



# COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDING JUNE 30, 2010

Boulder, Colorado ■ Boulder ■ Broomfield ■ Gilpin Counties



# **Boulder Valley** School District

*Excellence and Equity*



## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

*For the fiscal year ending June 30, 2010 ■ Boulder, Colorado*

PREPARED BY: BUSINESS SERVICES DIVISION

**William A. Sutter**  
*Interim Chief Financial Officer*

**Charles R. McElwain, CPA**  
*Accounting Services Director*

# BOULDER VALLEY SCHOOL DISTRICT RE-2

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the fiscal year ending June 30, 2010

### TABLE OF CONTENTS

	PAGE
<b>INTRODUCTORY SECTION</b>	
Letter of Transmittal.....	1 – 6
Certificates of Achievement for Excellence in Financial Reporting .....	7 – 8
Organization Chart .....	9 – 10
List of Elected and Appointed Officials .....	11
 <b>FINANCIAL SECTION</b>	
Independent Auditors' Report .....	12 – 13
Management's Discussion and Analysis.....	14 – 28
<b>Basic Financial Statements:</b>	
Statement of Net Assets .....	29
Statement of Activities .....	30
Balance Sheet – Governmental Funds .....	31
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds .....	32
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	33
Balance Sheet – Proprietary Funds .....	34
Statement of Revenues, Expenses and Changes in Fund Net Assets – Proprietary Funds .....	35
Statement of Cash Flows – Proprietary Funds .....	36
Statement of Fiduciary Net Assets.....	37
Statement of Changes in Fiduciary Net Assets.....	38
Notes to Financial Statements .....	39 – 55
<b>Required Supplementary Information:</b>	
Budgetary Comparison Schedule – General Fund.....	56

## TABLE OF CONTENTS

(Continued)

### PAGE

#### FINANCIAL SECTION (Continued)

Budgetary Comparison Schedule – Grants Fund .....	57
Notes to Required Supplementary Information .....	58

#### Combining and Individual Fund Statements and Schedules:

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

## TABLE OF CONTENTS

(Continued)

PAGE

### STATISTICAL SECTION (Unaudited)

Table of Contents .....	80
-------------------------	----

#### Financial Trends

Table 1 – Net Assets by Component .....	81
Table 2 – Changes in Net Assets.....	82
Table 3 – Fund Balances of Governmental Funds.....	83
Table 4 – Changes in Fund Balances of Governmental Funds.....	84

#### Revenue Capacity

Table 5 – Assessed Value and Estimated Actual Value of Taxable Property .....	85
Table 6 – Property Tax Levies and Collections.....	86
Table 7 – Property Tax Rates – Direct and Overlapping Governments .....	87

#### Debt Capacity

Table 8 – Ratios of Outstanding Debt by Type .....	88
Table 9 – Legal Debt Margin Information.....	89

#### Demographic and Economic Information

Table 10 – Demographic and Economic Statistics.....	90
Table 11 – Computation of Direct and Overlapping General Obligation Debt.....	91
Table 12 – Principal Property Taxpayers .....	92
Table 13 – District Employees – Full Time Equivalents .....	93
Table 14 – Principal Employers .....	97

#### Operating Information

Table 15 – School Building Information .....	95 – 99
Table 16 – Teacher Statistics .....	100
Table 17 – Miscellaneous Statistical Data .....	101

### COMPLIANCE SECTION

#### Single Audit

Independent Auditors' Report on Internal Control Over Financial Reporting and On Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	102 – 103
---	-----------

**TABLE OF CONTENTS**  
(Continued)

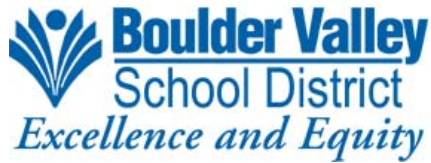
**PAGE**

**COMPLIANCE SECTION** (Continued)

Independent Auditors' Report on Compliance with Requirements that Could Have a Direct and Material Effect on Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133.....	104 – 105
Schedule of Findings and Questioned Costs .....	106
Independent Auditors' Report on Schedule of Expenditures of Federal Awards.....	107
Schedule of Expenditures of Federal Awards .....	108
Notes to Schedule of Expenditures of Federal Awards.....	109

**State Compliance**

Independent Auditors' Report on Auditor's Integrity Report .....	110
Auditor's Integrity Report .....	111



## Business Services Division

November 9, 2010

Members of the Board of Education  
Dr. Christopher D. King, Superintendent of Schools  
Boulder Valley School District RE-2  
Boulder, Colorado

It is our pleasure to submit the Comprehensive Annual Financial Report of the Boulder Valley School District RE-2 for the fiscal year ended June 30, 2010.

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

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

The 2010 Comprehensive Annual Financial Report (CAFR) presentation is in compliance with the governmental financial reporting model established by the Governmental Accounting Standards Board (GASB) Statement No. 34 titled *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. Accounting and financial reporting for state and local governments previously focused on funds to demonstrate fiscal accountability. The GASB No. 34 reporting model parallels private sector reporting by consolidating fund-based presentations into government-wide financial statements designed to ensure and demonstrate fiscal and operational accountability.

Swanhorst & Company LLC, Certified Public Accountants, have issued an unqualified ("clean") opinion on the Boulder Valley School District RE-2's financial statements for the year ended June 30, 2010. The independent auditors' report is located at the front of the financial section of this report.

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

## **Profile of the Government**

Boulder Valley School District RE-2 is a public school district, organized and existing under the School District Organization Act of 1965, Article 30, Title 22, and Colorado Revised Statutes. It was originally organized in 1860 and was reorganized in 1961 to include numerous smaller districts. A seven member board of education elected by the citizens of Boulder, Broomfield and Gilpin Counties governs the district. Board members serve four-year terms, with four members elected every two years. Board members are term-limited at two terms.

The district is located near the foothills of the Rocky Mountains approximately twenty miles northwest of Denver. The district is made up of approximately 500 square miles in the southern half of Boulder County, the northern part of Gilpin County and a significant portion of western Broomfield County. It covers one of the larger school regions in the metro-Denver area and encompasses the communities of Boulder, Broomfield, Erie, Gold Hill, Jamestown, Lafayette, Louisville, Nederland, Superior, and Ward. For the 2009-10 school year, the district's total enrollment and student full time equivalent was 28,838 and 27,673 respectively, including charter schools. The district owns over 750 acres of prime Boulder and Broomfield County property and maintains six artificial turf athletics fields and 56 buildings spanning over four million square feet.

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

Five charter schools are included as component units of the Boulder Valley School District RE-2 for the 2010 CAFR: Boulder Preparatory High School, Horizons K-8 Alternative School, Peak to Peak K-12 Charter School, Summit Middle Charter School and Justice High Charter School.

## **Economic Conditions and Outlook**

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

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

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

In February 2008 ConocoPhillips purchased the 420 acre Storage Tek/Sun Microsystems campus in Louisville, Colorado. ConocoPhillips has deconstructed the 1.6 million square feet of existing buildings on the site and in 2011 intends to start constructing a corporate learning and



global technology center. Upon its completion in 2013, the learning center will handle research and development of renewable energy and high tech carbon fuels recovery. The facility will also house a training center to train employees from 40 different countries.

The *2010 Colorado Business Economic Outlook*, published by the University of Colorado Leeds School of Business states that;

“The effects of the national recession that began in December 2007 will be felt well beyond 2010. Growth of the global and national economies will be a significant driver of the state economy. Currently there are mixed signals about whether or not Colorado will be one of the states leading the recovery.”

“Despite being impacted by the economic downturn, the Boulder County economy has been outperforming the state and national economy in many areas and is well positioned for the recovery. The local economy is supported by the presence of a world-class research university, major federally funded research facilities, a high concentration of companies in advanced technology clusters, visionary entrepreneurs, and the nation’s highest percentage of college graduates.”

### **Long-term Financial Planning**

Each year, the state budget is crafted by the governor and legislature to determine how much of the total budget will be allocated to education. The state economic picture is important to the district because a major source of funding for the district’s General Operating Fund is received through the state’s School Finance Act established by the state legislature. State revenue shortfalls necessitated cuts to K-12 education in 2009-10 although expectations for funding increases as mandated under Amendment 23 exist. One-time cash funds continue to be accessed to balance the state budget. After the state set the total funding for K-12 public education, each local district determined how to fund its specific system including every school within the district.

For the 2010-11 fiscal year, the legislature cut funding for K-12 public education. Inflation plus one percent as mandated in Amendment 23 of the Colorado constitution was not required to be fulfilled due to a shortfall in state-wide personal income growth. This revenue reduction is expected to continue into the near future.

Additional funding for specific programs identified in the American Reinvestment and Recovery Act (ARRA), “stimulus funds,” will continue in 2010-11 through early 2011-12. These specific funds include Title I and IDEA Part B (special education). The total funding, available over 32 months from February 2009 through September 2011, is approximately \$7.3 million dollars. Additional funds will be sought from competitive grants through the federal government, over and above the grant dollars usually received through the federal consolidated grant application.

In addition, state law allows school districts to ask voters to approve override funding through an additional property tax mill levy. This is paid entirely with increased local property taxes. Voters generously approved such overrides in 1991, 1998, 2002 and 2005. On June 22, 2010, the board of education directed staff to test community sentiment, ballot language and options through polling data and bring back the information and prioritized options in August.

## **Fund Balance Requirements**

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

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

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

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

### Spending Limitations:

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

### Reserve Requirements:

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

At June 30, 2010, the District is in compliance with these fund balance requirements.

## **Major Initiatives**

The mission of the Boulder Valley School District RE-2 is to realize our *Vision for the New Century Graduate*:

*"To graduate students in the New Century who have the knowledge, skills and personal characteristics that will make this world a safer, more thoughtful and more inclusive place in which to live."*

The district's goals are intended to support this mission.

