560		314,543		1,668,136
TOTAL FUND BALANCES		26,275,773		438,042		1,799,130
TOTAL LIABILITIES, DEFERRED INFLOWS						
OF RESOURCES, AND FUND BALANCES	\$	54,015,195	\$	438,042	\$	1,799,502

AT	COMMUNITY THLETICS SCHOOLS PRESCHOOL				TUITION PRESCHOOL		COLORADO PRESCHOOL PROGRAM		TOTAL GENERAL FUND	
\$	114,735	\$	2,329,470	\$	388,567	\$	_	\$	82,453	\$ 52,563,932
	-		-		-		-		-	103,463
	-		57,416		-		-		-	126,580
	-		-		-		-		-	4,296,785
	-		-		-		-		-	1,251,739
	-		-		-		-		-	570,397
										 312,484
\$	114,735	\$	2,386,886	\$	388,567	\$		\$	82,453	\$ 59,225,380
\$	-	\$	-	\$	-	\$	-	\$	-	\$ 2,509,715
	-		-		-		-		-	10,082,133
	60		4,405		10,719		-		635	13,714,999
	-		351,940		148,052		-		-	 635,122
	60		356,345		158,771		_		635	26,941,969
									,	
	_		_		-		_		_	1,313,636
	_		_		_		_		_	882,881
	91,271		162,275		142,597		_		81,818	9,655,786
	23,404		1,868,266		87,199		_		-	20,431,108
	,		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	-	2.,.20	-				 3,121,130
	114,675		2,030,541		229,796				81,818	 30,969,775
\$	114,735	\$	2,386,886	\$	388,567	\$		\$	82,453	\$ 59,225,380

## Boulder Valley School District RE-2 COMBINING SCHEDULE OF REVENUES, EXPENDITURES

## COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GENERAL FUND

Year Ended June 30, 2015

	GENERAL OPERATING	RISK MANAGEMENT	TECHNOLOGY
REVENUES			
Local Sources	\$ 207,575,409	\$ 4,701	\$ 243,354
State Sources	82,570,078	-	-
Federal Sources	1,382,268		
TOTAL REVENUES	291,527,755	4,701	243,354
EXPENDITURES			
Current			
Instruction - Regular Programs	146,641,105	-	1,265,424
Instruction - Special Programs	44,057,492	-	-
Student Support Services	10,520,076	-	-
Instructional Staff Services	10,575,347	-	292,600
General Administration	3,478,361	-	-
School Administration	20,672,317	-	-
Business Services	3,871,515	19,378	-
Operations and Maintenance	22,061,943	633,257	-
Central Support Services	9,247,266	3,014,657	1,148,406
Community Services	141,175		
TOTAL EXPENDITURES	271,266,597	3,667,292	2,706,430
EXCESS OF REVENUES OVER			
(UNDER) EXPENDITURES	20,261,158	(3,662,591)	(2,463,076)
OTHER FINANCING SOURCES (USES)			
Insurance Proceeds	-	429,830	-
Transfers In	1,053,907	3,395,831	1,771,749
Transfers Out	(18,180,135)		
TOTAL OTHER FINANCING SOURCES (USES)	(17,126,228)	3,825,661	1,771,749
NET CHANGE IN FUND BALANCES	3,134,930	163,070	(691,327)
FUND BALANCES, Beginning	23,140,843	274,972	2,490,457
FUND BALANCES, Ending	\$ 26,275,773	\$ 438,042	\$ 1,799,130

COMMUNITY ATHLETICS SCHOOLS						UITION SCHOOL	PRE	LORADO ESCHOOL ROGRAM	TOTAL GENERAL FUND
\$	1,224,473	\$	6,979,817	\$	1,282,358	\$ _	\$	_	\$ 217,310,112
	-		-		-	-		-	82,570,078
	-		-		-	 			1,382,268
	1,224,473		6,979,817		1,282,358	 			301,262,458
	907		-		3,246,705	-		6,758	151,160,899
	2,957,028		-		1,019	-		1,280,754	48,296,293
	-		-		823,816	-		-	11,343,892
	-		-		356,854	-		197,348	11,422,149
	84,238		-		-	-		-	3,562,599
	-		-		112,357	-		18,100	20,802,774
	1,262		-		-	-		-	3,892,155
	-		-		51,441	-		-	22,746,641
	-		-		-	-		-	13,410,329
	-		5,311,842		34,189	 		147,769	5,634,975
	3,043,435		5,311,842		4,626,381	 <u>-</u> _		1,650,729	292,272,706
	(1,818,962)		1,667,975		(3,344,023)	 		(1,650,729)	8,989,752
	_		66,000		_	_		_	495,830
	1,830,374		-		3,425,778	_		1,748,881	13,226,520
	-		(1,053,907)		-	(30,581)		(48,707)	(19,313,330)
						 ,		, , ,	
	1,830,374		(987,907)		3,425,778	 (30,581)		1,700,174	(5,590,980)
	11,412		680,068		81,755	(30,581)		49,445	3,398,772
	103,263		1,350,473		148,041	 30,581		32,373	27,571,003
\$	114,675	\$	2,030,541	\$	229,796	\$ 	\$	81,818	\$ 30,969,775



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#### NONMAJOR GOVERNMENTAL FUNDS

#### **Special Revenue Funds**

Food Services Fund - This fund accounts for the financial activities associated with the district's breakfast and lunch programs.

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

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

#### **Capital Projects Funds**

2006 Building Fund - This fund reports bond proceeds and other revenues to be used for major building repairs and renovations.

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

### COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS June 30, 2015

	FOOI	FOOD SERVICES GRANTS				TRANSPORTATION		
ASSETS								
Cash and Investments	\$	3,967	\$	-	\$	1,030,494		
Accounts Receivable		364,958		-		-		
Taxes Receivable, Net		-		-		159,828		
Grants Receivable		-		1,344,855		-		
Inventories		306,280				-		
TOTAL ASSETS	\$	675,205	\$	1,344,855	\$	1,190,322		
LIABILITIES								
Accrued Liabilities		94,156		-		-		
Accrued Compensation and Benefits		136,344		76,301		723,678		
Due to Other Funds		328,185		923,554		-		
Unearned Revenues		2,600		345,000		-		
TOTAL LIABILITIES		561,285		1,344,855		723,678		
DEFERRED INFLOWS OF RESOURCES								
Property Tax Revenue		<u> </u>				51,366		
FUND BALANCES								
Nonspendable		306,280		-		-		
Restricted		113,920		-		415,278		
Assigned		-		-		-		
Unassigned		(306,280)				-		
TOTAL FUND BALANCES		113,920				415,278		
TOTAL LIABILITIES, DEFERRED INFLOWS								
OF RESOURCES, AND FUND BALANCES	\$	675,205	\$	1,344,855	\$	1,190,322		

CAPITAL						
2006						
BUILDING		RESERVE	TOTAL			
\$ -	\$	1,594,851	\$	2,629,312		
Ψ - -	Ψ	1,594,651	Ψ	364,958		
_		_		159,828		
_		_		1,344,855		
_		_		306,280		
		_				
\$ -	\$	1,594,851	\$	4,805,233		
				04.450		
-		-		94,156		
-		5,311		941,634		
-		-		1,251,739 347,600		
		<u>-</u> _		347,000		
-		5,311		2,635,129		
				51,366		
_		_		306,280		
_		108,550		637,748		
_		1,480,990		1,480,990		
_		-		(306,280)		
			-	, , ,		
		1,589,540		2,118,738		

1,594,851 \$ 4,805,233

# COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS Year Ended June 30, 2015

	SPECIAL REVENUE							
	_F00	D SERVICES		GRANTS	TRAN	NSPORTATION		
REVENUES Local Sources State Sources Federal Sources	\$	3,950,578 85,633 3,308,404	\$	760,001 1,193,149 10,080,571	\$	7,487,916 3,261,096		
TOTAL REVENUES		7,344,615		12,033,721		10,749,012		
EXPENDITURES Current								
Instruction - Regular Programs Instruction - Special Programs Student Support Services Instructional Staff Services School Administration		- - - -		2,496,548 4,509,401 1,382,451 2,128,860 948,038		1,469,814 - - -		
Operations and Maintenance Student Transportation Central Support Services Food Services Operations Community Services Adult Education		- - - 7,755,487 -		57,366 65,595 53,942 280,729		203,789 12,210,790 -		
Capital Outlay		<u> </u>		110,791		<u> </u>		
TOTAL EXPENDITURES		7,755,487		12,033,721		13,884,393		
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES		(410,872)		<u> </u>		(3,135,381)		
OTHER FINANCING SOURCES Transfers In		494,925				2,826,619		
TOTAL OTHER FINANCING SOURCES		494,925		<u> </u>		2,826,619		
NET CHANGE IN FUND BALANCE		84,053		-		(308,762)		
FUND BALANCE, Beginning, as Restated		29,867				724,040		
FUND BALANCE, Ending	\$	113,920	\$		\$	415,278		

	PRC	

CAPITAL F	ROJ	ECTS	
2006 BUILDING		CAPITAL RESERVE	 TOTAL
\$ 737 -	\$	132,122	\$ 12,331,354 4,539,878
 			 13,388,975
737		132,122	 30,260,207
-		-	2,496,548
-		-	5,979,215
-		-	1,382,451
-		-	2,128,860
-		-	948,038
-		-	203,789
-		-	12,210,790
-		-	57,366 7,821,082
-		-	53,942 280,729
1,231,868		2,161,785	3,504,444
1,231,868		2,161,785	37,067,254
(1,231,131)		(2,029,663)	 (6,807,047)
<u>-</u>		2,765,266	 6,086,810
		2,765,266	 6,086,810
(1,231,131)		735,603	(720,237)
1,231,131		853,937	 2,838,975
\$ -	\$	1,589,540	\$ 2,118,738

### BUDGETARY COMPARISON SCHEDULE FOOD SERVICES FUND Year Ended June 30, 2015

REVENUES		ORIGINAL BUDGET		FINAL BUDGET		ACTUAL	1	ARIANCE Positive Negative)
	•	0.004.000	•	0.700.074	•	0.050.544	•	007.040
Regular School Lunch	\$	2,894,326	\$	2,730,671	\$	2,958,514	\$	227,843
State Sources		67,000		77,000		85,633		8,633
Federal Reimbursements		3,129,774		3,363,613		3,308,404		(55,209)
Breakfast Revenue		78,925		94,395		85,709		(8,686)
A La Carte		537,188		530,000		520,205		(9,795)
Other		499,944		705,090		386,150		(318,940)
TOTAL REVENUES		7,207,157		7,500,769		7,344,615		(156,154)
EXPENDITURES Current								
Food Services Operations		7,405,421		7,696,074		7,755,487		(59,413)
Reserves		222,163		230,882		<u> </u>		230,882
TOTAL EXPENDITURES		7,627,584		7,926,956		7,755,487		171,469
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES		(420,427)		(426,187)		(410,872)		15,315
OTHER FINANCING SOURCES Transfers In		225,000		225,000		494,925		269,925
Hallotto III		220,000		220,000		434,323		203,323
NET CHANGE IN FUND BALANCE		(195,427)		(201,187)		84,053		285,240
FUND BALANCE, Beginning, as Restated		195,427		201,187		29,867		(171,320)
FUND BALANCE, Ending	\$	-	\$		\$	113,920	\$	113,920

#### BUDGETARY COMPARISON SCHEDULE GRANTS FUND Year Ended June 30, 2015

	_	RIGINAL BUDGET	FINAL BUDGET		ACTUAL	/ARIANCE Positive (Negative)
REVENUES		_				_
Local Sources	\$	9,415,688	\$ 9,482,530	\$	760,001	\$ (8,722,529)
State Sources		920,000	868,794		1,193,149	324,355
Federal Sources		9,164,312	 9,148,676		10,080,571	 931,895
TOTAL REVENUES		19,500,000	 19,500,000	_	12,033,721	 (7,466,279)
EXPENDITURES						
Current						
Instruction and Supporting Services-Unallocated		19,500,000	6,813,231		-	6,813,231
Instruction - Regular Programs		-	2,620,196		2,496,548	123,648
Instruction - Special Programs		-	6,125,194		4,509,401	1,615,793
Student Support Services		-	1,239,801		1,382,451	(142,650)
Instructional Staff Services		-	1,974,037		2,128,860	(154,823)
School Administration		-	339,753		948,038	(608, 285)
Central Support Services		-	13,158		57,366	(44,208)
Food Services Operations		-	12,944		65,595	(52,651)
Community Services		-	65,555		53,942	11,613
Adult Education		-	296,131		280,729	15,402
Capital Outlay			 		110,791	 (110,791)
TOTAL EXPENDITURES		19,500,000	 19,500,000		12,033,721	 7,466,279
NET CHANGE IN FUND BALANCE		-	-		-	-
FUND BALANCE, Beginning		<u>-</u>	 			 
FUND BALANCE, Ending	\$		\$ 	\$		\$ 

### BUDGETARY COMPARISON SCHEDULE TRANSPORTATION FUND Year Ended June 30, 2015

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Property Taxes	\$ 7,227,000	\$ 7,227,000	\$ 7,253,678	\$ 26,678
State Transportation Reimbursement	3,186,527	3,210,952	3,261,096	50,144
Other Local Revenue	265,000	295,000	234,238	(60,762)
TOTAL REVENUES	10,678,527	10,732,952	10,749,012	16,060
EXPENDITURES				
Current	4 000 400	4 000 704	4 400 044	(000.050)
Instruction - Special Programs	1,226,169	1,230,764	1,469,814	(239,050)
Operations and Maintenance Student Transportation	259,343 12,229,626	259,343 12,352,478	203,789 12,210,790	55,554 141,688
Emergency Reserves	411,454	415,278	12,210,790	415,278
Emergency Reserves		410,210		410,270
TOTAL EXPENDITURES	14,126,592	14,257,863	13,884,393	373,470
EXCESS OF REVENUES OVER				
(UNDER) EXPENDITURES	(3,448,065)	(3,524,911)	(3,135,381)	389,530
OTHER FINANCING SOURCES				
Transfers In	2,752,209	2,800,871	2,826,619	25,748
NET CHANGE IN FUND BALANCE	(695,856)	(724,040)	(308,762)	415,278
FUND BALANCE, Beginning	695,856	724,040	724,040	
FUND BALANCE, Ending	\$ -	\$ -	\$ 415,278	\$ 415,278