In November 2007, the board of education approved three five-year goals for the district that relate to equity, achievement and organization. These goals were developed using the district's Tools of Inquiry for Equitable Schools (TIES) process during multiple work sessions and board meetings during fall 2007.

These goals are quite different than those previously set by the board of education in that they are SMART goals, as defined by the district's Tools of Inquiry for Equitable Schools (TIES) process. SMART goals are Specific, Measurable, Attainable, Realistic and Timely. The district aims to achieve academic excellence for all students, to produce equitable results that reduce persistent patterns of inequity and to create a culturally proficient and welcoming school climate.

The district's goals for 2007 – 2012 are as follows:

- **ACHIEVEMENT GOAL** – Increase measurable student achievement in specific content areas through curriculum and instruction that is rigorous and relevant.
- **EQUITY GOAL** – Narrow the achievement gap in all content areas as measured by CSAP results, ACT scores, district graduation rates and curriculum-based assessments.
- **CLIMATE GOAL** – Create and sustain a safe and positive learning environment that protects and respects the rights of all individuals as measured by specific results from the annual BVSD School Climate Survey.
- **OPERATIONS GOAL** – The Boulder Valley board of education will set a district operations goal during the 2008-2009 school year. First year progress in the attainment of this fourth long-range district goal will be reported in 2009-2010.

For details and specific targets set within these goals, including how progress will be measured, read the BVSD Annual Report by visiting the district's website [www.bvsd.org/goals](http://www.bvsd.org/goals).

## **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, 2009. In order to be awarded a Certificate of Achievement and the Certificate of Excellence, the district must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report satisfied both generally accepted accounting principles and applicable legal requirements. The Certificate of Achievement and the

Certificate of Excellence are valid for a period of one year. We believe that our current Comprehensive Annual Financial Report continues to meet the program requirements for both Certificate of Achievement and Certificate of Excellence programs. This document will be submitted to GFOA and ASBO respectively to determine eligibility for another certificate.

### **Acknowledgments**

The preparation of this report on a timely basis was made possible by the dedicated service of the entire staff of the Business Services Division. We would like to express our sincere appreciation to all members of the department for their contributions to this report. We also thank the district's independent auditors, Swanhorst & Company LLC, for the professional manner in which they accomplished the audit and for their work to publish this Comprehensive Annual Financial Report. We would also like to thank Dr. Christopher D. King, 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, District Accountant, for her assistance in the preparation of this document.

Respectfully Submitted,

A handwritten signature in dark ink, appearing to read "William A. Sutter".

William A. Sutter  
Interim Chief Financial Officer

A handwritten signature in dark ink, appearing to read "Charles R. McElwain".

Charles R. McElwain, CPA  
Accounting Services Director

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Boulder Valley School  
District RE-2, Colorado

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2009

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



President

Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS**  
**INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

**BOULDER VALLEY SCHOOL DISTRICT RE-2, COLORADO**

**For its Comprehensive Annual Financial Report (CAFR)**

For the Fiscal Year Ended June 30, 2009

Upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

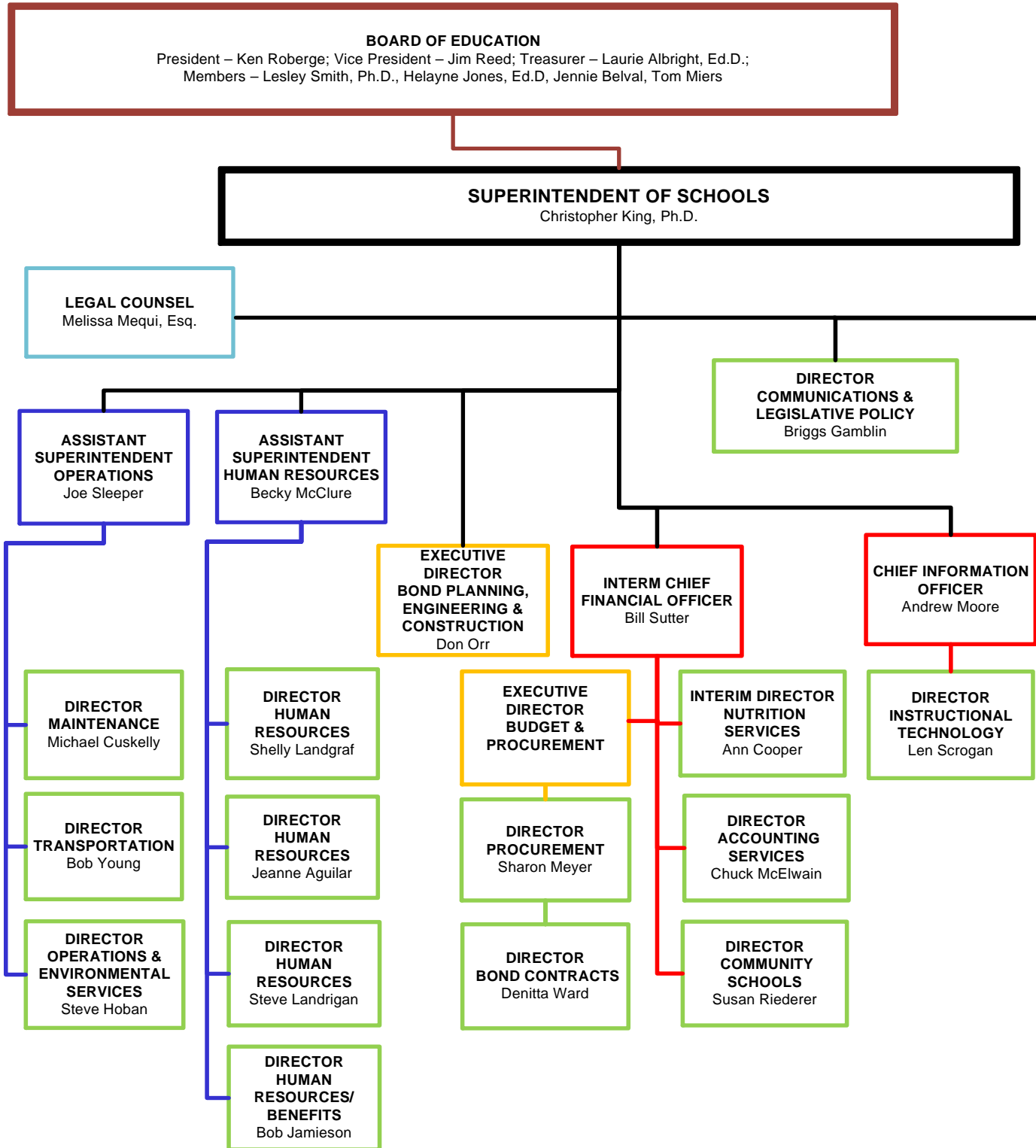
President

Executive Director

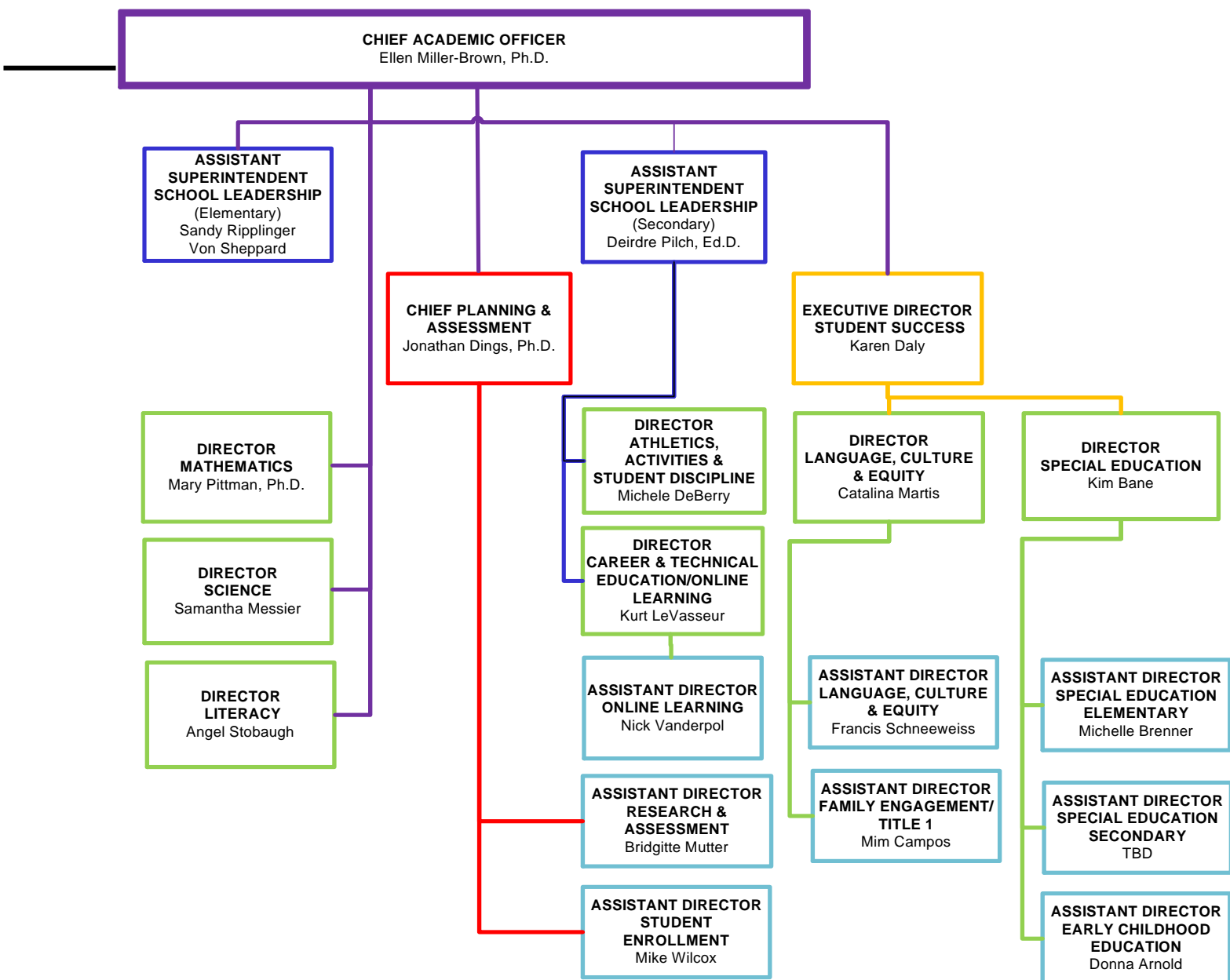


(This page was left blank intentionally.)

# BOULDER VALLEY SCHOOL DISTRICT RE-2 ORGANIZATION CHART







## BOULDER VALLEY SCHOOL DISTRICT RE-2

### List of Elected and Appointed Officials

June 30, 2010

#### Board of Education

**Top Row** (left to right):

District B

**Lesley Smith, Ph.D.**

District F

**Jennie Belval**

District C

**Laurie Albright, Ed.D.**  
**Treasurer**

District A

**Helayne Jones, Ed.D.**

**Bottom Row** (left to right):

District G

**Jim Reed,**  
**Vice-President**

District D

**Ken Roberge,**  
**President**

District E

**Tom Miers**



#### Superintendent's Cabinet



Christopher King, Ph.D.  
**Superintendent**

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



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

### INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component units and remaining fund information of the Boulder Valley School District RE-2 as of and for the year ended June 30, 2010, which collectively comprise the basic financial statements of the Boulder Valley School District RE-2, as listed in the table of contents. These financial statements are the responsibility of the Boulder Valley School District RE-2's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component units and remaining fund information of the Boulder Valley School District RE-2 as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2010, on our consideration of the Boulder Valley School District RE-2's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

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

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

*Swaudubert & Associates, LLC*

October 27, 2010



## **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, 2010. 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 1-8 of this report.

### **Financial Highlights**

At June 30, 2010:

- The primary government has government-wide net assets of \$132,084,827. Of this amount, unrestricted net assets of \$12,309,271 may be used to meet the district's ongoing financial obligations.
- The primary government's net assets increased from the prior year by \$14,671,652 and unrestricted net assets increased by \$1,887,981.
- At the end of the current fiscal year, the primary government's governmental funds reported combined ending fund balances of \$144,710,443, a decrease of \$66,229,780 from the prior year.
- At the end of the current fiscal year, unreserved, undesignated fund balance for the Combined General Fund is \$12,203,848, or 5.03% of total Combined General Fund expenditures.
- The primary government's long-term general obligation debt decreased by \$12,115,000 to \$385,285,000. This is the result of the issuance of \$53,645,000 of 2009B general obligation refunding bonds used to refund \$56,435,000 of 1999 General Obligation Bonds, less \$9,325,000 of current year principal payments on other outstanding general obligation bonds.

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

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

### **Government-wide Financial Statements**

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

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

The statement of activities presents information showing how the net assets of the district changed during the current fiscal year. Changes in net assets are recorded in the statement of activities when the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (example: levied but uncollected property taxes and earned but unused employees' vacation leave).

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

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

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

## **Fund Financial Statements**

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

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

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

The district maintains four governmental funds called major funds: the General Fund (which combines the district's General Operating Fund, Risk Management Fund, Technology Fund, Athletics Fund, Community Schools Fund, Tuition Preschool Fund and the Colorado Preschool Program Fund), the Governmental Designated-Purpose Grants Fund, the Bond Redemption Fund and the Building Fund. They are presented separately in the fund financial statements with the remaining governmental funds (combined into a single aggregated presentation labeled other governmental funds). Other governmental funds, called non-major funds, include the Transportation Fund and the Capital Reserve Fund. Individual fund information for the non-major funds is presented as combining and individual fund statements and schedules after the notes section of this report.

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

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

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

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

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

**Notes to the Financial Statements:** The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements can be found on pages 39-55 of this report.

**Other Information:** In addition to the basic financial statements and accompanying notes, this report also contains other required supplementary information concerning the district's budget process. Within a statutory timeline, the board of education adopts a resolution appropriating an annual budget for each of the individual governmental funds. A Budgetary Comparison Schedule for the General Fund has been provided to demonstrate compliance with the adopted budget followed by the Notes to Required Supplementary Information. Required supplementary information can be found on pages 56-58 of this report.

The Combining and Individual Fund Statements and Schedules follow the Required Supplementary Information and include the remaining governmental funds budgetary comparison schedules. These statements and schedules can be found on pages 59-79 of this report.

## Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The assets of the primary government exceed liabilities by \$132,084,827 with an unrestricted balance of \$12,309,271 at June 30, 2010.

Boulder Valley School District RE-2						
Net Assets						
	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Current and Other Assets	\$ 202,723,005	\$ 268,805,788	\$ (327,044)	\$ 326,870	\$ 202,395,961	\$ 269,132,658
Capital Assets	380,881,015	315,405,716	247,954	300,555	381,128,969	315,706,271
Total Assets	583,604,020	584,211,504	(79,090)	627,425	583,524,930	584,838,929
Long-term Liabilities	400,933,095	412,509,150	-	-	400,933,095	412,509,150
Other Liabilities	50,221,942	54,623,291	1,351,157	293,313	51,573,099	54,916,604
Total Liabilities	451,155,037	467,132,441	1,351,157	293,313	452,506,194	467,425,754
Net Assets						
Invested in Capital Assets						
Net of Related Debt	79,862,762	69,851,279	247,954	300,555	80,110,716	70,151,834
Restricted for:						
Debt Service	24,518,963	21,071,253	-	-	24,518,963	21,071,253
Capital Projects	6,698,312	7,352,679	-	-	6,698,312	7,352,679
Multiple Year Obligations	120,000	120,000	-	-	120,000	120,000
Risk Management	-	149,061	-	-	-	149,061
Preschool Expenditures	92,136	93,555	-	-	92,136	93,555
Transportation	563,787	499,309	-	-	563,787	499,309
Emergencies	7,495,151	7,371,641	176,491	182,553	7,671,642	7,554,194
Unrestricted	13,097,872	10,570,286	(788,601)	(148,996)	12,309,271	10,421,290
Total Net Assets	<u>\$ 132,448,983</u>	<u>\$ 117,079,063</u>	<u>\$ (364,156)</u>	<u>\$ 334,112</u>	<u>\$ 132,084,827</u>	<u>\$ 117,413,175</u>

The largest portion of the district's net assets \$80,110,716 (60.65%) represent its investment in capital assets (e.g. land, land improvements, buildings, equipment, and vehicles), less related debt used to acquire these assets that is still outstanding. The district uses these capital assets to provide services to its constituents; consequently these assets are not available for future spending. Although the district's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets cannot be liquidated to pay the debt.

An additional portion of the district's net assets \$39,664,840 (30.03%) are subject to external restrictions on how they may be used. The remaining amount of net assets \$12,309,271 (9.32%) is available to fund the district's ongoing programs.

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



Governmental activities net assets increased by \$15,369,920. Governmental activities total assets decreased by \$607,484; this change is caused mainly by a decrease in cash and investments and restricted cash and investments of \$71,015,944 offset by an increase in receivables of \$3,895,630 and an increase in capital assets of \$65,475,299.

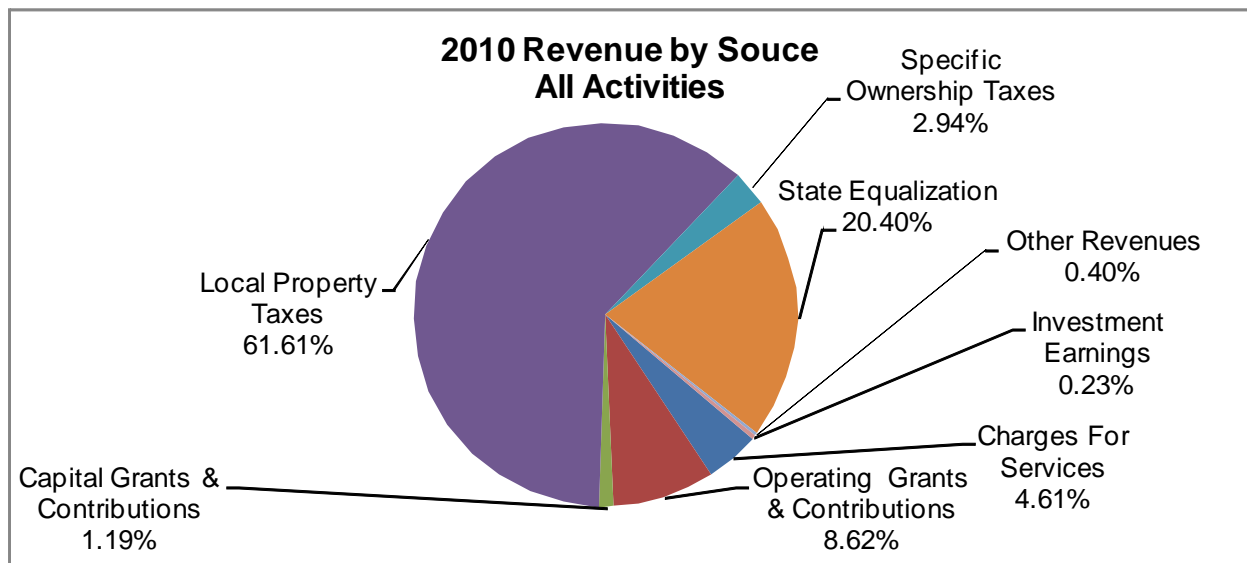
Governmental activities total liabilities decreased by \$15,977,404. This decrease is generally due to current year payments on the district's general obligation debt and certificates of participation of \$11,170,550 and a decrease in accounts payable of \$5,022,057.