### BUDGETARY COMPARISON SCHEDULE BOND REDEMPTION FUND Year Ended June 30, 2015

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	•	VARIANCE Positive (Negative)
REVENUES	 	 			
Property Taxes	\$ 28,256,109	\$ 36,972,664	\$ 36,766,398	\$	(206,266)
Investment Earnings	20,000	20,000	 23,061		3,061
TOTAL REVENUES	 28,276,109	 36,992,664	 36,789,459		(203,205)
EXPENDITURES Debt Service					
Principal	13,370,000	13,370,000	13,370,000		-
Interest and Fiscal Charges	 14,716,524	 22,716,524	 14,709,074		8,007,450
			 		_
TOTAL EXPENDITURES	28,086,524	36,086,524	 28,079,074		8,007,450
NET CHANGE IN FUND BALANCE	189,585	906,140	8,710,385		7,804,245
FUND BALANCE, Beginning	 25,014,729	 24,822,129	 24,822,129		-
FUND BALANCE, Ending	\$ 25,204,314	\$ 25,728,269	\$ 33,532,514	\$	7,804,245

### BUDGETARY COMPARISON SCHEDULE 2006 BUILDING FUND Year Ended June 30, 2015

	ORIGINAL BUDGET		FINAL BUDGET		ACTUAL		VARIANCE Positive (Negative)	
REVENUES Local Sources				_		_		_
Other Local Revenue	\$	500	\$	500	\$	737	\$	237
TOTAL REVENUES		500		500		737		237
EXPENDITURES Capital Outlay		1,324,240		1,231,631		1,231,868		(237)
TOTAL EXPENDITURES		1,324,240		1,231,631		1,231,868		(237)
NET CHANGE IN FUND BALANCE		(1,323,740)		(1,231,131)		(1,231,131)		-
FUND BALANCE, Beginning		1,323,740		1,231,131		1,231,131		
FUND BALANCE, Ending	\$		\$		\$		\$	

### BUDGETARY COMPARISON SCHEDULE 2014 BUILDING FUND Year Ended June 30, 2015

	ORIGINAI BUDGET	_	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES					
Local Sources					
Other Local Revenue	_\$		\$ 150,000	\$ 27,824	\$ (122,176)
TOTAL REVENUES			150,000	27,824	(122,176)
EXPENDITURES Current					
Bond Issuance Costs		_	1,000,000	913,732	86,268
Capital Outlay		_	14,000,000	2,771,399	11,228,601
TOTAL EXPENDITURES			15,000,000	3,685,131	11,314,869
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES			(14,850,000)	(3,657,307)	11,192,693
OTHER FINANCING SOURCES  Bonds Issued Bond Premium		- -	225,000,000	250,000,000 30,812,900	25,000,000 30,812,900
TOTAL OTHER FINANCING SOURCES	-		225,000,000	280,812,900	55,812,900
NET CHANGE IN FUND BALANCE		-	210,150,000	277,155,593	67,005,593
FUND BALANCE, Beginning					<u>-</u>
FUND BALANCE, Ending	\$		\$ 210,150,000	\$ 277,155,593	\$ 67,005,593

### BUDGETARY COMPARISON SCHEDULE CAPITAL RESERVE FUND Year Ended June 30, 2015

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	
REVENUES					
Local Sources	\$ 92,6	84 \$ 107,684	1 \$ 132,122	\$ 24,438	
TOTAL REVENUES	92,6	84 107,684	132,122	24,438	
EXPENDITURES					
Capital Outlay					
Salaries and Benefits	400,0	00 500,000	456,314	43,686	
Building Improvements	664,0	00 1,196,502	494,622	701,880	
Operating Departments	174,3	50 880,721	523,113	357,608	
School Projects	1,240,8	04 1,041,114	4 687,736	353,378	
Reserves	74,3	75 108,550	) -	108,550	
TOTAL EXPENDITURES	2,553,5	29 3,726,887	2,161,785	1,565,102	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,460,8	45) (3,619,203	3) (2,029,663)	1,589,540	
OTHER FINANCING SOURCES					
Transfers In	2,261,1	56 2,765,266	2,765,266	<u>-</u>	
NET CHANGE IN FUND BALANCE	(199,6	89) (853,937	7) 735,603	1,589,540	
FUND BALANCE, Beginning	199,6	89 853,937	853,937	<del>-</del>	
FUND BALANCE, Ending	\$	- \$	- \$ 1,589,540	\$ 1,589,540	

### **INTERNAL SERVICE FUNDS**

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

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

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



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## Boulder Valley School District RE-2 COMBINING STATEMENT OF NET POSITION

## COMBINING STATEMENT OF NET POSITION INTERNAL SERVICE FUNDS June 30, 2015

	HEALTH INSURANCE FUND			ENTAL ANCE FUND	TOTAL		
ASSETS							
Cash and Investments	\$	8,336,182	\$	795,522	\$	9,131,704	
TOTAL ASSETS		8,336,182		795,522		9,131,704	
LIABILITIES							
Claims Payable		1,217,292		145,223		1,362,515	
Accrued Compensation and Benefits		551				551	
TOTAL LIABILITIES		1,217,843		145,223		1,363,066	
NET POSITION							
Unrestricted		7,118,339		650,299		7,768,638	
TOTAL NET POSITION	\$	7,118,339	\$	650,299	\$	7,768,638	

### Boulder Valley School District RE-2 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION INTERNAL SERVICE FUNDS Year Ended June 30, 2015

	HEALTH INSURANCE FUND I			DENTAL RANCE FUND	TOTAL
OPERATING REVENUES Premiums and Services Other	\$	26,494,622 461,509	\$	2,197,941 850	\$ 28,692,563 462,359
TOTAL OPERATING REVENUES		26,956,131		2,198,791	 29,154,922
OPERATING EXPENSES					
Salaries		191,641		29,476	221,117
Benefits		46,908		7,392	54,300
Insurance Premiums and Claims		23,927,664		1,933,331	25,860,995
Administrative Fees		899,180		166,657	1,065,837
Other		2,051,084		7,219	 2,058,303
TOTAL OPERATING EXPENSES		27,116,477		2,144,075	 29,260,552
CHANGE IN NET POSITION		(160,346)		54,716	(105,630)
NET POSITION, Beginning, as Restated		7,278,685		595,583	 7,874,268
NET POSITION, Ending	\$	7,118,339	\$	650,299	\$ 7,768,638

### COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS

### Increase (Decrease) in Cash and Cash Equivalents Year Ended June 30, 2015

	HEALTH DENTAL INSURANCE FUND INSURANCE FUND		TOTAL	
Cash Flows From Operating Activities Premiums Received Cash Payments for Premiums and Claims Cash Paid to Employees	\$	26,956,131 (26,931,126)	\$ 2,198,791 (2,242,365)	\$ 29,154,922 (29,173,491)
Cash Paid to Employees  Net Cash Provided (Used) by Operating Activities		(238,274)	(80,717)	(275,417)
Net Change in Cash and Cash Equivalents		(213,269)	(80,717)	(293,986)
CASH AND CASH EQUIVALENTS, Beginning		8,549,451	 876,239	 9,425,690
CASH AND CASH EQUIVALENTS, Ending	\$	8,336,182	\$ 795,522	\$ 9,131,704
RECONCILIATION OF CHANGE IN NET POSITION TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES Change in Net Position Adjustments to Reconcile Change in Net Position to Net Cash Provided (Used) by Operating Activities Changes in Assets and Liabilities Related to Operations	\$	(160,346)	\$ 54,716	\$ (105,630)
Claims Payable Accrued Compensation and Benefits		(53,198) 275	 (135,158) (275)	 (188,356)
Net Cash Provided (Used) by Operating Activities	\$	(213,269)	\$ (80,717)	\$ (293,986)

### BUDGETARY COMPARISON SCHEDULE HEALTH INSURANCE FUND Year Ended June 30, 2015

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	
OPERATING REVENUES					
Premiums and Services	\$ 26,466,192	\$ 26,466,192	\$ 26,494,622	\$ 28,430	
Other	529,867	529,867	461,509	(68,358)	
TOTAL OPERATING REVENUES	26,996,059	26,996,059	26,956,131	(39,928)	
OPERATING EXPENSES					
Salaries	191,026	157,804	191,641	(33,837)	
Benefits	49,262	42,772	46,908	(4,136)	
Insurance Premiums and Claims	27,041,725	27,041,725	23,927,664	3,114,061	
Administrative Fees	910,000	910,000	899,180	10,820	
Other	711,291	711,291	2,051,084	(1,339,793)	
Reserves	690,643	3,152,211		3,152,211	
TOTAL OPERATING EXPENSES	29,593,947	32,015,803	27,116,477	4,899,326	
CHANGE IN NET POSITION	(2,597,888)	(5,019,744)	(160,346)	4,859,398	
NET POSITION, Beginning, as Restated	2,597,888	5,019,744	7,278,685	2,258,941	
NET POSITION, Ending	\$ -	\$ -	\$ 7,118,339	\$ 7,118,339	

### BUDGETARY COMPARISON SCHEDULE DENTAL INSURANCE FUND Year Ended June 30, 2015

	ORIGINAL BUDGET		FINAL BUDGET		ACTUAL		VARIANCE Positive (Negative)	
OPERATING REVENUES		_						
Premiums and Services	\$	2,475,304	\$	2,475,304	\$	2,197,941	\$	(277,363)
Other		500		500		850		350
TOTAL OPERATING REVENUES		2,475,804		2,475,804		2,198,791	-	(277,013)
OPERATING EXPENSES								
Salaries		41,697		30,703		29,476		1,227
Benefits		10,729		8,580		7,392		1,188
Insurance Premiums and Claims		2,341,524		2,341,524		1,933,331		408,193
Administrative Fees		190,000		190,000		166,657		23,343
Other		21,000		21,000		7,219		13,781
Reserves		186,441		249,169				249,169
TOTAL OPERATING EXPENSES		2,791,391		2,840,976		2,144,075		696,901
CHANGE IN NET POSITION		(315,587)		(365,172)		54,716		419,888
NET POSITION, Beginning, as Restated		315,587		365,172		595,583		230,411
NET POSITION, Ending	\$		\$	_	\$	650,299	\$	650,299



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#### **FIDUCIARY FUNDS**

### **Private Purpose Trust Funds**

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

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

### **Agency Fund**

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



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# Boulder Valley School District RE-2 COMBINING STATEMENT OF FIDUCIARY NET POSITION

#### COMBINING STATEMENT OF FIDUCIARY NET POSITION PRIVATE PURPOSE TRUST FUNDS June 30, 2015

	SCH	HOLARSHIP	 TRUST	TOTAL	
ASSETS Cash and Investments	\$	1,120,758	\$ 207,620	\$	1,328,378
TOTAL ASSETS		1,120,758	 207,620		1,328,378
NET POSITION Held in Trust for Scholarships	\$	1,120,758	\$ 207,620	\$	1,328,378

# COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION PRIVATE PURPOSE TRUST FUNDS Year Ended June 30, 2015

	SCHOLARSHIP			TRUST	RUST TOTAL		
ADDITIONS Contributions	\$	9,898	\$	763	\$	10,661	
TOTAL ADDITIONS		9,898		763		10,661	
<b>DEDUCTIONS</b> Scholarships and Awards		11,500		3,500		15,000	
CHANGE IN HELD IN TRUST FOR SCHOLARSHIPS		(1,602)		(2,737)		(4,339)	
HELD IN TRUST FOR SCHOLARSHIPS, Beginning		1,122,360		210,357		1,332,717	
HELD IN TRUST FOR SCHOLARSHIPS, Ending	\$	1,120,758	\$	207,620	\$	1,328,378	

# Boulder Valley School District RE-2 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

## **AGENCY FUND**

Year Ended June 30, 2015

	Balances 6/30/14		Additions	Deductions		1	Balances 6/30/15
ASSETS							
Cash and Investments - Student Groups	\$	2,898,247	\$ 9,162,682	\$	9,142,311	\$	2,918,618
Cash and Investments - School Groups		1,052,066	 3,823,059		3,806,551		1,068,574
TOTAL ASSETS	\$	3,950,313	\$ 12,985,741	\$	12,948,862	\$	3,987,192
LIABILITIES							
Due to Student Groups	\$	2,898,247	\$ 9,162,682	\$	9,142,311	\$	2,918,618
Due to School Groups		1,052,066	 3,823,059		3,806,551		1,068,574
TOTAL LIABILITIES	\$	3,950,313	\$ 12,985,741	\$	12,948,862	\$	3,987,192



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COMPONENT UNITS

The component units consist of five charter schools: Boulder Preparatory High, 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.