Business-type activities net assets decreased by \$698,268. Business-type activities total assets decreased by \$706,515. This decrease is predominantly an increase in grants receivable of \$354,999, a decrease in internal balances of \$1,066,091, an increase in inventories of \$63,632 and a decrease in capital assets of \$52,601.

Business-type activities total liabilities decreased by \$8,247; accrued liabilities decreased by \$6,461 while accrued salaries and benefits decreased by \$1,786.

**Government-wide Activities:** Government-wide activities increased the district's net assets by \$14,671,652. Key elements of this increase are as follows:

Boulder Valley School District RE-2 Changes In Net Assets						
	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues:						
Program Revenues:						
Charges For Services	\$ 11,820,623	\$ 11,758,980	\$ 2,696,927	\$ 3,133,969	\$ 14,517,550	\$ 14,892,949
Operating Grants and Contributions	24,748,470	20,861,065	2,412,851	2,175,704	27,161,321	23,036,769
Capital Grants and Contributions	3,747,258	-	-	-	3,747,258	-
General Revenues:						
Local Property Taxes	193,973,616	182,808,375	-	-	193,973,616	182,808,375
Specific Ownership Taxes	9,251,558	9,995,765	-	-	9,251,558	9,995,765
State Equalization	64,227,060	61,973,644	-	-	64,227,060	61,973,644
Other Revenues	1,266,334	3,989,195	-	-	1,266,334	3,989,195
Investment Earnings	716,554	2,288,518	-	-	716,554	2,288,518
Nutrition Service	(225,000)	(225,000)	225,000	225,000	-	-
Total Revenues	309,526,473	293,450,542	5,334,778	5,534,673	314,861,251	298,985,215
Expenses:						
Instruction	184,537,048	184,528,008	-	-	184,537,048	184,528,008
Supporting Services	93,260,558	91,944,942	-	-	93,260,558	91,944,942
Interest Expense	16,358,947	13,076,805	-	-	16,358,947	13,076,805
Nutrition Service	-	-	6,033,046	5,708,651	6,033,046	5,708,651
Total Expenses	294,156,553	289,549,755	6,033,046	5,708,651	300,189,599	295,258,406
Changes In Net Assets	15,369,920	3,900,787	(698,268)	(173,978)	14,671,652	3,726,809
Net Assets-Beginning	117,079,063	113,178,276	334,112	508,090	117,413,175	113,686,366
Net Assets-Ending	\$ 132,448,983	\$ 117,079,063	\$ (364,156)	\$ 334,112	132,084,827	\$ 117,413,175



**Governmental Activities:** Governmental activities program revenue increased from the prior year by \$7,696,306 or 23.59%. This increase is due primarily to increased operating grants and contributions recorded in the Governmental Designated-Purpose Grants Fund and increased capital grants and contributions recorded in the Building Fund.

Governmental activities expenses increased by \$4,606,798 or 1.59%, due most significantly to compensation increases given to district employees through salary increases, a rise in benefit costs for health insurance and retirement plan contributions.

General Revenues increased by \$8,379,625 or 3.21%. Local property tax collections increased by \$11,165,241. This increase was a result of the growth of the district's assessed valuation which was applied to the General Fund, Bond Redemption Fund and the Transportation Fund mill levies, as well as an authorized mill levy increase related to the Bond Redemption Fund for the 2010 tax year. State equalization revenue increased by \$2,253,416 due to an increase in the School Finance Act funding. Investment earnings decreased by \$1,571,964 because of historically low interest rates and a decrease in cash balances available for investment. Specific ownership tax collections decreased by \$744,207 from the prior year. The continued stagnation of motor vehicle sales and registrations propelled this decline. One time revenue collections from insurance reimbursements and fixed asset sales recorded in the prior year pushed other revenues down by \$2,722,861.

**Enterprise Activities:** The \$698,268 decrease in net assets from enterprise activities is due to higher than expected labor and food costs and lower than anticipated student participation in the current year for the Nutrition Services Fund.

## **Financial Analysis of the Government's Funds**

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

The focus of the district's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the district's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the district's net resources available for spending at the end of the fiscal year.

The Combined General Fund is the major governmental fund of the district. The Combined General Fund under GASB 34 reporting requirements includes the General Operating Fund, Risk Management Fund, Technology Fund, Athletics Fund, Community Schools Fund, the Tuition Preschool Fund, and the Colorado Preschool Program Fund. A Combining Schedule of Revenues, Expenditures and Changes in Fund Balances of the Combined General Fund is shown on page 60 of this document. As of June 30, 2010, the Combined General Fund shows an ending fund balance of \$19,645,363 up from the combined fund balance of \$19,635,670 for the prior year, an increase of \$9,693.

A Budgetary Comparison Schedule for the Combined General Fund is presented on page 56 of this document. There is a negative variance between final budgeted and actual revenue of \$3,662,094 or 1.45%. Property tax revenue and state equalization revenue are under budget by \$640,413 and \$2,305,214 respectively. ARRA State Stabilization funds totaling \$1,677,365 were originally budgeted in the General Fund; however, the Colorado Department of Education subsequently allocated these funds as regular state equalization funding. State reimbursement program revenues exceeded budget by \$830,853.

Expenditures net of reserves, varied from the final budget by \$4,665,859 or 1.75%. This variance was caused by two major expenditure categories. \$3,131,072 was budgeted in 2009-10, but unspent at year end and intentionally carried over into 2010-11. These include textbook funds, school operating dollars, Medicaid funds, technology, athletics funds, preschool and other operating resources. Within all other line items, a slight under spending of \$1,534,787, or 0.58% occurred. This includes staff compensation, retirement payouts, and other items budgeted, not expended, and not requested to be carried over into 2010-11. Also, budgeted reserves appropriated but not spent of \$18,466,335 are reflected in the total budget variance of \$23,132,194.

Within the Bond Redemption Fund, the fund balance increased by \$3,368,195 to \$24,032,073. Revenues from local sources increased by \$6,548,837, current year principal and interest payments increased by \$4,800,711 and other financing uses totaled \$1,761,582. Property tax revenues in the current year were based upon a levy of 6.565 mills applied against an assessed valuation of \$4,878,665,186 compared to 5.429 mills and an assessed valuation of \$4,681,607,636 in the prior year. The increased ending fund balance is necessary to fund debt service payments as they become due. Property tax levies are based upon a calendar year cycle while debt service payments are made each fiscal year in June and December.

The Building Fund ended the year with a fund balance of \$94,510,828, a decrease of \$67,641,879 from the prior year. Local revenue sources totaled \$4,336,005, including contributions from local sources of \$3,747,258 and investment earnings of \$588,747. Capital project expenditures were \$71,977,884, a \$37,298,178 decrease from the prior year.

Additional information regarding the Building Fund and project status may be found at [www.bvsd.org/bondproject](http://www.bvsd.org/bondproject)

## General Operating Fund Highlights

The General Operating Fund is the core operating fund of the district. At the end of the fiscal year, fund balance increased by \$1,209,776 to \$17,522,615. Local revenues increased by \$4,713,437 and state revenues increased by \$3,104,674 from the prior year. Major revenue variances are shown in the table below.

	<b>June 30, 2010</b>	<b>June 30, 2009</b>	
	<b><u>Amount</u></b>	<b><u>Amount</u></b>	<b><u>Variance</u></b>
<b>Local Revenues</b>			
Property Taxes	\$ 154,934,584	\$ 148,964,145	\$ 5,970,439
Specific Ownership Taxes	9,251,558	9,995,765	(744,207)
Investment Earnings	90,072	393,228	(303,156)
Indirect Cost Reimbursement	976,644	331,017	645,627
Miscellaneous Local Revenues	4,476,193	5,331,459	(855,266)
Subtotal	<u>169,729,051</u>	<u>165,015,614</u>	<u>4,713,437</u>
<b>State Revenues</b>			
State Equalization	64,227,060	61,973,644	2,253,416
State Categorical	7,180,722	6,329,464	851,258
Subtotal	<u>71,407,782</u>	<u>68,303,108</u>	<u>3,104,674</u>
<b>Total Revenues</b>	<u><u>\$ 241,136,833</u></u>	<u><u>\$ 233,318,722</u></u>	<u><u>\$ 7,818,111</u></u>

## **Local Revenues**

Current year General Fund property taxes were based upon a levy of 31.938 mills applied against an assessed valuation of \$4,878,665,186 compared to 32.125 mills and an assessed valuation of \$4,681,607,636. Property tax revenues increased 4.01% in the current year.

Specific ownership tax is applied to the fair value of vehicles registered in Colorado. Specific ownership tax revenue decreased 7.45% in the current year due to fewer new car registrations in Boulder, Broomfield, and Gilpin Counties.

Other revenue changes include investment earnings decreased 77% in the current year due to historically low interest rates; the allowable indirect cost reimbursement rate chargeable to federal grants increased to 8.69% in the current year compared to 3.43% last year and prior year miscellaneous local revenues include a one-time insurance settlement of \$538,428.

## **State Revenues**

State equalization revenue increased by 3.64% from the prior year. This amount is approximately \$3.98 million less than expected due to a midyear state revenue rescission.

In total, state categorical revenues for special education, talented and gifted programs, vocational education and ELPA increased in the current year by \$851,258, ranging from 2% to 46% of prior year amounts.

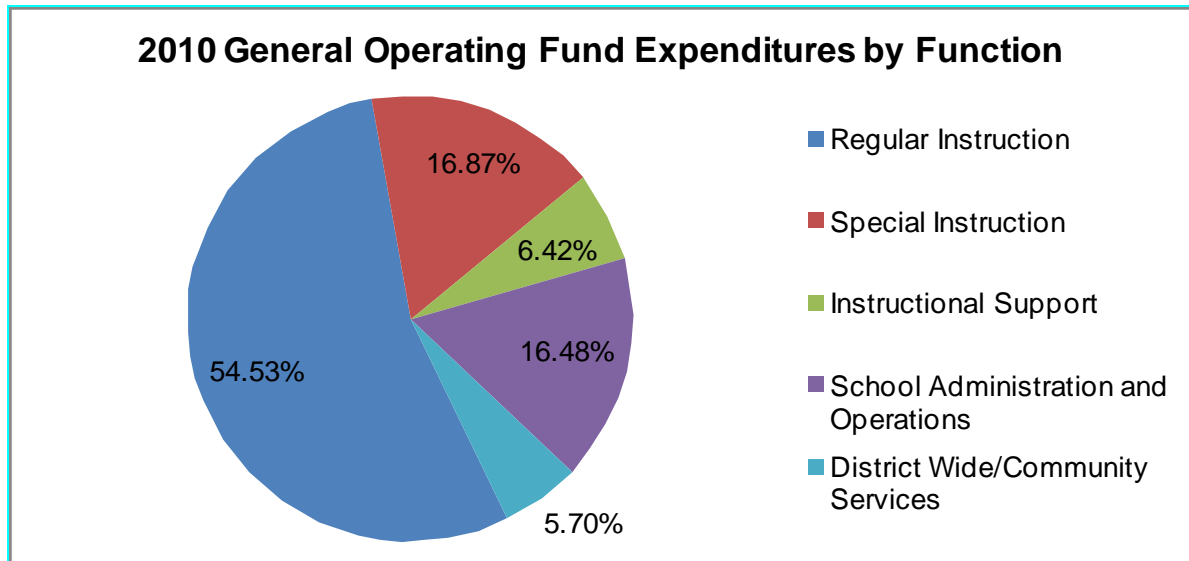
## **Expenditures**

General Operating Fund expenditures increased by 1.64% or \$3,650,656 to \$226,362,870. This increase is due primarily to pay increases given to district employees (including a 1.0% cost of living adjustment and step increases), increased employee benefit costs for health insurance and a statutory 6.9% increase, from 12.95% to 13.85%, in employer retirement plan contributions.

General Operating Fund spending in 2009-10 provided for the continuation of district programs and services. General Operating Fund expenditures by function are shown in the following chart. 77.82% of expenditures are instruction related: regular program instruction, special program instruction, and direct instructional support. 16.48% of expenditures are for school administration, operations and maintenance of district facilities. 5.70% of expenditures are for district-wide services and community obligations.

**2010 General Operating Fund Expenditures by  
Function**

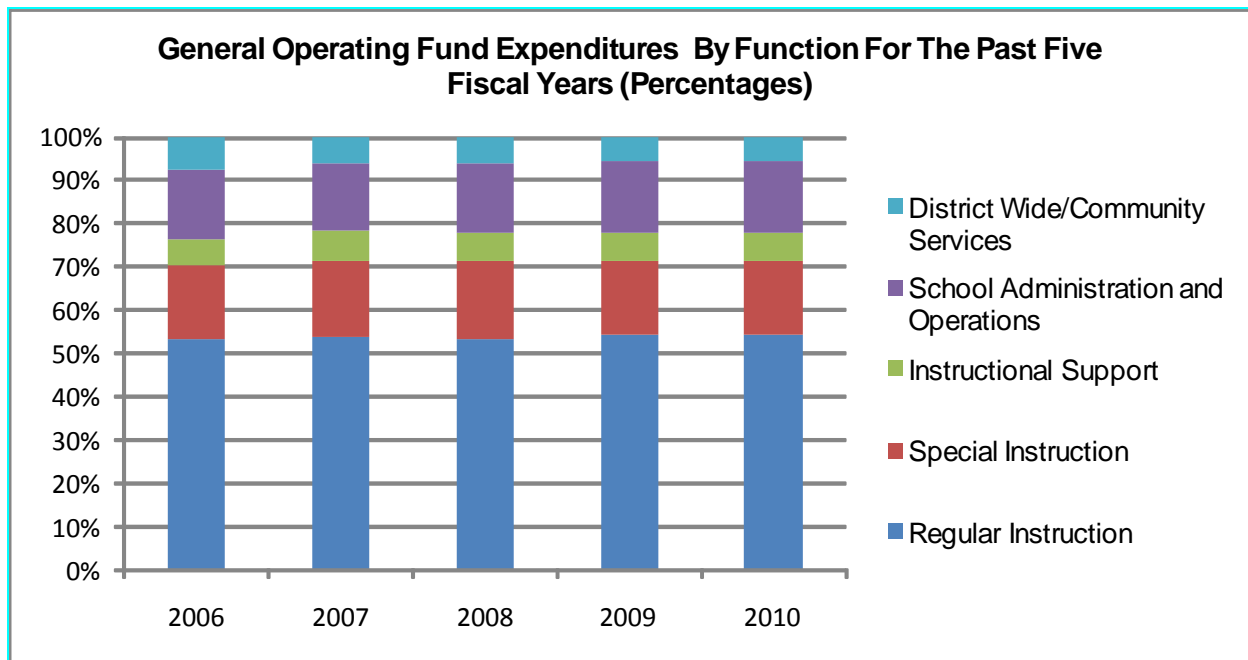
<b><u>Function</u></b>	<b><u>June 30, 2010</u></b>	<b><u>Percent</u></b>
Regular Instruction		
Regular Instruction	\$ 123,441,258	54.53%
Special Instruction		
Special Education	27,740,762	
Vocational Education	2,314,908	
Co-curricular Education	1,191,327	
Language, Culture & Equity	5,639,526	
Talented and Gifted Education	1,295,677	
Subtotal Special Instruction	<u>38,182,200</u>	16.87%
Instructional Support		
Student Services	6,828,323	
Instructional Staff Support	7,702,107	
Subtotal Instructional Support	<u>14,530,430</u>	<u>6.42%</u>
Subtotal Instruction	176,153,888	77.82%
School Administration and Operations		
School Administration	17,152,823	
Operations and Maintenance	20,157,982	
Subtotal School Administration and Operations	<u>37,310,805</u>	16.48%
District Wide/Community Services		
General Administration	2,613,664	
Business Services	2,793,824	
Central Services	6,594,605	
Community Services	193,940	
Debt Services	702,144	
Subtotal District Wide/Community Services	<u>12,898,177</u>	<u>5.70%</u>
Total General Operating Fund Expenditures	<u>\$ 226,362,870</u>	<u>100.00%</u>



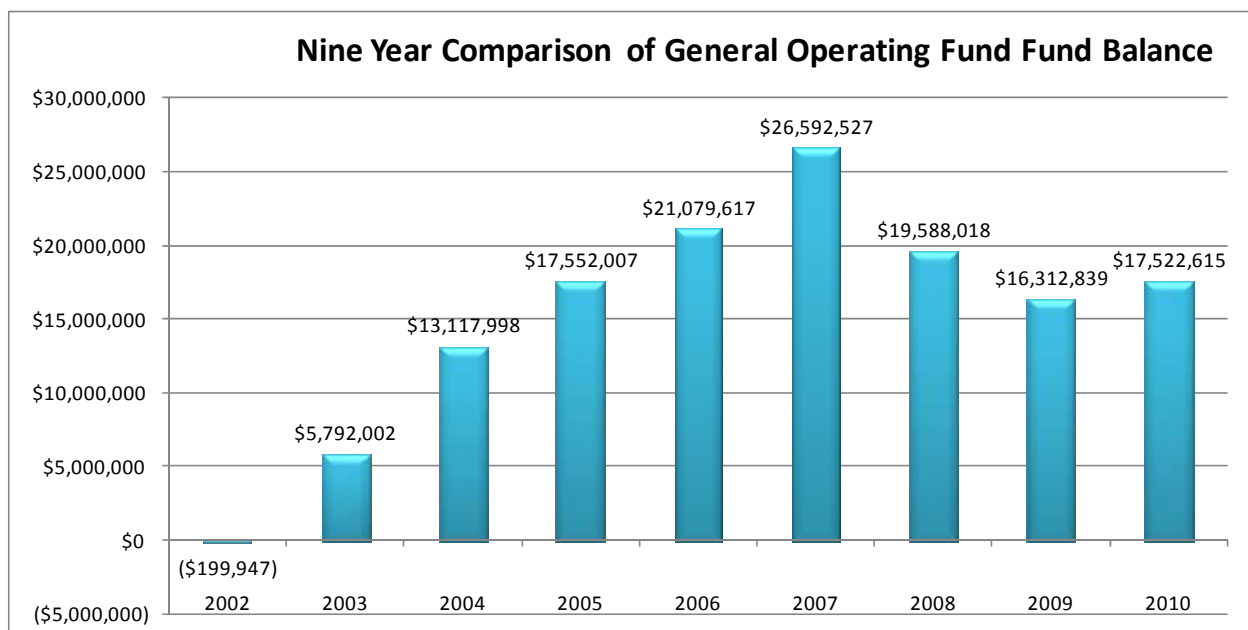
General Operating Fund expenditures by function for the past five fiscal years are shown in the following chart. The district has spent a minimum of 76.67% of General Operating Fund dollars on instruction related activities over the past five fiscal years. This trend is expected to continue into the future.