### COMBINING STATEMENT OF NET POSITION COMPONENT UNITS June 30, 2015

100570		BOULDER PREP	H	IORIZONS	PEAK TO PEAK	
ASSETS					_	
Cash and Investments	\$	216,499	\$	1,179,622	\$	4,861,561
Restricted Cash and Investments		-		-		3,555,115
Accounts Receivable		-		-		3,862
Inventories		-		650		
Prepaid Items		70.400		-		7,728
Capital Assets, Not Being Depreciated		76,400		-		2,200,576
Capital Assets, Net of Accumulated Depreciation		422,888		177,367		14,275,436
TOTAL ASSETS		715,787		1,357,639		24,904,278
DEFERRED OUTFLOWS OF RESOURCES						
Loss on Debt Refunding		-		-		3,613,616
Change in Investment Earnings		43,171		135,696		465,347
Change in Proportionate Share		-		109,959		-
Contributions Subsequent to the Measurement Date		52,245		164,221		625,828
TOTAL DEFERRED OUTFLOWS OF RESOURCES		95,416		409,876		4,704,791
LIABILITIES						
Accounts Payable		3,598		31,642		108,939
Accrued Compensation and Benefits		-		148,844		761,041
Unearned Revenues		-		-		34,896
Accrued Interest Payable		-		-		303,994
Noncurrent Liabilities						
Due Within One Year		9,301		-		472,588
Due in More Than One Year		193,972		-		18,686,281
Net Pension Liability		1,877,247		5,900,660		20,235,346
TOTAL LIABILITIES		2,084,118		6,081,146		40,603,085
DEFERRED INFLOWS OF RESOURCES						
Change in Experience		140		441		1,511
Change in Proportionate Share		166,138				480,401
TOTAL DEFERRED INFLOWS OF RESOURCES		166,278		441		481,912
NET POSITION						
Net Investment in Capital Assets		296,015		177,367		994,392
Restricted for Advanced Placement Testing		-		-		9,972
Restricted for Scholarships		-		-		1,080,497
Restricted for Debt Service		-		-		1,910,639
Restricted for Repair and Maintenance		-		-		250,013
Restricted for Capital Renewal		-		10,000		-
Restricted for Emergencies		30,845		102,342		463,715
Restricted for Donations		-		-		-
Unrestricted		(1,766,053)		(4,603,781)		(16,185,156)
TOTAL NET POSITION	\$	(1,439,193)	\$	(4,314,072)	\$	(11,475,928)

	SUMMIT	JU	STICE HIGH	TOTAL			
\$	2 160 109	œ	144,462	\$	9 562 642		
Φ	2,160,498	\$	144,402	Φ	8,562,642		
	-		-		3,555,115		
	-		-		3,862		
	-		-		650		
	-		-		7,728		
	-		-		2,276,976		
	19,191				14,894,882		
	2,179,689		144,462		29,301,855		
	_		_		3,613,616		
	110,863		30,713		785,790		
	247,815		-		357,774		
	134,168		37,169		1,013,631		
	104,100		07,100		1,010,001		
	492,846		67,882		5,770,811		
	1,214		1,528		146,921		
	154,462				1,064,347		
	-		_		34,896		
	_		_		303,994		
					303,334		
	-		-		481,889		
	-		-		18,880,253		
	4,820,826		1,335,544		34,169,623		
	4,976,502		1,337,072		55,081,923		
	,,		,,-	-	,,-		
	360		99		2,551		
	-		229,166		875,705		
			220,100		070,700		
	360		229,265		878,256		
	19,191		-		1,486,965		
	-		-		9,972		
	-		-		1,080,497		
	_		_		1,910,639		
	_		_		250,013		
	_		_		10,000		
	101,062		22,279		720,243		
	22,308		2,169		24,477		
	(2,446,888)		(1,378,441)		(26,380,319)		
	(2,110,000)		(1,070,441)	-	(20,000,010)		
\$	(2,304,327)	\$	(1,353,993)	\$	(20,887,513)		

# Boulder Valley School District RE-2 COMBINING STATEMENT OF ACTIVITIES

# COMBINING STATEMENT OF ACTIVITIES COMPONENT UNITS Year Ended June 30, 2015

	BOULDER PREP		HORIZONS		PEAK TO PEAK	
EXPENSES		227.224	_	0.500.554	_	0.505.004
Instruction	\$	635,661	\$	2,568,554	\$	8,507,394
Supporting Services		497,578		1,102,445		6,436,985
Interest and Fiscal Charges Component Unit		7,993		-		555,737
Component onit				<u>-</u>		<u>-</u>
TOTAL EXPENSES		1,141,232		3,670,999		15,500,116
PROGRAM REVENUES						
Charges for Services		-		217,037		1,338,089
Operating Grants and Contributions		274,234		97,442		456,284
Capital Grants and Contributions		45,150		102,181		239,346
TOTAL PROGRAM REVENUES		240 204		446.660		2 022 740
TOTAL PROGRAM REVENUES		319,384		416,660		2,033,719
NET EXPENSE (REVENUE)		(821,848)		(3,254,339)		(13,466,397)
GENERAL REVENUES						
Per Pupil Revenues		668,805		2,314,893		9,790,565
Mill Levy Override		204,993		764,767		3,193,074
At-Risk Supplemental Aid		4,833		-		-
Capital Construction Funding		15,913		28,119		-
Grants and Contributions Not Restricted						
to Specific Programs		16,710		261,058		451,635
Investment Earnings		1,687		-		32,463
Other				4,176		1,883,905
TOTAL GENERAL REVENUES		912,941		3,373,013		15,351,642
CHANGE IN NET POSITION		91,093		118,674		1,885,245
NET POSITION, Beginning, as Restated		(1,530,286)		(4,432,746)		(13,361,173)
NET POSITION, Ending	\$	(1,439,193)	\$	(4,314,072)	\$	(11,475,928)

 SUMMIT	JU	STICE HIGH	TOTAL			
\$ 2,239,960	\$	377,895	\$	14,329,464		
1,379,980		400,042		9,817,030		
-		-		563,730		
 34,393				34,393		
3,654,333		777,937		24,744,617		
_		_				
104,583		-		1,659,709		
108,442		165,388		1,101,790		
 				386,677		
213,025		165,388		3,148,176		
 (3,441,308)		(612,549)		(21,596,441)		
2,444,776		598,354		15,817,393		
770,088		81,524		5,014,446		
-		22,391		27,224		
35,271		12,443		91,746		
72 270				902 772		
73,370 1,248		-		802,773 35,398		
1,240		-		1,888,081		
 				1,000,001		
 3,324,753		714,712		23,677,061		
(116,555)		102,163		2,080,620		
 (2,187,772)		(1,456,156)		(22,968,133)		
\$ (2,304,327)	\$	(1,353,993)	\$	(20,887,513)		



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STATISTICAL SECTION



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# 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	118 - 125
Revenue Capacity		
These tables contain information to help the reader assess the district's largest revenue source: property taxes.	5 - 8	126 - 133
Debt Capacity		
These tables present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	9 - 12	134 - 138
Demographic and Economic Information		
These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	13 -14	139 - 141
Operating Information		
These tables contain service data to help the reader understand how the information in the financial report relates to the services the district provides and the activities it performs.	15-18	142 - 155

### NET POSITION BY COMPONENT Last 10 Fiscal Years

#### (Unaudited)

	Ju	ıne 30, 2006	Jı	une 30, 2007	June 30, 2008		J	une 30, 2009
Governmental Activities								
Net Investment in Capital Assets	\$	51,647,224	\$	53,686,966	\$	65,773,525	\$	69,851,279
Restricted		24,912,968		32,797,516		31,414,692		36,657,498
Unrestricted		18,100,286		20,535,493		16,090,059		10,570,286
Total Governmental Activities		94,660,478	,	107,019,975		113,278,276		117,079,063
Business-Type Activities								
Net Investment in Capital Assets		241,459		217,527		356,784		300,555
Restricted		156,368		163,236		170,927		182,553
Unrestricted		483,950		190,339		(19,621)		(148,996)
Total Business-Type Activities		881,777		571,102	508,090			334,112
Primary Government								
Net Investment in Capital Assets		51,888,683		53,904,493		66,130,309		70,151,834
Restricted		25,069,336		32,960,752		31,585,619		36,840,051
Unrestricted		18,584,236		20,725,832		16,070,438		10,421,290
Total Primary Government	\$	95,542,255	\$	107,591,077	\$	113,786,366	\$	117,413,175

Note: The district adopted GASB No. 65 in fiscal year 2013. Issuance costs have been restated as of July 1, 2012.

As required by the Colorado Department of Education, the district recognized the Food Services Fund (previously reported as a business-type activity) as a Special Revenue fund and Governmental activity as of July 1, 2014.

The district adopted GASB No. 68 in fiscal year 2015, which required the recognition of net pension liability and certain deferred inflows of resources and outflows of resources as of July 1, 2014.

J	June 30, 2010		June 30, 2011		June 30, 2012		une 30, 2013 June 30, 2014		 June 30, 2015	
\$	79,862,762	\$	80,504,664	\$	85,372,124	\$	92,872,518	\$	90,807,938	\$ 87,284,393
	39,488,349		33,808,972		33,189,140		33,197,541		33,435,619	40,973,413
	13,097,872		32,745,041		29,790,356		24,175,800		19,764,725	(573,818,207)
	132,448,983		147,058,677		148,351,620		150,245,859		144,008,282	(445,560,401)
	247,954		221,203		175,072		147,140		171,320	-
	176,491		286,940		175,308		187,102		195,427	_
	(788,601)		(322,254)		(175,072)		(147,140)		(165,560)	-
	(364,156)		185,889		175,308		187,102		201,187	-
	80,110,716		80,725,867		85,547,196		93,019,658		90,979,258	87,284,393
	39,664,840		34,095,912		33,364,448		33,384,643		33,631,046	40,973,413
	12,309,271		32,422,787		31,503,876		24,028,660		19,599,165	 (573,818,207)
\$	132,084,827	\$	147,244,566	\$	150,415,520	\$	150,432,961	\$	144,209,469	\$ (445,560,401)

# Boulder Valley School District RE-2 CHANGES IN NET POSITION

## **Last 10 Fiscal Years**

### (Unaudited)

Primary Government	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009
Expenses Governmental Activities				
Instruction	\$ 159,937,412	\$ 162,839,335	\$ 174,678,565	\$ 184,528,008
Supporting Services	76,041,071	85,954,536	94,388,108	91,944,942
Interest Expense	6,732,020	8,429,419	9,817,663	13,076,805
Total Governmental Activities	242,710,503	257,223,290	278,884,336	289,549,755
Business-Type Activities	212,710,000	201,220,200	270,001,000	200,010,700
Food Services	5,211,811	5,625,673	5,728,486	5,708,651
Total Business-Type Activities	5,211,811	5,625,673	5,728,486	5,708,651
71	, ,	, ,	, ,	, ,
Total Primary Government Expenses	247,922,314	262,848,963	284,612,822	295,258,406
Program Revenues				
Governmental Activities				
Charges for Services				
Instruction	1,071,875	729,238	805,306	850,255
Supporting Services	8,154,329	9,737,651	10,496,456	10,908,725
Operating Grants and Contributions	19,442,789	20,948,003	19,718,065	20,861,065
Capital Grants and Contributions				
Total Governmental Activities	28,668,993	31,414,892	31,019,827	32,620,045
Business-Type Activities				
Charges for Services	0.074.040		0.040.400	0.404.704
Food Services	3,371,042	3,486,250	3,649,198	3,124,504
Operating Grants and Contributions	1,669,144	1,828,748	2,016,276	2,185,169
Total Business-Type Activities	5,040,186	5,314,998	5,665,474	5,309,673
Total Primary Government Program Revenues	33,709,179	36,729,890	36,685,301	37,929,718
Net (Expense) Revenue				
Governmental Activities	(214,041,510)	(225,808,398)	(247,864,509)	(256,929,710)
Business-Type Activities	(171,625)	(310,675)	(63,012)	(398,978)
31	( , , = = /	(==,==,		(222)2
Total Primary Government Net (Expense)	(214,213,135)	(226,119,073)	(247,927,521)	(257,328,688)
General Revenues and Transfers				
Governmental Activities				
Property Taxes	154,646,048	164,129,499	174,440,943	182,808,375
Specific Ownership Taxes	10,887,850	11,108,990	11,258,208	9,995,765
State Equalization	51,919,871	58,089,462	56,336,553	61,973,644
State Fiscal Stabilization Fund	-	-	-	-
Investment Earnings	1,192,940	3,629,865	7,152,235	2,288,518
Insurance Proceeds	-	-	-	-
Other Revenues	2,263,535	1,210,079	4,834,871	3,989,195
Transfers	-			
Total Governmental Activities	220,910,244	238,167,895	254,022,810	261,055,497
Business-Type Activities				
Transfers				
Total Primary Government Revenues and Transfers	220,910,244	238,167,895	254,022,810	261,055,497
Change in Net Position				
Governmental Activities	6,868,734	12,359,497	6,158,301	4,125,787
Business-type Activities	(171,625)	(310,675)	(63,012)	(398,978)
Total Primary Government	\$ 6,697,109	\$ 12,048,822	\$ 6,095,289	\$ 3,726,809
•	· ,			