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Regular Instruction	53.29%	53.74%	53.57%	54.35%	54.53%
Special Instruction	17.04%	17.70%	17.73%	17.04%	16.87%
Instructional Support	6.34%	6.81%	6.90%	6.78%	6.42%
Subtotal Instruction	76.67%	78.26%	78.20%	78.17%	77.82%
School Administration and Operations	16.01%	15.92%	15.80%	16.10%	16.48%
District Wide/Community Services	7.32%	5.82%	6.00%	5.73%	5.70%
Subtotal Support	23.33%	21.74%	21.80%	21.83%	22.18%
Total	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>



An analysis of the district's General Operating Fund ending fund balance is shown in the following chart. Over the nine year period 2001-2002 to 2009-10, the fund balance of the General Operating Fund has fluctuated from a low of (\$199,947) to a high of \$26,592,527 to its current amount of \$17,522,615



There are many factors that caused this fluctuation over time. First, the Colorado School Finance Act allows school districts to pass mill levy override elections up to a maximum of 25% of total program funding. The override percentage increased from 20% to 25% beginning with



the 2009-10 fiscal year. The district passed mill levy override elections in November 1991, November 1998 and November 2002 of \$7,062,468, \$10,600,000 and \$15,000,000 respectively. With the 1998 Referendum, a stabilization fund was established to fund the growing personnel costs that were expected to exceed the fixed revenue stream over time. This stabilization fund was continued and supplemented with the 2002 referendum. Previously, it was standard practice to spend 100% of each override on new programs and then seek voter approval of additional revenues when the fund was depleted. With Colorado's financial issues and the district's stable enrollment, the district changed this practice, halting the use of fund balance for ongoing costs and used the existing stabilization fund to fully fund GAAP budgeting as part of the establishment of Board Policy DB Fund Balance Requirements.

As part of the development of the 2010-11 Revised Budget, the preliminary allocation of the \$17,522,615 General Operating Fund ending fund balance is as follows:

Required Reserves:	
Contingency reserve	\$ 6,319,661
TABOR reserve	6,319,661
Other required reserves	1,227,049
Subtotal	<u>13,866,371</u>
One-time Uses	
Restricted funds carryover	1,629,232
Funds identified to be spent in the 2010-11 budget	1,421,445
Available for one-time uses	605,567
Subtotal	<u>3,656,244</u>
Grand Total	<u><u>\$ 17,522,615</u></u>

## Capital Assets and Debt Administration

The district's investment in capital assets for its governmental and business-type activities as of June 30, 2010 and 2009 are \$378,856,989 and \$313,742,908 respectively.

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

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Land	\$ 2,776,133	\$ 2,776,133	\$ -	\$ -	\$ 2,776,133	\$ 2,776,133
Construction in Progress	103,625,339	112,184,762	-	-	103,625,339	112,184,762
Land Improvements	9,153,940	7,587,407	-	-	9,153,940	7,587,407
Buildings	257,897,465	185,559,904	-	-	257,897,465	185,559,904
Equipment	1,118,447	995,198	247,954	300,555	1,366,401	1,295,753
Vehicles	4,037,711	4,338,949	-	-	4,037,711	4,338,949
Total Assets	<u>\$ 378,609,035</u>	<u>\$313,442,353</u>	<u>\$ 247,954</u>	<u>\$ 300,555</u>	<u>\$ 378,856,989</u>	<u>\$ 313,742,908</u>

In November 2006, voters approved the sale of \$296,800,000 of general obligation bonds to fund critical repairs and capital improvements to the district's infrastructure as identified in the

district's May 2006 Educational Facilities Master Plan. The bonds were issued in two installments; \$120,000,000 in February 2007 and \$176,800,000 in February 2009.

The 2009-10 fiscal year was the fourth year of work on these projects. \$217,882,505 has been spent on these projects from inception through June 30, 2010.

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

At June 30, 2010, the district had total bonded debt outstanding of \$385,285,000 backed by the full faith and credit of the district. Additionally, the district had long-term debt obligations for certificates of participation and compensated absences in the amount of \$3,710,000 and \$5,404,014 respectively, outstanding at the end of the current fiscal year. The certificates of participation are collateralized by specific buildings owned by the district.

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

	<u>June 30, 2010</u>	<u>June 30, 2009</u>
General Obligation Bonds	\$385,285,000	\$397,400,000
Certificates of Participation	3,710,000	4,255,000
Compensated Absences	5,404,014	4,802,006
	<hr/>	<hr/>
	\$394,399,014	\$406,457,006
	<hr/>	<hr/>

In September 2009, the district issued \$53,645,000 of general obligation bonds to refund a portion of its existing debt. The refunding is expected to reduce total debt service payments over the next nine years by \$9,200,000.

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

State statute limits the amount of general obligation debt a government may issue to 20% of its total assessed valuation. The Boulder Valley School District's legal debt limit is \$975,733,037. At June 30, 2010, the district's total outstanding general obligation bonds are under the legal debt limit by \$590,448,037.

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

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

Approximately 85 percent of the General Operating Fund revenues come from state level decisions. For the first time in recent memory, the Colorado State Legislature approved a School Finance Act (SFA) that actually decreased the statewide per pupil funding. In 2009, personal income decreased by 2.1 percent from 2008. This means the minimum General Fund increase in the appropriation for school finance for FY 2010-11 is not required as specified within Amendment 23, therefore funding does not reflect the general expectations approved with the passage of Amendment 23 to the Colorado Constitution in November of 2000.

The district is projecting net School Finance Act per pupil revenue (PPR) for 2010-11 of \$6,721 after accounting for a \$2 per pupil rescission to pay for school finance staff at the Colorado Department of Education (CDE). Total program funding, defined by the School Finance Act, is projected to be \$185.6M, a decline of \$7.6M from the 2009-10 Revised Budget (net of the Fiscal Emergency Required Reserve). Included in this figure is the impact of the timing of tax collections over two fiscal years, a reduction of almost \$1,000,000 in 2010-10 from the state-determined per pupil revenues.

Although the School Finance Act specifies how much money a school district will receive per pupil, the funded pupil count drives total school district operating revenue. The School Finance Act describes the calculation of funding on a per pupil basis; the number of full-time students enrolled in a district determines the amount of funding the district receives. The funded pupil count refers to the number of full-time students enrolled in a district on October 1, the official count day. Not all students (kindergartners for example) attend school on a full-time basis. Thus, the funded pupil count is different from total enrollment, district membership or headcount, all interchangeable terms.

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

William A. Sutter, Interim Chief Financial Officer  
Boulder Valley School District RE-2  
6500 East Arapahoe  
P.O. Box 9011  
Boulder, Colorado 80301



(This page was left blank intentionally.)

## **BASIC FINANCIAL STATEMENTS**



(This page was left blank intentionally.)

# Boulder Valley School District RE-2

## STATEMENT OF NET ASSETS

June 30, 2010

	PRIMARY GOVERNMENT			COMPONENT
	GOVERNMENTAL	BUSINESS-TYPE	TOTAL	UNITS
	ACTIVITIES	ACTIVITIES		CHARTER SCHOOLS
<b>ASSETS</b>				
Cash and Investments	\$ 82,495,383	\$ -	\$ 82,495,383	\$ 5,998,035
Restricted Cash and Investments	105,563,202	-	105,563,202	2,724,019
Accounts Receivable	903,583	-	903,583	15,354
Taxes Receivable	7,845,439	-	7,845,439	-
Grants Receivable	4,432,822	548,674	4,981,496	-
Internal Balances	1,066,091	(1,066,091)	-	-
Inventories	384,785	190,373	575,158	18,245
Prepaid Expenses	31,700	-	31,700	1,130
Debt Issuance Costs, Net of Accumulated Amortization	2,271,980	-	2,271,980	550,127
Capital Assets, Not Being Depreciated	106,401,472	-	106,401,472	2,461,560
Capital Assets, Net of Accumulated Depreciation	272,207,563	247,954	272,455,517	14,600,138
<b>TOTAL ASSETS</b>	<b>583,604,020</b>	<b>(79,090)</b>	<b>583,524,930</b>	<b>26,368,608</b>
<b>LIABILITIES</b>				
Accounts Payable	13,562,752	-	13,562,752	-
Accrued Liabilities	5,639,031	138,733	5,777,764	117,541
Accrued Summer Salaries	22,689,220	-	22,689,220	823,613
Accrued Salaries and Benefits	2,693,067	146,333	2,839,400	89,481
Unearned Revenues	600,191	-	600,191	75,623
Accrued Interest Payable	1,431,866	-	1,431,866	407,378
Claims Payable	3,605,815	-	3,605,815	-
Noncurrent Liabilities				
Due Within One Year	11,810,100	-	11,810,100	597,746
Due in More Than One Year	389,122,995	-	389,122,995	17,859,056
<b>TOTAL LIABILITIES</b>	<b>451,155,037</b>	<b>285,066</b>	<b>451,440,103</b>	<b>19,970,438</b>
<b>NET ASSETS</b>				
Invested in Capital Assets, Net of Related Debt	79,862,762	247,954	80,110,716	(494,577)
Restricted for Debt Service	24,518,963	-	24,518,963	2,066,552
Restricted for Repairs and Replacements	-	-	-	250,089
Restricted for Capital Projects	6,698,312	-	6,698,312	-
Restricted for Multiple Year Obligations	120,000	-	120,000	-
Restricted for Colorado Preschool Program	92,136	-	92,136	-
Restricted for Transportation	563,787	-	563,787	-
Restricted for Emergencies	7,495,151	176,491	7,671,642	614,506
Unrestricted	13,097,872	(788,601)	12,309,271	3,961,600
<b>TOTAL NET ASSETS</b>	<b>\$ 132,448,983</b>	<b>\$ (364,156)</b>	<b>\$ 132,084,827</b>	<b>\$ 6,398,170</b>