June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
•	•	•	•	•	•
\$ 184,537,048	\$ 188,306,226	\$ 200,020,904	\$ 205,026,722	\$ 214,083,289	\$ 240,165,692
93,260,558 16,358,947	102,051,046 16,456,075	103,678,052 15,993,118	98,720,151 15,258,134	114,982,286 14,685,794	131,540,473
294,156,553	16,456,075 306,813,347	319,692,074	319,005,007	343,751,369	16,003,560 387,709,725
,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		0.0,00=,00	, ,	, ,	
6,033,046	5,735,910	5,946,779	6,350,628	6,939,928	
6,033,046	5,735,910	5,946,779	6,350,628	6,939,928	-
300,189,599	312,549,257	325,638,853	325,355,635	350,691,297	387,709,725
885,640	1,049,174	1,253,365	1,262,543	7,229,664	7,938,683
10,934,983	10,931,866	11,245,296	11,851,986	6,857,643	10,918,529
24,748,470	25,719,981	23,819,210	22,481,256	22,613,126	28,672,251
3,747,258	386,381	6,531,809	2,708,752	-	110,791
40,316,351	38,087,402	42,849,680	38,304,537	36,700,433	47,640,254
2,696,927	2,545,086	2,823,846	3,062,748	3,352,443	_
2,412,851	2,486,869	2,713,851	2,846,872	3,049,864	
5,109,778	5,031,955	5,537,697	5,909,620	6,402,307	-
45,426,129	43,119,357	48,387,377	44,214,157	43,102,740	47,640,254
(253,840,202)	(268,725,945)	(276,842,394)	(280,700,470)	(307,050,936)	(340,069,471)
(923,268)	(703,955)	(409,082)	(441,008)	(537,621)	
(254,763,470)	(269,429,900)	(277,251,476)	(281,141,478)	(307,588,557)	(340,069,471)
193,973,616	212,383,487	211,385,970	214,017,080	221,192,341	232,169,602
9,251,558	9,404,630	9,836,876	10,466,659	11,583,505	12,575,734
64,227,060	53,462,090	56,488,225	57,695,380	61,203,456	73,935,111
716.554	7,628,224	180,742	- 05 745	33,500	209,216
716,554	444,720	126,883	85,715	38,554 4,920,401	68,996 336,130
1,266,334	1,266,488	1,989,913	- 782,677	2,393,308	1,332,941
(225,000)	(1,254,000)	(398,501)	(452,802)	(405,017)	1,002,041
269,210,122	283,335,639	279,610,108	282,594,709	300,960,048	320,627,730
225,000	1,254,000	398,501	452,802	405,017	
269,435,122	284,589,639	280,008,609	283,047,511	301,365,065	320,627,730
15,369,920	14,609,694	2,767,714	1,894,239	(6,237,577)	(19,441,741)
(698,268)	550,045	(10,581)	11,794	14,085	-,
\$ 14,671,652	\$ 15,159,739	\$ 2,757,133	\$ 1,906,033	\$ (6,223,492)	\$ (19,441,741)

# FUND BALANCES OF GOVERNMENTAL FUNDS Last 10 Fiscal Years

### (Unaudited)

	 2006	 2007	 2008	 2009
General Fund				
Reserved	\$ 6,416,452	\$ 7,039,417	\$ 7,244,362	\$ 7,543,322
Unreserved	17,132,787	21,551,939	14,521,629	12,092,348
Subtotal	 23,549,239	 28,591,356	21,765,991	 19,635,670
Other Governmental Funds				
Reserved	501,254	521,385	683,809	1,135,289
Unreserved, reported in Grants Fund	-	_	_	_
Debt Service Fund	15,912,470	23,304,815	17,282,227	20,663,878
Capital Projects Fund	2,310,761	122,941,492	93,862,349	169,505,386
Special Revenue Fund	143,238	682,392	318,922	-
Subtotal	 18,867,723	 147,450,084	112,147,307	191,304,553
Total Governmental Funds	\$ 42,416,962	\$ 176,041,440	\$ 133,913,298	\$ 210,940,223
General Fund				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	 -	 -	 -	 -
Subtotal	-	-	-	-
Other Governmental Funds				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Assigned	-	-	-	-
Unassigned	 	 	 	 <u>-</u>
Subtotal	-	-	-	-
Total Governmental Funds	\$ 	\$ -	\$ 	\$ 

Note: The district adopted GASB No. 54 in fiscal year 2011.

 2010	 2011	 2012	 2013	 2014	 2015
\$ 7,441,515 12,203,848 19,645,363	\$ - - -	\$ - -	\$ - -	\$ - -	\$ - -
1,246,044	-	-	-	-	-
(1,422,177) 24,032,073 101,209,140 	- - - -	 - - -	- - -	 - - - -	 - - - -
\$ 144,710,443	\$ <u> </u>	\$ 	\$ 	\$ 	\$ 
\$ - - -	\$ 373,499 8,446,994 3,579,393 10,785,148 7,440,288	\$ 375,768 8,837,606 2,471,900 - 16,123,842	\$ 679,078 8,835,965 2,636,718 - 16,180,855	\$ 956,496 9,041,519 - - - 17,572,988	\$ 882,881 9,655,786 - - 20,431,108
<del></del>	30,625,322	27,809,116	 28,332,616	27,571,003	 30,969,775
- - - -	24,974,541 46,778,607 (100,540) 71,652,608	30,816,441 6,702,180 - 37,518,621	 27,945,863 2,123,646 - 30,069,509	 26,592,260 1,038,977 27,631,237	 306,280 311,325,855 1,480,990 (306,280) 312,806,845
\$ 	\$ 102,277,930	\$ 65,327,737	\$ 58,402,125	\$ 55,202,240	\$ 343,776,620

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

#### (Unaudited)

	2006	2007	2008	2009
Revenues				
Local Sources				
Current Property Taxes	\$ 155,286,194	\$ 165,456,960	\$ 174,006,259	\$ 181,017,953
Specific Ownership Taxes	10,887,850	11,108,990	11,258,208	9,995,765
Delinquent Property Taxes	197,766	988,215	147,499	248,156
Grants	379,077	415,434	425,429	739,098
Tuition and Fees	5,856,936	4,978,744	5,026,167	5,868,843
Interest	1,192,940	3,629,864	7,152,235	2,288,518
Food Service Revenue	-	-	-	=
Miscellaneous	5,632,801	5,185,099	11,110,467	9,879,333
State Sources				
Equalization	51,919,871	58,089,462	56,336,553	61,973,644
Special Education	4,382,998	4,325,948	4,450,546	4,449,466
State Fiscal Stabilization Fund	-	-	-	-
Transportation	1,812,163	1,953,274	1,629,616	2,244,747
Vocational Education	745,959	1,382,780	945,566	1,098,195
Grants	699,254	1,431,036	39,200	198,448
Miscellaneous	342,855	594,242	432,416	400,302
Federal Sources				
Medicaid	205,233	1,512	306,245	381,501
Grants	10,875,250	10,843,777	11,489,046	11,349,308
Food Service Reimbursements	-	-	-	-
Total Revenues	250,417,147	270,385,337	284,755,452	292,133,277
Expenditures				
Regular Instruction	106,537,319	111,167,575	118,137,145	124,512,216
Special Instruction	42,475,585	44,666,239	48,087,295	48,462,119
Instructional Support				
Student Services	5,737,529	6,127,364	7,202,651	7,726,360
Instructional Staff Support	9,200,010	11,265,749	11,976,063	11,489,131
School Administration and Operations				
School Administration	14,968,318	15,818,323	16,473,185	17,865,922
Operations and Maintenance	16,890,272	16,915,946	18,005,709	18,855,666
Student Transportation	7,439,219	7,727,513	8,952,362	9,218,669
District Wide/Community Services				
General Administration	2,832,062	3,132,739	3,253,790	2,757,510
Business Services	2,016,893	2,121,958	2,211,860	2,693,872
Central Services	10,813,212	11,302,707	10,887,214	10,956,736
Food Services Operations	, , , <u>-</u>	, , , <u>-</u>	, , , <u>-</u>	, , -
Enterprise Operations	_	_	_	_
Community Services	4,373,239	4,815,749	5,010,135	4,981,140
Adult Basic Education	92,263	117,797	147,949	116,098
Debt Service	02,200	,	, 5 . 5	,
Principal	7,555,000	7,880,000	10,535,000	10,105,000
Interest and Fiscal Charges	6,741,497	6,427,353	11,172,641	12,477,695
Debt Issuance Costs	0,7 + 1, + 07	687,174	124,702	1,330,325
Capital Outlay	7,171,042	8,002,276	46,175,383	112,036,962
Total Expenditures	244,843,460	258,176,462	318,353,084	395,585,421
Total Experiorales	244,043,400	230,170,402	310,333,004	393,303,421
Other Financing Sources (Uses)				
Sale of School Property	=	=	=	=
Insurance Proceeds	=	=	=	=
Transfers In	11,644,143	8,032,741	10,484,082	4,754,381
Transfers Out	(11,171,010)	(8,032,741)	(14,584,082)	(4,979,381)
Bonds Issued	(,,)	120,000,000	49,910,000	176,800,000
Bond Premuim	_	1,415,603	2,824,044	3,904,069
Payment to Escrow Agent	_	1,410,000	(57,164,554)	0,004,000
Total Other Financing Sources (Uses)	473,133	121,415,603	(8,530,510)	180,479,069
	6,046,820		, , ,	77,026,925
Net Change in Fund Balances		133,624,478	(42,128,142)	
Fund Balance, Beginning	36,370,142	42,416,962	176,041,440	133,913,298
Fund Balance, Ending	\$ 42,416,962	\$ 176,041,440	\$ 133,913,298	\$ 210,940,223
Debt Service as a Percentage of Noncapital Expenditures	5.90% 124	5.87%	7.80%	8.34%

	2010		2011		2012		2013	2014			2015
\$	193,830,522	\$	212,310,056	\$	211,261,417	\$	213,101,317	\$	222,253,354	\$	232,179,826
Ψ	9,251,558	Ψ	9,404,630	Ψ	9,836,876	Ψ	10,466,659	Ψ	11,583,505	Ψ	12,575,734
	115,978		227,096		282,202		197,013		215,793		557,570
	570,743		643,019		523,146		554,519		639,331		760,001
	5,856,442		6,068,801		6,543,035		8,390,490		9,649,790		10,393,455
	716,554		444,720		126,883		85,715		38,554		68,996
	- 10,001				-		-		-		3,902,609
	10,977,773		7,565,108		10,457,358		5,581,447		6,830,825		6,020,558
	64,227,060		53,462,090		56,488,225		57,695,380		61,203,456		73,935,111
	4,525,751 -		4,300,112 2,116,382		4,695,420		4,835,600 -		5,397,619 -		5,402,497 -
	2,506,921		2,730,405		2,915,419		3,172,498		3,205,307		3,261,096
	1,391,921		1,059,030		907,589		1,185,965		1,014,120		1,193,205
	649,220		830,508		574,109		314,708		474,378		1,193,149
	733,858		776,173		766,433		798,632		874,855		2,124,898
	529,192		908,801		1,335,538		1,072,354		827,225		1,382,268
	12,418,687		21,405,952		12,282,298		10,546,199		10,213,791		10,080,571
	-								<u> </u>		3,308,404
	308,302,180		324,252,883		318,995,948		317,998,496		334,421,903		368,339,948
	129,345,449		129,694,776		134,540,220		138,803,749		147,962,035		153,657,447
	48,778,916		48,672,908		48,722,631		48,355,374		51,208,372		54,275,508
	8,338,184		7,821,093		10,695,514		11,059,003		12,240,626		12,726,343
	12,228,132		11,839,653		11,754,232		11,261,483		12,512,844		13,551,009
	18,299,706		18,178,756		19,037,915		19,527,725		20,442,615		21,750,812
	20,526,501		20,406,434		20,261,982		21,315,547		22,312,345		22,950,430
	10,146,947		10,954,306		11,874,817		11,255,337		12,030,563		12,210,790
	2,678,408		2,783,571		2,916,898		3,014,889		3,030,421		3,562,599
	2,803,873		2,593,077		2,742,194		3,098,198		3,773,977		3,892,155
	10,173,778		10,299,898		12,044,255		11,505,688		17,696,836		13,467,695
	-		-		12,011,200		-		3,053		7,821,082
	_		90,810		52,735		141,375		5,055		7,021,002
	5,034,613		5,065,759		4,921,301		4,868,036		5,152,983		5,688,917
	97,140		149,707		135,188		150,971		325,253		280,729
	9,870,000		11,570,000		14,890,000		12,250,000		12,790,000		13,370,000
	17,036,074		17,075,900		16,615,268		15,882,292		15,312,930		14,709,074
	453,110		-		-		-		-		913,732
	76,734,547		66,234,748		45,481,450		12,291,962		5,195,630		6,275,843
	372,545,378		363,431,396		356,686,600		324,781,629		341,990,483		361,104,165
					1 120 060						
	- -		-		1,138,960		310,323		4,773,712		495,830
	5,281,112		12,051,538		8,098,037		6,072,727		5,038,558		6,086,810
	(5,506,112)		(15,305,538)		(8,496,538)		(6,525,529)		(5,443,575)		(6,086,810)
	53,645,000		(10,000,000)		(0,430,330)		(0,020,020)		(3,443,373)		250,000,000
	2,385,564		_								30,812,900
	(57,792,146)				_		-		-		=
	(1,986,582)		(3,254,000)		740,459		(142,479)		4,368,695		281,308,730
	(66,229,780)		(42,432,513)		(36,950,193)		(6,925,612)		(3,199,885)		288,544,513
	210,940,223		144,710,443		102,277,930		65,327,737		58,402,125		55,232,107
\$	144,710,443	\$	102,277,930	\$	65,327,737	\$	58,402,125	\$	55,202,240	\$	343,776,620
	9.18%		9.30%		9.97%		9.11%		8.27%		8.10%

# ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY Last 10 Fiscal Years

#### (Unaudited)

Taxable Assessed Value

Taxable Assessed value								
Residential	Commercial	All		<b>Total Direct</b>				
Property	Property	Other	Total	Tax Rate*				
2,064,990,490	1,766,828,760	322,566,613	4,154,385,863	37.685				
2,096,273,840	1,764,603,370	304,095,073	4,164,972,283	39.564				
2,334,001,690	1,956,154,040	337,926,058	4,628,081,788	37.865				
2,334,456,140	2,047,735,440	299,416,056	4,681,607,636	39.113				
2,451,438,580	1,562,360,162	864,866,444	4,878,665,186	39.999				
2,470,710,400	1,656,952,142	737,801,555	4,865,464,097	43.838				
2,429,617,885	1,599,185,710	699,134,869	4,727,938,464	44.843				
2,447,708,360	1,599,001,398	685,388,865	4,732,098,623	45.547				
2,503,236,110	1,701,380,837	698,454,024	4,903,070,971	45.372				
2,529,623,742	1,684,921,078	712,472,722	4,927,017,542	47.569				
	2,064,990,490 2,096,273,840 2,334,001,690 2,334,456,140 2,451,438,580 2,470,710,400 2,429,617,885 2,447,708,360 2,503,236,110	Residential Property         Commercial Property           2,064,990,490         1,766,828,760           2,096,273,840         1,764,603,370           2,334,001,690         1,956,154,040           2,334,456,140         2,047,735,440           2,451,438,580         1,562,360,162           2,470,710,400         1,656,952,142           2,429,617,885         1,599,185,710           2,447,708,360         1,599,001,398           2,503,236,110         1,701,380,837	Residential Property         Commercial Property         All Other           2,064,990,490         1,766,828,760         322,566,613           2,096,273,840         1,764,603,370         304,095,073           2,334,001,690         1,956,154,040         337,926,058           2,334,456,140         2,047,735,440         299,416,056           2,451,438,580         1,562,360,162         864,866,444           2,470,710,400         1,656,952,142         737,801,555           2,429,617,885         1,599,185,710         699,134,869           2,447,708,360         1,599,001,398         685,388,865           2,503,236,110         1,701,380,837         698,454,024	Residential Property         Commercial Property         All Other         Total           2,064,990,490         1,766,828,760         322,566,613         4,154,385,863           2,096,273,840         1,764,603,370         304,095,073         4,164,972,283           2,334,001,690         1,956,154,040         337,926,058         4,628,081,788           2,334,456,140         2,047,735,440         299,416,056         4,681,607,636           2,451,438,580         1,562,360,162         864,866,444         4,878,665,186           2,470,710,400         1,656,952,142         737,801,555         4,865,464,097           2,429,617,885         1,599,185,710         699,134,869         4,727,938,464           2,447,708,360         1,599,001,398         685,388,865         4,732,098,623           2,503,236,110         1,701,380,837         698,454,024         4,903,070,971				

<sup>\*</sup> Tax rates are per \$1,000 of assessed value

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

Table 5

Estimated	Ratio of Estimated	Assessment Rate				
Actual Value	Actual Value to Assessed Value	Residential	All Other			
33,273,880,826	8.0093	7.96%	29.00%			
33,586,945,608	8.0641	7.96%	29.00%			
36,648,062,817	7.9186	7.96%	29.00%			
37,827,103,800	8.0799	7.96%	29.00%			
38,364,291,949	7.8637	7.96%	29.00%			
38,538,770,816	7.9209	7.96%	29.00%			
39,739,863,309	8.4053	7.96%	29.00%			
39,966,908,824	8.4459	7.96%	29.00%			
41,090,894,471	8.3806	7.96%	29.00%			
41,411,589,636	8.4050	7.96%	29.00%			



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## PROPERTY TAX LEVIES AND COLLECTIONS Last 10 Fiscal Years

#### (Unaudited)

		Total		Percent of	Deliquent	Total Collections		
Levy	Collection	Tax	Tax	<b>Current Tax</b>	Tax		Percent	
Year	Year	Levy	Collections	Collected	Collections	Amount	of Levy	
2005	2006	156,558,031	155,286,194	99.19%	197,766	155,483,960	99.31%	
2006	2007	164,782,963	161,992,586	98.31%	96,132	162,088,718	98.36%	
2007	2008	175,242,316	172,742,380	98.57%	47,942	172,790,322	98.60%	
2008	2009	183,111,718	178,265,743	97.35%	184,636	178,450,379	97.45%	
2009	2010	195,141,729	190,148,336	97.44%	80,169	190,228,505	97.48%	
2010	2011	213,292,216	208,270,983	97.65%	149,647	208,420,630	97.72%	
2011	2012	212,014,945	207,164,133	97.71%	167,457	207,331,590	97.79%	
2012	2013	215,532,897	209,935,274	97.40%	126,768	210,062,042	97.46%	
2013	2014	222,462,137	218,064,909	98.02%	151,746	218,216,655	98.09%	
2014	2015*	234,373,297	230,424,752	98.32%	102,815	230,527,567	98.36%	

<sup>\*</sup> Collections through July 31, 2015

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

## PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS Last 10 Fiscal Years

### (Unaudited)

	2006	2007	2008	2009
Boulder Valley School District RE-2				
General Fund				
School Finance Act	25.023	25.023	25.023	25.023
Budget Election	7.862	7.842	7.057	6.977
Abatements and Refunds	0.461	0.288	0.229	0.125
Subtotal General Fund	33.346	33.153	32.309	32.125
Transportation Fund	1.065	1.509	1.414	1.559
Bond Redemption Fund	3.274	4.902	4.142	5.429
Total Boulder Valley School District RE-2	37.685	39.564	37.865	39.113
Boulder County	21.867	22.467	22.467	23.067
Cities and Towns				
Boulder	9.643	9.889	9.201	9.841
Broomfield	28.968	28.968	28.968	28.968
Lafayette	11.848	11.779	10.641	15.515
Louisville	6.710	6.710	6.710	6.710
Jamestown	21.400	21.400	21.400	21.000
Nederland	14.572	14.572	14.070	15.051
Superior	8.805	8.805	8.050	8.050
Ward	2.300	2.730	2.699	2.792
	104.246	104.853	101.739	107.927
Special Districts (Ranges)	.538 to 99.000	.542 to 49.500	.507 to 49.500	.528 to 74.771
Fire Districts (Ranges)	2.500 to 11.325	2.500 to 11.747	2.500 to 11.747	2.500 to 15.256
Water/Sanitation Districts (Ranges)	.222 to 18.141	.214 to 18.482	.197 to 21.825	.194 to 22.755

Note: Overlapping rates are those of governments that apply to property owners within the Boulder Valley School District RE-2 boundries. 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

2010	2011	2012	2013	2014	2015
25.023	25.023	25.023	25.023	25.023	25.023
6.695	11.338	12.096	12.620	12.576	13.012
0.220	0.186	0.181	0.354	0.492	0.526
31.938	36.547	37.300	37.997	38.091	38.561
1.496	1.500	1.544	1.543	1.489	1.482
6.565	5.791	5.999	6.007	5.792	7.526
39.999	43.838	44.843	45.547	45.372	47.569
23.667	24.645	24.645	24.645	25.120	24.794
10.295	10.818	11.981	11.981	11.981	11.981
28.968	28.968	28.968	28.968	28.968	28.968
15.009	14.334	14.387	14.379	14.368	16.331
6.710	6.710	6.710	6.710	6.710	6.710
21.000	21.000	21.000	18.500	18.500	18.500
14.883	15.156	16.527	16.917	17.274	17.274
8.050	9.480	9.480	9.430	9.430	9.430
3.480	3.399	3.700	3.800	3.800	4.325
108.395	109.865	112.753	110.685	111.031	113.519
.508 to 79.366	.523 to 80.420	.566 to 78.265	.599 to 80.965	.608 to 76.663	.632 to 73.479
2.500 to 15.192	2.500 to 15.130	2.500 to 15.454	2.500 to 17.445	2.500 to 18.445	2.500 to 19.445
.184 to 22.283	.184 to 17.545	.184 to 17.746	.184 to 17.743	.184 to 18.506	.184 to 25.374



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# PRINCIPAL PROPERTY TAXPAYERS January 1, 2015 and 9 Years Ago

### (Unaudited)

	2015				2006			
Taxpayer	Rank	Assessed Valuation	Percentage of Total Assessed Valuation	Rank	Assessed Valuation	Percentage of Total Assessed Valuation		
Xcel Energy	1	100,390,375	2.04%	1	64,779,480	1.56%		
Flatiron Property Holding LLC	2	49,797,210	1.01%	10	13,192,940	0.32%		
IBM Corporation	3	46,827,251	0.95%	5	29,541,870	0.71%		
Oracle Corporation	4	42,589,200	0.86%					
FSP Corp (380, 385 & 390 Interlocken)	5	34,800,000	0.71%					
Level 3 Communications	6	31,745,099	0.64%	4	31,253,737	0.75%		
Qwest Corporation	7	30,413,500	0.62%	6	27,575,700	0.66%		
Ball Corporation	8	29,849,479	0.61%					
Macerich Twenty Ninth Street LLC	9	26,330,477	0.53%					
Flatiron Investments LP	10	18,423,874	0.37%					
Flatiron Holding LLC				2	45,037,420	1.08%		
Roche Colorado Corporation				3	31,664,380	0.76%		
Sun Microsystems				7	16,981,740	0.41%		
DDR Flatirons LLC				8	14,214,820	0.34%		
Storage Technology Corporation Subtotal		411,166,465	8.35%	9	13,289,280 287,531,367	0.32% 6.91%		
Remaining Assessed Valuation		4,515,851,077	91.65%		3,866,854,496	93.07%		
Total Assessed Valuation		\$ 4,927,017,542	100.00%		\$ 4,154,385,863	100.00%		

Source: Boulder County and Broomfield County Assessors' Office

### RATIOS OF OUTSTANDING DEBT BY TYPE Last 10 Fiscal Years

#### (Unaudited)

Fiscal Year	General Obligation Bonds*	Certificates of Participation	Total Primary Government	Percentage of Personal Income**	Debt Per Capita**
2006	133,173,998	5,805,000	138,978,998	1.03%	490
2007	247,188,610	5,300,000	252,488,610	1.76%	869
2008	232,543,125	4,785,000	237,328,125	1.55%	809
2009	403,452,144	4,255,000	407,707,144	2.51%	1,358
2010	391,819,081	3,710,000	395,529,081	2.29%	1,296
2011	380,235,881	3,145,000	383,380,881	2.09%	1,245
2012	367,912,681	-	367,912,681	2.32%	1,223
2013	356,354,757	-	356,354,757	2.23%	1,158
2014	342,645,466	-	342,645,466	1.94%	1,096
2015	609,200,710	-	609,200,710	3.35%	1,920

<sup>\*</sup> Includes bond premiums, and prior to 2013, also includes loss on refunding.

Source: Boulder Valley School District RE-2

<sup>\*\*</sup> Personal Income and Population data may be found on Table 13.

### RATIOS OF GENERAL BONDED DEBT OUTSTANDING Last 10 Fiscal Years

#### (Unaudited)

	General	Less: Amounts	Percentage of Actual Taxable				
Fiscal	Obligation	Available in Bond		Value of	Per		
Year	Bonds	Redemption Fund	Total	Property*	Capita**		
2006	133,173,998	15,577,400	117,596,598	0.353420145	415		
2007	247,188,610	15,912,470	231,276,140	0.688589378	796		
2008	232,543,125	23,304,815	209,238,310	0.570939618	714		
2009	403,452,144	20,663,878	382,788,266	1.011941776	1,275		
2010	391,819,081	24,032,073	361,252,927	0.941638458	1,183		
2011	380,235,881	24,325,632	355,910,249	0.923512197	1,156		
2012	367,912,681	24,457,080	343,455,601	0.864259644	1,142		
2013	356,354,757	24,492,573	331,862,184	0.830342385	1,078		
2014	342,645,466	24,822,129	317,823,337	0.773464148	1,016		
2015	609,200,710	33,532,514	575,668,196	1.390113736	1,814		

<sup>\*</sup> The Estimated Actual Value of Property data may be found on Table 5.

Source: Boulder Valley School District RE-2

<sup>\*\*</sup> Personal Income and Population data may be found on Table 13.

## LEGAL DEBT MARGIN INFORMATION Last 10 Fiscal Years

(Unaudited)

Assessed Valuation

Debt Limit Percentage

Legal Debt Limit

**Debt Outstanding** 

Legal Debt Margin

	2006	2007	2008	2009	2010
Debt Limit	\$ 830,877,173	\$ 832,994,457	\$ 925,616,358	\$ 936,321,527	\$ 975,733,037
Debt Applicable To Limit	133,250,000	245,875,000	230,175,000	397,400,000	385,285,000
Legal Debt Margin	\$ 697,627,173	\$ 587,119,457	\$ 695,441,358	\$ 538,921,527	\$ 590,448,037
Total Debt Applicable As A Percentage Of Debt Limit	16.04%	29.52%	24.87%	42.44%	39.49%

				\$ 4,927,017,542
				 20.00%
				985,403,508
				 574,125,000
				\$ 411,278,508
2011	2012	2013	 2014	2015
\$ 973,092,819	\$ 945,587,693	\$ 946,419,725	\$ 980,614,194	\$ 985,403,508
374,280,000	362,535,000	350,285,000	 337,495,000	 574,125,000
\$ 598,812,819	\$ 583,052,693	\$ 596,134,725	\$ 643,119,194	\$ 411,278,508
38.46%	38.34%	37.01%	34.42%	58.26%

### COMPUTATION OF DIRECT AND OVERLAPPING GENERAL OBLIGATION DEBT June 30, 2015

#### (Unaudited)

	Outstanding General Obligation Debt	Percentage Applicable to the District (2)	Amount of Outstanding Debt Applicable to the District
Overlapping Debt		2.0001 (2)	
Berthoud Fire Protection District	595,000	100.00%	595,000
Boulder Central Area General			222,222
Improvement District	10,315,000	100.00%	10,315,000
City of Boulder	85,190,000	100.00%	85,190,000
City of Lafayette	4,265,000	100.00%	4,265,000
City of Louisville	3,235,000	100.00%	3,235,000
Colorado Tech Center			
Metropolitan District	14,318,740	100.00%	14,318,740
East Boulder County Water District	1,005,000	100.00%	1,005,000
Hoover Hill Water and Sanitation District	67,196	100.00%	67,196
Indian Peaks Fire	82,728	100.00%	82,728
Interlocken Consolidated Metropolitan			
District	92,885,000	100.00%	92,885,000
Lafayette City Center General			
Improvement District	295,000	100.00%	295,000
Lafayette Corp Campus General			
Improvement District	2,245,000	100.00%	2,245,000
Lafayette Tech Center General			
Improvement District	1,860,000	100.00%	1,860,000
North Metro Fire Rescue District	20,995,000	20.88%	4,383,756
Nederland Community Library District	1,709,762	100.00%	1,709,762
Nederland Fire Protection District	560,000	100.00%	560,000
Northern Colorado Water			
Conservancy District	4,124,069	41.05%	1,692,930
Pine Brook Water District	4,140,000	100.00%	4,140,000
Rocky Mountain Fire	7,830,000	100.00%	7,830,000
Superior/McCaslin Interchange District	3,490,000	100.00%	3,490,000
Superior Metropolitan District #2	2,420,000	100.00%	2,420,000
Superior Metropolitan District #3	1,151,000	100.00%	1,151,000
Town of Erie	19,755,000	1.96%	387,198
Town of Nederland	795,000	100.00%	795,000
Subtotal Overlapping Debt			244,918,310
School District Direct Debt (1)			574,125,000
Total Direct and Overlapping Debt			\$ 819,043,310

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) Balance as of June 30, 2015
- (2) 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, Broomfield County and Gilpin County Assessor's Office.