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

# Boulder Valley School District RE-2

## STATEMENT OF ACTIVITIES

Year Ended June 30, 2010

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
PRIMARY GOVERNMENT				
Governmental Activities				
Instruction	\$ 184,537,048	\$ 885,640	\$ 14,549,799	\$ -
Supporting Services	93,260,558	10,934,983	10,198,671	3,747,258
Interest Expense	16,358,947	-	-	-
Total Governmental Activities	294,156,553	11,820,623	24,748,470	3,747,258
Business-Type Activities				
Nutrition Services	6,033,046	2,696,927	2,412,851	-
Total Business-Type Activities	6,033,046	2,696,927	2,412,851	-
TOTAL PRIMARY GOVERNMENT	\$ 300,189,599	\$ 14,517,550	\$ 27,161,321	\$ 3,747,258
COMPONENT UNITS				
Charter Schools	21,758,552	1,281,625	1,293,618	-
TOTAL COMPONENT UNITS	\$ 21,758,552	\$ 1,281,625	\$ 1,293,618	\$ -
GENERAL REVENUES				
Local Property Taxes				
Specific Ownership Taxes				
State Equalization				
State Capital Construction Funding				
Investment Earnings				
Other				
TRANSFERS				
TOTAL GENERAL REVENUES AND TRANSFERS				
CHANGE IN NET ASSETS				
NET ASSETS, Beginning				
NET ASSETS, Ending				

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



**NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS**

<b>PRIMARY GOVERNMENT</b>			<b>COMPONENT UNITS</b>
<b>GOVERNMENTAL ACTIVITIES</b>	<b>BUSINESS-TYPE ACTIVITIES</b>	<b>TOTAL</b>	<b>CHARTER SCHOOLS</b>
\$ (169,101,609)	\$ -	\$ (169,101,609)	\$ -
(68,379,646)	-	(68,379,646)	-
(16,358,947)	-	(16,358,947)	-
(253,840,202)		(253,840,202)	-
-	(923,268)	(923,268)	-
-	(923,268)	(923,268)	-
(253,840,202)	(923,268)	(254,763,470)	-
			(19,183,309)
			(19,183,309)
193,973,616	-	193,973,616	-
9,251,558	-	9,251,558	-
64,227,060	-	64,227,060	-
-	-	-	192,995
716,554	-	716,554	115,222
1,266,334	-	1,266,334	19,824,013
(225,000)	225,000	-	-
269,210,122	225,000	269,435,122	20,132,230
15,369,920	(698,268)	14,671,652	948,921
117,079,063	334,112	117,413,175	5,449,249
\$ 132,448,983	\$ (364,156)	\$ 132,084,827	\$ 6,398,170

# Boulder Valley School District RE-2

## BALANCE SHEET GOVERNMENTAL FUNDS June 30, 2010

	GENERAL	GRANTS	BOND REDEMPTION	BUILDING
<b>ASSETS</b>				
Cash and Investments	\$ 42,392,973	\$ -	\$ 23,351,580	\$ -
Restricted Cash and Investments	786,840	-	-	104,776,362
Accounts Receivable	297,897	-	3,291	602,395
Taxes Receivable	6,413,157	-	1,164,092	-
Grants Receivable	-	4,432,822	-	-
Due from Other Funds	3,409,886	-	-	-
Inventories	384,785	-	-	-
Prepaid Items	31,700	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 53,717,238</b>	<b>\$ 4,432,822</b>	<b>\$ 24,518,963</b>	<b>\$ 105,378,757</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 2,709,296	\$ -	\$ -	\$ 10,853,456
Accrued Liabilities	5,639,031	-	-	-
Accrued Summer Salaries	21,578,879	1,110,341	-	-
Accrued Salaries and Benefits	1,479,785	602,510	-	14,473
Due to Other Funds	-	2,343,795	-	-
Deferred Revenues	224,015	1,798,353	-	-
Deferred Property Tax	2,440,869	-	486,890	-
<b>TOTAL LIABILITIES</b>	<b>34,071,875</b>	<b>5,854,999</b>	<b>486,890</b>	<b>10,867,929</b>
<b>FUND BALANCES</b>				
Reserved for Inventories	384,785	-	-	-
Reserved for Prepaid Items	31,700	-	-	-
Reserved for Multiple Year Obligations	120,000	-	-	-
Reserved for Colorado Preschool Program	92,136	-	-	-
Reserved for Transportation	-	-	-	-
Reserved for Emergencies	6,812,894	-	-	-
Unreserved, Reported in				
General Fund	12,203,848	-	-	-
Special Revenue Fund	-	(1,422,177)	-	-
Debt Service Fund	-	-	24,032,073	-
Capital Projects Fund	-	-	-	94,510,828
<b>TOTAL FUND BALANCES</b>	<b>19,645,363</b>	<b>(1,422,177)</b>	<b>24,032,073</b>	<b>94,510,828</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 53,717,238</b>	<b>\$ 4,432,822</b>	<b>\$ 24,518,963</b>	<b>\$ 105,378,757</b>

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

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

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

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

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

Long-term liabilities, including bonds payable (\$385,285,000), bond premium (\$8,827,630), certificates of participation (\$3,710,000), compensated absences (\$5,404,014), debt issuance costs \$2,271,980, loss on refunding \$2,293,549 and accrued interest payable (\$1,431,866) are not due and payable in the current year and therefore, are not reported in the funds.

Net Assets of Governmental Activities

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

OTHER GOVERNMENTAL FUNDS		TOTAL
\$	8,386,682	\$ 74,131,235
	-	105,563,202
	-	903,583
	268,190	7,845,439
	-	4,432,822
	-	3,409,886
	-	384,785
	-	31,700
<u>\$ 8,654,872</u>		<u>\$ 196,702,652</u>

\$	-	\$ 13,562,752
	-	5,639,031
	-	22,689,220
	596,299	2,693,067
	-	2,343,795
	-	2,022,368
	114,217	3,041,976
	<u>710,516</u>	<u>51,992,209</u>

	-	384,785
	-	31,700
	-	120,000
	-	92,136
	563,787	563,787
	682,257	7,495,151
	-	12,203,848
	-	(1,422,177)
	-	24,032,073
	<u>6,698,312</u>	<u>101,209,140</u>
	<u>7,944,356</u>	<u>144,710,443</u>

\$ 8,654,872

378,609,035

4,464,153

4,758,333

(400,092,981)

\$ 132,448,983

**Boulder Valley School District RE-2**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**Year Ended June 30, 2010**

	<b>GENERAL</b>	<b>GRANTS</b>	<b>BOND REDEMPTION</b>	<b>BUILDING</b>
<b>REVENUES</b>				
Local Sources	\$ 176,923,235	\$ 570,743	\$ 31,786,817	\$ 4,336,005
State Sources	71,407,782	649,220	-	-
Federal Sources	-	12,418,687	-	-
<b>TOTAL REVENUES</b>	<b>248,331,017</b>	<b>13,638,650</b>	<b>31,786,817</b>	<b>4,336,005</b>
<b>EXPENDITURES</b>				
Current				
Instruction	169,713,572	7,369,077	-	-
Supporting Services	72,399,496	7,676,750	-	-
Capital Outlay	-	15,000	-	71,977,884
Debt Service				
Principal	545,000	-	9,325,000	-
Interest and Fiscal Charges	157,144	-	16,878,930	-
Debt Issuance Costs	-	-	453,110	-
<b>TOTAL EXPENDITURES</b>	<b>242,815,212</b>	<b>15,060,827</b>	<b>26,657,040</b>	<b>71,977,884</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>5,515,805</b>	<b>(1,422,177)</b>	<b>5,129,777</b>	<b>(67,641,879)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Bonds Issued	-	-	53,645,000	-
Bond Premium	-	-	2,385,564	-
Payment to Escrow Agent	-	-	(57,792,146)	-
Transfers In	-	-	-	-
Transfers Out	(5,506,112)	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(5,506,112)</b>	<b>-</b>	<b>(1,761,582)</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>9,693</b>	<b>(1,422,177)</b>	<b>3,368,195</b>	<b>(67,641,879)</b>
<b>FUND BALANCES, Beginning</b>	<b>19,635,670</b>	<b>-</b>	<b>20,663,878</b>	<b>162,152,707</b>
<b>FUND BALANCES, Ending</b>	<b>\$ 19,645,363</b>	<b>\$ (1,422,177)</b>	<b>\$ 24,032,073</b>	<b>\$ 94,510,828</b>

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

OTHER GOVERNMENTAL FUNDS	TOTAL
\$ 7,702,770	\$ 221,319,570
2,506,921	74,563,923
-	12,418,687
10,209,691	308,302,180
1,041,716	178,124,365
10,251,036	90,327,282
4,741,663	76,734,547
-	9,870,000
-	17,036,074
-	453,110
16,034,415	372,545,378
(5,824,724)	(64,243,198)
-	53,645,000
-	2,385,564
-	(57,792,146)
5,281,112	5,281,112
-	(5,506,112)
5,281,112	(1,986,582)
(543,612)	(66,229,780)
8,487,968	210,940,223
\$ 7,944,356	\$ 144,710,443

**Boulder Valley School District RE-2**  
**RECONCILIATION OF THE STATEMENT OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**Year Ended June 30, 2010**