# 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)
2006	283,644	13,550	47,770	26,741.0	4.009%
2007	290,580	14,385	50,141	26,914.5	3.896%
2008	293,232	15,267	52,601	27,222.5	4.900%
2009	300,136	16,251	55,319	27,455.2	7.500%
2010	305,268	17,241	57,978	27,673.3	6.500%
2011	308,005	18,351	60,962	28,148.8	6.500%
2012	300,823	15,884	52,942	28,317.5	6.200%
2013	307,722	15,993	52,993	28,538.3	6.100%
2014	312,715	17,705	56,732	28,959.2	5.200%
2015	317,341	18,172	55,894	29,398.3	3.500%

Source:

Note:

<sup>\*</sup> Colorado State Demography Office

<sup>\*\*</sup> Global Insight Inc. prior to 2012 and projected by Boulder Valley School District for subsequent years

<sup>\*\*\*</sup> Boulder Valley School District RE-2

<sup>\*\*\*\*</sup> Colorado Department of Labor

<sup>(1)</sup> Amounts are for the Boulder, CO Metropolitan Statistical Area



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# PRINCIPAL EMPLOYERS January 1, 2015 and 9 Years Ago

#### (Unaudited)

	2015		2006			
			Percentage of			Percentage of
		Number of	<b>Total County</b>		Number of	<b>Total County</b>
Employer	Rank	<b>Employees</b>	Employment	Rank	Employees	Employment
University of Colorado	1	7,755	3.67%	1	7,500	4.61%
Boulder Valley School District	2	4,412	2.09%	3	4,200	2.58%
St. Vrain Valley School District	3	3,500	1.66%			
International Business Machines	4	2,800	1.33%	4	4,200	2.58%
Ball Aerospace	5	2,800	1.33%	5	3,100	1.90%
Level 3 Communications	6	2,600	1.23%	6	2,000	1.23%
Boulder Community Hospital	7	2,350	1.11%			
Boulder County	8	1,923	0.91%			
Oracle Corporation	9	1,900	0.90%			
SCL Health System	10	1,900	0.90%			
Covidien						
Sun Microsystems, Inc.				2	4,700	2.89%
Walmart				7	1,340	0.82%
Seagate				8	1,300	0.80%
Safeway				9	1,245	0.76%
Valleylab Inc.				10	1,100	0.68%
Subtotal		31,940	15.13%		30,685	18.85%
Other Employers		179,249	84.87%		132,117	81.15%
Total		211,189	100.00%		162,802	100.00%

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

# DISTRICT EMPLOYEES - FULL TIME EQUIVALENTS Last 10 Fiscal Years

#### (Unaudited)

	2006	2007	2008	2009	2010
Administrators					
Superintendent	1.00	1.00	1.00	1.00	1.00
Assistant Superintendent	5.00	6.40	9.50	13.80	12.30
Non-Instructional Director	21.40	21.50	22.70	18.90	17.50
Instructional Director	13.90	11.00	7.70	14.04	15.57
Principal	53.60	51.90	54.10	54.40	54.80
Assistant Principal	35.60	32.90	37.00	40.70	38.70
Instructional Program Coord.	2.40	2.00	2.50	2.00	2.00
Non-Instructional Program Coord.			<u> </u>		-
Subtotal	132.90	126.70	134.50	144.84	141.87
Professional-Instructional					
Teacher, Regular	1,460.20	1,504.60	1,538.20	1,549.50	1,517.40
Teacher, Special Education	199.00	191.90	190.47	178.60	180.16
Teacher, Title I	15.40	13.50	16.10	15.70	18.90
Counselor	56.40	57.70	65.70	68.20	61.80
Curriculum Specialist Consultant	7.80	13.50	10.97	9.60	4.70
Dean	3.40	4.00	3.20	4.70	3.00
Education Diagnostician	-	2.60	4.33	4.60	2.76
Instructional Program Consultant	0.80	2.60	8.79	1.00	1.25
Librarian/Media Consultant	41.70	44.10	43.50	42.60	41.60
Teacher Mentor	45.70	58.40	54.90	49.20	48.90
Behavioral Specialist	-	-	-	-	-
Audiologist	2.00	2.00	1.52	2.06	1.98
Licensed Practical Nurse	-	1.10	2.10	-	-
Registered Nurse	13.40	11.30	15.74	14.91	14.73
Occupational Therapist	14.10	14.50	14.12	15.03	15.13
Physical Therapist	1.90	2.00	2.16	1.76	2.06
Psychologist	23.30	19.70	22.10	46.66	25.81
Social Worker	22.30	20.00	26.40	24.47	21.63
Speech-Language Pathologist	34.90	32.40	28.72	34.62	29.73
Subtotal	1,942.30	1,995.90	2,049.02	2,063.21	1,991.54
Professional-Other	107.10	96.90	112.40	132.75	132.36
Paraprofessionals	674.60	672.30	675.52	757.90	727.88
Office/Administrative Support	265.10	266.60	269.00	268.70	254.77
Crafts, Trades, and Services					
Bus Driver	152.10	164.20	165.80	198.00	196.10
Food Service Workers	44.60	55.70	78.30	84.50	100.60
Custodian	155.70	154.90	153.50	155.70	160.30
Maintenance Workers	125.60	119.00	101.40	95.90	92.10
Subtotal	478.00	493.80	499.00	534.10	549.10
Total	3,600.00	3,652.20	3,739.44	3,901.50	3,797.52

Table 15

2011	2012	2013	2014	2015
1.00	1.00	1.00	1.00	1.00
10.50	10.60	11.80	10.80	11.80
17.30	16.60	16.80	15.90	16.30
15.02	13.00	11.61	12.90	15.90
54.80	52.50	52.50	54.20	54.70
37.60	41.10	41.10	41.40	41.00
2.48	5.60	5.83	3.90	3.90
2.10	3.77	2.90	3.10	2.10
138.70	144.17	143.54	143.20	146.70
1,490.20	1,493.00	1,503.90	1,484.60	1,479.10
172.87	191.57	188.68	187.53	185.97
21.80	22.70	18.50	18.80	14.70
54.80	66.00	64.20	57.30	63.10
4.10	3.50	3.90	8.60	7.80
2.10	2.00	2.40	2.20	3.00
-	-	-	-	-
-	2.00	2.00	-	-
40.30	39.00	37.80	40.10	41.00
45.77	45.98	33.90	34.20	42.20
-	-	-	-	2.55
1.50	1.29	1.50	1.50	1.50
-	-	-	0.46	0.73
12.60	14.86	15.11	13.90	12.18
14.30	15.43	15.57	14.81	14.64
2.00	2.30	2.30	2.30	2.30
26.04	28.80	24.32	21.01	20.78
18.60	18.71	16.90	18.50	15.87
36.26	37.99	44.36	42.02	45.00
1,943.24	1,985.13	1,975.34	1,947.83	1,952.42
130.46	134.56	138.18	135.10	140.60
686.77	708.69	668.55	634.46	651.48
241.58	238.32	253.92	250.88	255.50
190.60	176.90	178.90	165.90	165.80
91.80	81.70	89.20	91.00	98.00
150.70	145.70	150.90	149.20	149.80
88.60	88.60	84.10	87.30	86.80
521.70	492.90	503.10	493.40	500.40
3,662.45	3,703.77	3,682.63	3,604.87	3,647.10

# Boulder Valley School District RE-2 SCHOOL BUILDING INFORMATION

# **Last 10 Fiscal Years**

#### (Unaudited)

School	2006	2007	2008	2009	2010	2011	2012
Elementary Schools Bear Creek							
Square Feet	39,549	39,549	39,549	39,549	39,549	54,853	54,853
Capacity	370	350	350	350	350	355	475
Enrollment	348	343	361	362	352	367	378
Birch							
Square Feet	44,714	44,714	44,714	44,714	44,714	51,192	51,192
Capacity	463	463	463	463	440	405	436
Enrollment	409	415	425	448	426	443	401
BCSIS							
Square Feet	25,922	25,922	25,922	25,922	31,745	31,745	31,745
Capacity	230	230	230	230	280	280	312
Enrollment	285	287	287	290	284	300	295
Coal Creek							
Square Feet	53,916	53,916	53,916	53,916	53,916	52,476	57,305
Capacity	460	465	465	465	485	490	496
Enrollment	491	478	470	470	448	464	467
Columbine							
Square Feet	48,078	48,078	48,078	48.078	50,938	68,294	68.787
Capacity	413	431	431	431	431	455	579
Enrollment	384	402	368	379	398	410	453
Community Montessori							
Square Feet	42,583	42,583	42,583	42,583	42,588	42,588	42,588
Capacity	180	200	200	200	280	280	287
Enrollment	193	215	228	225	237	251	258
Creekside	100	2.0	220	220	201	201	200
Square Feet	46,976	46,976	46,976	46,976	46,976	50,661	50,661
Capacity	316	316	316	316	334	441	484
Enrollment	269	329	330	344	345	348	353
Crest View	200	020	000	011	0.10	0.10	000
Square Feet	55,007	55,007	55,007	67,266	66,884	66,884	66,884
Capacity	510	530	530	530	595	670	685
Enrollment	501	510	511	532	594	627	625
Douglass	001	0.10	011	002	001	027	020
Square Feet	54,772	54,772	54,772	54,772	54,901	54,901	59,705
Capacity	435	435	435	435	480	480	491
Enrollment	469	455	439	409	423	430	433
Eisenhower	400	400	400	400	720	400	400
Square Feet	53,601	53,601	53,601	53,601	53,601	59,525	59,525
Capacity	500	525	525	525	555	580	613
Enrollment	449	440	468	453	445	474	453
Emerald	440	440	400	400	440	77.7	400
Square Feet	56,300	56,300	56,300	56,300	56,300	62,542	62,573
Capacity	377	377	377	377	413	473	454
Enrollment	376	390	384	386	370	345	341
Fireside	370	330	304	300	370	3-3	341
Square Feet	60,307	60,307	60,307	60,307	60,307	60,307	61,486
Capacity	460	440	440	440	465	515	475
Enrollment	449	433	444	418	437	445	464
Flatirons	443	400	444	410	437	443	404
Square Feet	33,469	33,469	33,469	33,469	43,857	43,857	43,857
Capacity	315	320	320	320	305	325	337
Enrollment	298	307	295	288	272	279	306
Foothill	230	301	230	200	212	213	300
	57 910	57 910	57 910	57,819	75,951	76,021	76,021
Square Feet Capacity	57,819 485	57,819 510	57,819 510	57,819 510	75,951 610	76,021 610	644
Enrollment	486	504	526	528	572	564	583

Table 16

2013	2014	2015
54,853	54,853	54,853
478 391	478 414	478 417
51,192 453	51,192 453	51,192 453
352	359	383
24.745	24.745	24.745
31,745 301	31,745 301	31,745 301
294	294	307
57,305	57,305	57,305
555	555	555
453	431	427
68,787	68,787	68,787
603	603	603
462	480	496
42,588	42,588	42,588
367	367	367
250	255	255
50,661	50,661	50,843
505 335	505 340	505 333
66,884	66,884	66,884
674 617	674 607	674 586
57,966 504	57,966 504	59,836 504
461	478	463
59,525	59,525	59,525
653	653	653
411	404	405
62,573	62,573	62,573
484	484	484
327	335	376
61,486	61,486	61,486
576	576	576
470	456	458
43,857	43,857	43,857
339	339	339 290
295	307	290
76,021	76,021	76,021
648 569	648 574	648 545
569	5/4	545

# Boulder Valley School District RE-2 SCHOOL BUILDING INFORMATION

# **Last 10 Fiscal Years**

#### (Unaudited)

School	2006	2007	2008	2009	2010	2011	2012
Elementary Schools (continued) Gold Hill							· · · · · · · · · · · · · · · · · · ·
Square Feet	3,316	3,316	3,316	3,316	3,316	3,316	3,316
Capacity	41	41	41	41	41	36	37
Enrollment	26	26	25	25	21	29	26
Heatherwood							
Square Feet	52,016	52,016	52,016	52,016	51,975	60,797	60,797
Capacity	319	321	321	321	440	540	552
Enrollment	323	340	368	382	363	385	381
High Peaks							
Square Feet	24,521	24,521	24,521	24,521	32,983	32,983	32,983
Capacity	287	240	240	240	280	280	312
Enrollment	299	293	299	301	311	306	303
Jamestown							
Square Feet	5,030	5,030	5,030	5,030	5,030	5,030	5,030
Capacity	18	18	18	18	18	18	19
Enrollment	15	16	22	21	27	25	21
Kohl							
Square Feet	54,113	54,113	54,113	54.113	54,113	57,417	57,417
Capacity	460	480	480	480	490	490	521
Enrollment	467	453	469	488	478	498	473
Lafayette							
Square Feet	56,764	56,764	60,673	67,638	62,208	62,203	62,203
Capacity	298	350	350	350	492	555	623
Enrollment	353	396	475	534	603	636	606
Louisville					-		
Square Feet	57,018	57,018	57,018	57,018	57,018	63,034	63,034
Capacity	460	460	460	460	485	535	572
Enrollment	404	409	427	440	459	502	540
Mesa		.00			.00	002	0.0
Square Feet	45,670	45,670	45,670	45,670	45,670	54,963	55,195
Capacity	315	315	315	315	375	385	485
Enrollment	319	357	355	384	365	378	371
Nederland	0.0	33.	000		000	0.0	<b>0.</b> .
Square Feet	61,470	61,470	61,470	61,470	61,470	61,470	61,470
Capacity	345	355	355	355	375	405	432
Enrollment	317	319	285	307	278	287	280
Pioneer							
Square Feet	72,398	72,398	72,398	72,398	72,398	74,874	74,864
Capacity	341	348	348	348	419	391	477
Enrollment	404	427	414	429	433	423	422
Ryan				0	.00	0	
Square Feet	49,176	49,176	49,176	49,176	49,352	54,913	54,912
Capacity	350	357	357	357	377	460	512
Enrollment	390	398	430	406	422	419	443
Sanchez							
Square Feet	49,887	49,887	49,887	49,887	49,900	55,320	55,320
Capacity	316	334	334	334	266	294	301
Enrollment	280	286	280	278	286	295	330
Superior							
Square Feet	69,765	69,765	69,765	69,765	69,725	69,673	71,464
Capacity	500	500	500	500	505	505	521
Enrollment	629	650	633	664	635	591	573
University Hill	020	000	000	00.	000	001	3.3
Square Feet	68,696	68,696	68,696	68,696	67,276	69,701	69,701
Capacity	314	375	375	375	402	427	426
Enrollment	307	322	306	321	338	358	385
Linomitorit	307	522	300	JZ 1	330	330	505

Table 16 (continued)

2013	2014	2015
3,293	3,293	3,293
41	41	41
29	23	27
60,797	60,797	60,797
555	555	555
378	390	384
32,983	32,983	32,983
301	301	301
299	297	297
5,032	5,032	5,032
21	21	21
20	21	15
57,417	57,417	57,417
525	525	525
506	485	487
62,203	62,203	62,203
628	628	628
619	583	590
63,034	63,034	63,034
628	628	651
572	600	584
55,195	55,195	55,195
494	494	494
352	341	330
61,470	61,470	61,470
468	468	468
280	282	285
74,864	74,864	74,864
525	525	525
419	448	473
54,912	54,912	54,912
530	530	530
454	408	410
55,320	55,320	55,320
330	330	330
320	321	359
71,464	71,464	71,464
525	525	525
553	556	505
69,701	69,701	69,701
474	474	474
366	419	427

# Boulder Valley School District RE-2 SCHOOL BUILDING INFORMATION

# **Last 10 Fiscal Years**

#### (Unaudited)

School	2006	2007	2008	2009	2010	2011	2012
Elementary Schools (conti	<u>inued)</u>						
Whittier							
Square Feet	35,122	35,122	35,122	35,122	35,123	46,517	46,517
Capacity	300	325	325	325	325	380	371
Enrollment	319	323	320	347	334	369	394
Middle Schools							
Angevine							
Square Feet	121,676	121,676	121,676	121,676	121,676	121,676	121,961
Capacity	863	906	906	906	902	946	968
Enrollment	587	536	550	546	581	545	587
Broomfield Heights							
Square Feet	107,385	107,385	107,385	107,385	107,239	107,239	111,379
Capacity	914	914	914	914	932	932	935
Enrollment	555	565	523	536	530	526	561
Casey							
Square Feet	84,007	84,007	84,007	84,007	44,923	106,458	106,458
Capacity	612	535	535	535	521	743	743
Enrollment	366	313	345	292	349	440	546
Centennial	300	313	343	232	343	440	340
Square Feet	99,556	99,556	99,556	99,556	99,515	99,515	117,772
Capacity	750	772	772	772	750	750	750
Enrollment	588	559	583	596	627	562	554
Louisville							
Square Feet	88,887	88,887	74,206	74,206	101,483	101,483	101,483
Capacity	651	651	651	651	669	669	673
Enrollment	546	560	567	548	569	603	623
Manhattan	0.10	000	001	0.10	000	000	020
Square Feet	83,572	83,572	83,572	83,572	93,632	93,542	93,542
Capacity	605	618	618	618	638	642	642
Enrollment	443	422	413	455	498	468	466
Platt	443	422	413	455	490	400	400
Square Feet	117,573	117,573	117,573	117,573	81,495	117,552	123,958
•	707	707	707	707	•	827	
Capacity					888		860
Enrollment	531	549	556	540	546	533	502
Southern Hills	70.000	70.000	70.404	70.404	00.040	00.040	00.040
Square Feet	72,260	72,260	70,194	70,194	98,342	98,340	98,340
Capacity	503	503	503	503	701	701	701
Enrollment	503	478	487	496	539	545	535
<u>High Schools</u> Boulder							
Square Feet	229,281	229,281	218,717	218,717	245,772	245,971	245,971
Capacity	1994	1900	1900	1900	1900	1900	1900
Enrollment	1932	1093	1851	1808	1786	1775	1790
Broomfield	1002	1000	1001	1000	1700	1773	1730
Square Feet	218,163	218,163	218,163	218,163	240,535	240,535	240,535
•	1599	1606	1606	1606	1805	1805	1805
Capacity Enrollment		1407					
	1413	1407	1438	1388	1401	1437	1329
Centaurus	400.040	400.040	400,000	400.000	404.007	404 007	404.007
Square Feet	190,610	190,610	196,089	198,329	194,687	194,687	194,687
Capacity	1607	1581	1581	1581	1874	1874	1874
Enrollment	996	1051	1051	1135	1092	1029	1008
Fairview							
Square Feet	256,392	256,392	256,392	256,392	262,019	264,007	264,007
Capacity	1861	1840	1840	1840	1958	1990	1990
Enrollment	1871	1903	1907	1903	1913	1971	2065
Monarch							
Square Feet	228,827	228,827	228,827	230,134	233,909	233,909	241,819
Capacity	1728	1728	1728	1728	1728	1728	1728
Enrollment	1633	1562	1526	1508	1511	1527	1514

Table 16 (continued)

2013	2014	2015
46,517	46,517	46,517
412	412	412
401	389	396
121,961	121,961	121,953
962	962	962
573	611	662
111,379	111,379	111,379
935	935	935
531	552	550
106,458	106,458	106,458
743	743	743
582	608	607
117,772	117,772	117,772
750	750	750
548	581	595
101,483	101,483	101,483
691	691	691
632	631	633
93,551	93,551	93,551
642	642	642
487	547	543
123,958	123,958	123,958
860	860	860
510	510	557
98,340	98,340	98,340
683	683	683
542	550	560
245,971	245,971	245,971
1900	1900	1900
1846	1938	1978
240,535	240,535	240,535
1762	1762	1762
1401	1429	1498
194,687	194,687	194,687
1874	1874	1874
999	1013	1020
264,007	264,007	264,007
1996	1996	1996
2132	2118	2169
241,823	241,823	241,823
1833	1833	1833
1576	1626	1653

# SCHOOL BUILDING INFORMATION Last 10 Fiscal Years

#### (Unaudited)

School	2006	2007	2008	2009	2010	2011	2012
High Schools (continued)							
New Vista							
Square Feet	76,668	76,668	76,668	76,668	76,668	76,668	77,966
Capacity	659	659	659	659	659	659	654
Enrollment	339	337	324	324	317	299	309
Combination Schools							
Aspen Creek K-8							
Square Feet	114,478	114,478	115,918	115,918	115,918	115,917	122,111
Capacity	969	969	969	969	892	919	990
Enrollment	875	869	912	913	921	916	929
Eldorado K-8							
Square Feet	117,336	117,336	117,336	117,336	120,210	120,207	123,343
Capacity	876	876	876	876	926	926	1003
Enrollment	935	994	1012	967	983	987	972
Halcyon							
Square Feet	8,736	8,736	8,736	8,736	10,168	10,203	10,203
Capacity	na	na	na	na	na	na	na
Enrollment	14	11	17	6	27	24	21
Monarch K-8							
Square Feet	108,802	108,802	108,802	108,802	108,802	108,802	114,491
Capacity	753	766	766	766	856	904	926
Enrollment	696	741	757	769	748	790	814
Nederland Middle/Senior							
Square Feet	97,080	97,080	97,080	97,080	97,080	97,080	97,080
Capacity	650	650	650	650	674	630	718
Enrollment	391	385	377	457	340	333	299
Vocational/Technical Schools							
Arapahoe Ridge High School							
Square Feet	129,579	129,579	129,579	129,579	130,707	152,954	152,954
Capacity	820	925	925	925	981	1099	1099
Enrollment	279	223	216	199	175	204	200
Charter Schools							
Boulder Prepatory High School							
Square Feet	5,938	5,938	5,938	5,938	5,938	5,938	5,938
Capacity	na	na	na	na	na	na	na
Enrollment	103	125	149	131	158	142	122
Horizons K-8 School							
Square Feet	30814	30,814	30,814	30,814	30,810	30,814	43,426
Capacity	315	342	342	342	404	404	440
Enrollment	321	320	340	324	325	332	332
Peak To Peak K-12 School							
Square Feet	116,679	116,679	116,679	116,679	134,284	139,990	139,990
Capacity	na	na	na	na	na	na	na
Enrollment	1236	1292	1341	1405	1425	1443	1446
Summit Middle School	00.004	00.004	44.404	50.404	40.004	40.005	40.005
Square Feet	29,894	29,894	41,161	52,434	49,934	49,935	49,935
Capacity	337	337	337	337	480	493	493
Enrollment	307	312	312	319	324	336	334
Justice High 6-12 School			0.400	0.400	0.400	0.500	0.500
Square Feet	na	na	2,409	2,409	2,409	6,590	6,590
Capacity	na	na 70	na 75	na oz	na 420	na	na
Enrollment	0	79	75	97	129	111	96

Table 16 (continued)

2013	2014	2015
77,966	77,966	77,966
654	654	654
301	280	294
122,111	122,111	122,111
1015	1015	1015
917	942	961
123,343	123,343	123,343
1006	1006	1006
991	958	987
10,168	10,168	10,168
na	na	na
21	18	19
114,491	114,491	114,491
933	933	933
844	858	888
102,168	102,168	102,168
718	718	718
270	284	290
152,146	152,146	152,146
1062	1062	1062
147	130	132
5,938	5,938	5,938
117	117	117
117	107	94
52,009	52,009	52,009
414	414	414
340	348	347
139,990	139,990	139,990
1444	1444	1444
1444	1445	1444
49,944	49,944	49,936
493	493	493
339	342	349
6,590	6,590	6,590
91	91	91
91	115	76

# TEACHER STATISTICS Last 9 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
Master's Degree + 60 Hours	-	-	-	-	-
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
Master's Degree + 60 Hours	-	-	-	-	-
Doctorate	61,776	68,954	63,710	65,547	68,594
Other	59,936	60,975	64,609	63,248	63,248

<sup>\*</sup> Amounts Prior to 2007 are not available

<sup>\*\*</sup>Licensed staff less than .5 FTE were paid \$40,000, prorated by FTE for 2013. Prior to and after 2013, they were included in the licensed salary schedulde.

Table 17

2012	2013	2014	2015
137	132	118	108
70	63	52	50
53	55	48	46
44	47	46	61
216	201	155	132
467	459	383	404
207	202	201	181
151	152	170	166
154	152	161	155
411	409	190	175
-	-	345	425
45	38	40	50
3	15	2	11
1,958	1,925	1,911	1,954
38,096	42,338	44,511	43,397
42,170	47,234	49,219	47,171
47,842	49,315	52,454	53,521
46,682	51,771	52,806	53,285
56,472	60,979	64,829	68,002
50,470	55,473	59,475	61,211
56,963	63,676	65,249	67,137
60,165	65,841	69,071	71,331
61,704	66,512	70,632	74,261
69,924	73,997	77,767	81,922
-	-	81,869	85,999
68,211	74,199	82,048	83,184
62,089	43,269	65,745	61,899 **

#### MISCELLANEOUS STATISTICAL DATA Last 10 School Years

#### (Unaudited)

	2006	2007	2008	2009
Student Teacher Ratio*				
Elementary	22.19	22.29	22.32	22.29
Middle	20.52	20.66	20.64	20.53
Senior	23.31	22.91	22.57	22.50
Governmental Activities Expenses	\$ 242,710,503	\$ 257,223,290	\$ 278,784,336	\$ 289,549,755
Cost Per Student	\$ 8,692	\$ 9,123	\$ 9,742	\$ 10,118
Enrollment Data				
Student Full Time Equivalent				
Elementary	10,921.5	11,147.0	11,331.0	11,658.2
Middle	6,420.5	6,324.0	6,385.5	6,356.0
Senior	9,146.0	9,155.5	9,204.0	9,142.0
Other	252.5	288.0	302.0	299.0
Total	26,740.5	26,914.5	27,222.5	27,455.2
Total Enrollment				
K-12 Enrollment	27,593.0	27,798.0	28,173.0	28,171.00
Pre-K Enrollment	329.0	398.0	445.0	445.00
Total	27,922.0	28,196.0	28,618.0	28,616.0
Number of Students Eligible to Receive				
School Lunches Free Or At Reduced Cost				
Elementary	2,460	2,498	2,544	2,529
Combination	224	221	191	207
Middle	895	877	900	864
Senior	895	777	963	1,101
Total	4,474	4,373	4,598	4,701
Percent of Students Receiving				
Free or Reduced Cost Meals	16.02%	15.51%	16.07%	16.43%

<sup>\*</sup> Budget amounts are used prior to 2010 and submitted amounts from the October count thereafter.

Table 18

2010		2011	_	2012		2013		2014		2015
-						22.72				24.42
	2.35	22.54		23.22		23.52		23.72		24.10
	).86	20.93		22.34		22.16		21.88		22.26
22	2.88	24.30		23.63		23.77		23.77		24.15
\$ 294,156,	553	\$ 306,813,347	\$	319,692,074	\$ 31	9,005,007	\$ 34	43,751,369	\$ 3	87,709,725
\$ 10,	200	\$ 10,464	\$	10,821	\$	10,734	\$	11,403	\$	12,684
11,71	6.0	12.020.9		12 OEE E		12 007 2		10 154 0		12 220 0
6,57		12,029.8 6,536.0		12,055.5 6,671.0		12,097.3 6,681.5		12,154.2 6,913.5		12,228.8 7,106.5
9,12		9,324.5		9,305.0		9,480.0		9,610.0		9,731.5
,	52.5	9,324.5 258.5		286.0		9,460.0 279.5		281.5		331.5
27,67		28,148.8		28,317.5		28,538.3		28,959.2		29,398.3
21,01	3.3	20,140.0		20,317.3		20,000.0		20,939.2		29,390.3
28,344	1.00	28,815.00		28,986.00		29,181.00		29,595.00		29,941.00
494	1.00	505.00		558.00		537.00		550.00		625.00
28,83		29,320.0		29,544.0		29,718.0		30,145.0		30,566.0
				0 = 4.4		0.740				
	473	2,646		2,714		2,740		2,709		2,988
	256	317		342		336		379		364
	893	946		1,033		1,033		1,103		1,157
	025	1,177		1,223		1,247		1,240		1,457
4,0	647	5,086		5,312		5,356		5,431		5,966
16.	11%	17.35%	, 0	17.98%		18.02%		18.02%		19.52%



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**SINGLE AUDIT** 



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# 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

Board of Education Boulder Valley School District Boulder, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Boulder Valley School District, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Boulder Valley School District's basic financial statements, and have issued our report thereon dated November 20, 2015.

#### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Boulder Valley School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Boulder Valley School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Boulder Valley School District's internal control.

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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2015-001 that we consider to be a significant deficiency.



#### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Boulder Valley School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

#### **Boulder Valley School District's Response to Findings**

Boulder Valley School District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Boulder Valley School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

#### **Purpose of this Report**

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

CliftonLarsonAllen LLP

Clifton Larson Allen LLP

Broomfield, Colorado November 20, 2015





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

Board of Education Boulder Valley School District Boulder, Colorado

#### Report on Compliance for Each Major Federal Program

We have audited Boulder Valley School District's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Boulder Valley School District's major federal programs for the year ended June 30, 2015. Boulder Valley School District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

#### Management's Responsibility

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

#### Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Boulder Valley School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Boulder Valley School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Boulder Valley School District's compliance.

#### Opinion on Each Major Federal Program

In our opinion, Boulder Valley School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.



#### **Report on Internal Control Over Compliance**

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

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

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

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

CliftonLarsonAllen LLP

Clifton Larson Allen LLP

Broomfield, Colorado November 20, 2015

#### BOULDER VALLEY SCHOOL DISTRICT SCHEDULE OF FINDINGS AND QUESTIONED COSTS YEAR ENDED JUNE 30, 2015

#### Section I – Summary of Auditors' Results Financial Statements Unmodified 1. Type of auditors' report issued: 2. Internal control over financial reporting: Material weakness(es) identified? \_\_\_\_\_yes x no Significant deficiency(ies) identified that are not considered to be material weakness(es)? \_\_\_\_\_ none reported <u>x</u> yes 3. Noncompliance material to financial statements noted? \_\_\_\_ yes x no Federal Awards 1. Internal control over major federal programs: Material weakness(es) identified? yes x no Significant deficiency(ies) identified that are not considered to be material weakness(es)? x none reported yes 2. Type of auditors' report issued on compliance for major federal programs: Unmodified 3. Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133? \_\_\_\_ yes \_\_\_\_x no Identification of Major Federal Programs CFDA Number(s) Name of Federal Program or Cluster 84.287 21st Century Community Learning Centers Improving Teacher Quality (Title II-A) 84.367 Child Nutrition Cluster 10.553, 10, 555, 10.559 Dollar threshold used to distinguish between Type A and Type B programs: \$ 400,995 Auditee qualified as low-risk auditee pursuant to OMB Circular A-133? <u>x\_\_\_</u> yes

#### BOULDER VALLEY SCHOOL DISTRICT SCHEDULE OF FINDINGS AND QUESTIONED COSTS YEAR ENDED JUNE 30, 2015

#### Section II - Financial Statement Findings

#### 2015 - 001

Type of Finding:

Significant Deficiency in Internal Control over Financial Reporting

**Condition:** At June 30, 2014, the district reported claims payable liabilities in the health insurance fund and dental insurance fund of \$3,529,431 and \$510,792, respectively, which included two components. First, balances in the health insurance fund and dental insurance fund included estimated liabilities for medical services provided as of June 30, 2014, equal to \$1,270,490 and \$280,381, respectively. In addition, balances in the health insurance fund and dental insurance fund included estimated Incurred But Not Reported (IBNR) liabilities of \$2,258,941 and \$230,411, respectively. However, the IBNR liabilities were already included in the original claims liabilities for medical services provided as of June 30, 2014. As a result, total claims payable liabilities were overstated in the health insurance fund and dental insurance fund at June 30, 2014, by \$2,258,941 and \$230,411, respectively.

Criteria or specific requirement: The district utilizes an actuary (Gallagher & Associates) to assist in projecting claims, to recommend annual district contributions and employee premiums, and to recommend plan benefit changes for self insurance. In addition, the actuary estimates an IBNR reserve, which is a recommended reserve based on the estimated difference between cash basis claims paid and accrual based claims expense as of a point in time. For reporting purposes, the recommended reserve does not represent an additional liability in excess of the claims payable liability for medical services provided as of the end of the year.

**Context:** The district identified the overstatement, revised its methodology for estimating claims payable liabilities, and proposed a prior period adjustment.

**Effect:** The district recorded a prior period adjusting journal entry to reduce the liabilities for claims payable in the health insurance fund and dental insurance fund by \$2,258,941 and \$230,411, respectively, as of June 30, 2014.

**Cause:** The district's business services division identified the overstatement while evaluating the amount recorded for the current year claims payable liability. There was a misunderstanding related to the IBNR figures provided by the actuary, which resulted in an overstatement of the amount reported as claims payable. Management identified the issue and proposed a correcting journal entry.

**Recommendation:** We recommend that the district continue to evaluate its procedures regarding significant estimates to verify accurate reporting at the end of the year.

Views of responsible officials and planned corrective actions:

**Explanation of disagreement with audit finding:** There is no disagreement with the audit finding.

Actions planned in response to finding: In recent years, the district has coordinated with its actuary and auditors to improve the methodology and process to estimate its self-insured claims liabilities. As noted above, the district further improved its methodology in the current year. The district identified the overstatement, corrected the balances as of June 30, 2014, and applied the same methodology in

#### BOULDER VALLEY SCHOOL DISTRICT SCHEDULE OF FINDINGS AND QUESTIONED COSTS YEAR ENDED JUNE 30, 2015

estimating the June 30, 2015 claims payable liabilities. As recommended above, the district will continue to monitor claims activity throughout fiscal year 2016 and will perform a similar detailed analysis to estimate and report the June 30, 2016 claims payable liabilities.

Responsible party: Justin Petrone, Director of Accounting Services.

Planned completion date for corrective action plan: June 30, 2016.

**Plan to monitor completion of corrective action plan:** Completion of the corrective action plan will be monitored as part of the district's monthly and quarterly financial reporting process, which includes submission of quarterly fund financial statements to the audit committee and board of education.

#### Section III – Findings and Questioned Costs – Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with Section 510(a) of OMB Circular A-133.

#### Section IV – Prior Year Major Federal Program Findings

#### 2014 - 001

Child Nutrition Cluster (CFDA 10.553, 10.555, and 10.559); Grant Period-Year Ended June 30, 2014; U.S. Department of Agriculture Passed through the Colorado Department of Education; Procurement and Suspension and Debarment Compliance Requirement

Summary: The District paid certain vendors in excess of \$25,000 during the fiscal year without

verifying that the vendors and their principals were not suspended or debarred from participating in federally-funded transactions. 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 programs that are suspended

or debarred or whose principals are suspended or debarred.

Status: Implemented.



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# SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS Year Ended June 30, 2015

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass- Through Entity Grant Code	Accrued (Deferred) Revenue 6/30/2014	Receipts	Disbursements	Accrued (Deferred) Revenue 6/30/2015
U.S. Department of Education						
Direct Programs						
Indian Education	84.060		\$ 2,032	\$ 14,974	\$ 12,942	\$ -
Passed Through State Department of Education						
Adult Education	84.002	5002	-	93,755	99,865	6,110
Title I	84.010	4010/5010	336,667	2,076,862	2,089,797	349,602
Special Education	84.027	4027	596,657	5,424,199	5,287,088	459,546
Special Education Preschool	84.173	4173	8,807	119,310	118,176	7,673
Safe and Drug-Free Schools and Communities	84.184	9184	23,634	55,760	32,126	-
Education for Homeless Children and Youth	84.196	5196	4.852	•	35.805	250
21st Century Community Learning Centers	84.287	5287/6287	154,380	-, -	840,608	40,686
Special Education-State Personnel Development	84.323	6323	1,000		-	-
Advanced Placement Program	84.330	5330		5,130	5,130	-
English Language Acquisition	84.365	4365/7365	36,043	215,552	190,930	11,421
Improving Teacher Quality	84.367	4367	120,537	740,789	693,754	73,502
Race to the Top	84.413	4413	11,675	72,176	74,479	13,978
Passed Through State Department of Human Services			,	,	,	•
Vocational Rehabilitation	84.126		60,286	261,592	241,515	40,209
Passed Through State Community College System	••		,		,	,
Career and Technical Education	84.048		46,931	58,916	118,000	106,015
TOTAL U.S. DEPARTMENT OF EDUCATION			1,403,501		9,840,215	1,108,992
U.S. Department of Agriculture						
Direct Programs						
Farm to School	10.575		6,598	51,986	79,345	33,957
Passed Through State Department of Human Services			.,	,,,,,	-,-	,
Donated Commodities	10.555			371,553	371,553	-
Passed Through State Department of Public Health				21.1,222	21 1,000	
and Environment						
Child and Adult Care Food Program	10.558		-	29,412	33,325	3,913
Passed Through State Department of Education	10.000			20,112	00,020	0,010
National School Lunch Program	10.555	4555	246.544	2,160,551	2,160,314	246,307
School Breakfast Program	10.553	4553	76,328	,,	701,827	84,355
Summer Food Service Program for Children	10.559	4559	9,586	•	41,385	14,389
TOTAL U.S. DEPARTMENT OF AGRICULTURE	10.555	4000	339,056		3,387,749	382,921
TOTAL U.S. DEFARTIMENT OF AGRICULTURE			339,030	3,343,664	3,367,749	302,921
U.S. Department of Homeland Security						
Passed Through State Department of Public Safety						
Disaster Grants-Public Assistance	97.036			138,523	138,523	
TOTAL FEDERAL FINANCIAL ASSISTANCE			\$ 1,742,557	\$ 13,617,131	\$ 13,366,487	\$ 1,491,913

#### NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS Year Ended June 30, 2015

#### 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.

#### NOTE 2: NONCASH FEDERAL AWARDS

Commodities donated to the district by the U.S. Department of Agriculture (USDA) of \$371,553 are valued based on the USDA's Donated Commodity Price List. These are shown as part of the National School Lunch Program (CFDA 10.555).

**STATE COMPLIANCE** 



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# 8

# Colorado Department of Education

Auditors Integrity Report
District: 0480 - BOULDER VALLEY RE 2
Fiscal Year 2014-15
Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Kever	Kevenues, Expenditures, & Fund Balance by Fund	pc			
Fund	Fund Type &Number	Beg Fund Balance & Prior Per	1000 - 5999 Total Revenues &	0001-0999 Total Expenditures &	6700-6799 & Prior Per Adj
Э	Governmental	+ (2,000)	oniel sources	Outer Oses	
10	General Fund	27,263,658	268,754,038	265,567,781	30,449,915
18	Risk Mgmt Sub-Fund of General Fund	274,972	3,830,362	3,667,292	438,042
19	Colorado Preschool Program Fund	32,373	1,700,174	1,650,729	81,818
	Sub- Total	27,571,002	274,284,575	270,885,802	30,969,775
11	Charter School Fund	8,026,465	46,271,399	44,168,788	10,129,077
20,26-	20,26-29 Special Revenue Fund	0	0	0	0
21	Food Service Spec Revenue Fund	45,711	8,299,123	8,215,016	129,818
22	Govt Designated-Purpose Grants Fund	0	12,033,721	12,033,721	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	724,040	13,575,631	13,884,393	415,278
31	Bond Redemption Fund	24,822,129	36,789,459	28,079,074	33,532,514
39	Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41	Building Fund	1,231,131	280,841,461	4,916,999	277,155,593
42	Special Building Fund	0	0	0	0
43	Capital Reserve Capital Projects Fund	853,937	2,897,388	2,161,785	1,589,540
To	Totals	63,274,414	674,992,758	384,345,577	353,921,595
	Proprietary				
20	Other Enterprise Funds	0	0	0	0
64 (63)	3) Risk-Related Activity Fund	0	0	0	0
69-59'09	-69 Other Internal Service Funds	7,874,268	462,359	567,989	7,768,638
To	Totals	7,874,268	462,359	567,989	7,768,638
	Fiduciary				
70	Other Trust and Agency Funds	0	0	0	0
72	Private Purpose Trust Fund	1,332,717	10,661	15,000	1,328,378
73	Agency Fund	0	0	0	0
74	Pupil Activity Agency Fund	3,950,313	12,985,741	12,948,862	3,987,192
79	GASB 34:Permanent Fund	0	0	0	0
82	Foundations	698,634	74,618	34,393	738,859
Ĭ	Totals	5,981,664	13,071,020	12,998,255	6,054,429

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



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