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

Net Change in Fund Balances	\$ (66,229,780)
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net assets and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount by which capital outlay \$74,629,972 exceeded depreciation expense (\$9,300,235) and loss on disposal (\$163,055) in the current year.	65,166,682
Revenues that do not provide current financial resources are deferred in the governmental fund financial statements but are recognized in the government-wide financial statements.	1,449,293
Repayments of debt principal \$9,870,000 and changes in compensated absences (\$602,008) are expenditures in the governmental funds, but they reduce long-term liabilities in the statement of net assets and do not affect the statement of activities.	9,267,992
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets and does not affect the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt related items: debt issued (\$53,645,000), bond premium (\$2,385,564), amortization of loss on refunding (\$295,856), debt issuance costs \$453,110, amortization of debt issuance costs (\$144,493), amortization of bond premium \$842,337, payment to escrow agent \$57,792,146 and change in accrued interest payable \$130,646.	2,747,326
An internal service fund is used by management to charge the costs of employee health and dental insurance to individual funds. The net revenue of the internal service fund is included in governmental activities in the statement of activities.	<u>2,968,407</u>
Change in Net Assets of Governmental Activities	<u><u>\$ 15,369,920</u></u>

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

# Boulder Valley School District RE-2

## BALANCE SHEET PROPRIETARY FUNDS June 30, 2010

	<b>BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND</b>	<b>GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS</b>
<b>ASSETS</b>		
Current Assets		
Cash and Investments	\$ -	\$ 8,364,148
Grants Receivable	548,674	-
Inventories	190,373	-
Total Current Assets	739,047	8,364,148
Noncurrent Assets		
Equipment	1,313,957	-
Accumulated Depreciation	(1,066,003)	-
Total Noncurrent Assets	247,954	-
TOTAL ASSETS	987,001	8,364,148
<b>LIABILITIES</b>		
Current Liabilities		
Claims Payable	-	3,605,815
Accrued Liabilities	138,733	-
Accrued Salaries and Benefits	146,333	-
Due to Other Funds	1,066,091	-
TOTAL LIABILITIES	1,351,157	3,605,815
<b>NET ASSETS</b>		
Invested in Capital Assets	247,954	-
Restricted for Emergencies	176,491	-
Unrestricted	(788,601)	4,758,333
TOTAL NET ASSETS	\$ (364,156)	\$ 4,758,333

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

**Boulder Valley School District RE-2**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUNDS**  
**Year Ended June 30, 2010**

	<b>BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND</b>	<b>GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS</b>
<b>OPERATING REVENUES</b>		
Regular School Lunch	\$ 2,119,395	\$ -
Sandwich Line	434,067	-
Premiums and Services	-	25,846,918
Other	143,465	598,060
	<hr/>	<hr/>
TOTAL OPERATING REVENUES	2,696,927	26,444,978
	<hr/>	<hr/>
<b>OPERATING EXPENSES</b>		
Salaries	2,697,834	134,265
Benefits	854,982	31,847
Purchased Food and Commodities	1,922,715	-
Nonfood Supplies	321,593	-
Purchased Services	116,694	22,353,471
Depreciation	60,975	-
Other	58,253	956,988
	<hr/>	<hr/>
TOTAL OPERATING EXPENSES	6,033,046	23,476,571
	<hr/>	<hr/>
OPERATING INCOME (LOSS)	(3,336,119)	2,968,407
	<hr/>	<hr/>
<b>NONOPERATING REVENUES</b>		
USDA Donated Commodities	225,169	-
Federal Reimbursements	2,126,676	-
State Sources	61,006	-
	<hr/>	<hr/>
TOTAL NONOPERATING REVENUES	2,412,851	-
	<hr/>	<hr/>
NET INCOME (LOSS) BEFORE TRANSFERS	(923,268)	2,968,407
	<hr/>	<hr/>
<b>TRANSFERS</b>		
Transfers In	225,000	-
	<hr/>	<hr/>
CHANGE IN NET ASSETS	(698,268)	2,968,407
	<hr/>	<hr/>
<b>NET ASSETS, Beginning</b>	334,112	1,789,926
	<hr/>	<hr/>
<b>NET ASSETS, Ending</b>	\$ (364,156)	\$ 4,758,333
	<hr/>	<hr/>

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



# Boulder Valley School District RE-2

## STATEMENT OF CASH FLOWS

### PROPRIETARY FUNDS

Increase (Decrease) in Cash and Cash Equivalents

Year Ended June 30, 2010

	<b>BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND</b>	<b>GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS</b>
<b>Cash Flows From Operating Activities</b>		
Contributions	\$ -	\$ 26,444,978
Cash Received from Operations	2,696,927	-
Cash Payments for Premiums and Claims	-	(23,112,532)
Cash Paid to Employees	(3,554,602)	(166,112)
Cash Paid to Suppliers	(2,264,179)	-
	<u>(3,121,854)</u>	<u>3,166,334</u>
Net Cash Provided (Used) by Operating Activities		
	(3,121,854)	3,166,334
<b>Cash Flows From Noncapital Financing Activities</b>		
Cash Received from Federal Reimbursements	1,789,997	-
Cash Received from State Matching Funds	42,686	-
Transfers from Other Funds	225,000	-
Loans from Other Funds	1,066,091	-
	<u>3,123,774</u>	<u>-</u>
Net Cash Provided by Noncapital Financing Activities		
	3,123,774	-
<b>Cash Flows From Capital and Related Financing Activities</b>		
Purchases of Equipment	(8,374)	-
	<u>(8,374)</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(6,454)	3,166,334
<b>CASH AND CASH EQUIVALENTS, Beginning</b>	<u>6,454</u>	<u>5,197,814</u>
<b>CASH AND CASH EQUIVALENTS, Ending</b>	<u><u>\$ -</u></u>	<u><u>\$ 8,364,148</u></u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Operating Income (Loss)	\$ (3,336,119)	\$ 2,968,407
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities		
Depreciation	60,975	-
Donated Commodities	225,169	-
Changes in Assets and Liabilities Related to Operations		
Inventories	(63,632)	-
Claims Payable	-	198,612
Accrued Liabilities	(6,461)	-
Accrued Salaries and Benefits	(1,786)	(685)
	<u>(3,121,854)</u>	<u>3,166,334</u>
Net Cash Provided (Used) by Operating Activities		
	(3,121,854)	3,166,334
<b>NON-CASH TRANSACTIONS</b>		
Commodities Received	<u><u>\$ 225,169</u></u>	<u><u>\$ -</u></u>

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

# Boulder Valley School District RE-2

## STATEMENT OF FIDUCIARY NET ASSETS

June 30, 2010

	PRIVATE PURPOSE TRUST FUNDS	AGENCY FUND
<b>ASSETS</b>		
Cash and Investments	\$ 261,014	\$ 3,024,967
TOTAL ASSETS	261,014	3,024,967
<b>LIABILITIES</b>		
Due to Student and School Groups	-	3,024,967
TOTAL LIABILITIES	-	3,024,967
<b>NET ASSETS</b>		
Restricted for Scholarships	261,014	-
TOTAL NET ASSETS	\$ 261,014	\$ -

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

**Boulder Valley School District RE-2**  
**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
Year Ended June 30, 2010

	<b>PRIVATE PURPOSE TRUST FUNDS</b>
<b>ADDITIONS</b>	
Contributions	<u>\$ 14,471</u>
TOTAL ADDITIONS	<u>14,471</u>
<b>DEDUCTIONS</b>	
Scholarships and Awards	<u>30,017</u>
CHANGE IN NET ASSETS	(15,546)
<b>NET ASSETS, Beginning</b>	<u>276,560</u>
<b>NET ASSETS, Ending</b>	<u><u>\$ 261,014</u></u>

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



(This page was left blank intentionally.)

**Boulder Valley School District RE-2**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

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

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

**Reporting Entity**

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

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

**Government-Wide and Fund Financial Statements**

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

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

**Boulder Valley School District RE-2**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

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

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

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

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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

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

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

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary (enterprise and internal service) fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The district has elected not to follow subsequent private-sector guidance.

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

**Boulder Valley School District RE-2**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

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

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

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

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

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

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

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

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

Additionally, the district reports the following fund types:

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

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

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

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

**Assets, Liabilities and Fund Balances/Net Assets**

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

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

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

**Boulder Valley School District RE-2**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

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

**Assets, Liabilities and Fund Balances/Net Assets (Continued)**

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

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

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

*Prepaid Expenses* - Payments made to vendors for services that will benefit subsequent years are recorded as prepaid expenses. A current asset for the prepaid amount is recorded at the time of payment, and an expense is reported in the year in which the services are consumed.

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

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

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

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



**Boulder Valley School District RE-2**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

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

**Assets, Liabilities and Fund Balances/Net Assets (Continued)**

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

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

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

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

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

*Net Assets/Fund Balances* - In the government-wide financial statements and the proprietary funds in the fund financial statements, net assets are restricted when constraints placed on the net assets are externally imposed. In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

**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 2010 are certified to the county in December 2009 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.

**Boulder Valley School District RE-2**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

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

**Revenues (Continued)**

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

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

**NOTE 2: CASH AND INVESTMENTS**

At June 30, 2010, the district had the following cash and investments:

Cash on Hand	\$ 22,548
Deposits	5,467,809
Investments	<u>187,594,095</u>
Total	<u><u>\$ 193,084,452</u></u>

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

Primary Government Cash and Investments	\$ 82,495,383
Primary Government Restricted Cash and Investments	105,563,202
Fiduciary Funds Cash and Investments	3,285,981
Charter School Cash Held by District	<u>1,739,886</u>
Total	<u><u>\$ 193,084,452</u></u>

**Deposits**

The Colorado Public Deposit Protection Act (PDPA) requires all local government entities to deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all uninsured public deposits as a group. The fair value of the collateral must be at least equal to 102% of the uninsured deposits. At June 30, 2010, the district had bank deposits of \$6,257,849 collateralized with the securities held by the financial institutions' agents but not in the district's name.

**Boulder Valley School District RE-2**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

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

**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, 2010:

Investment Type	S&P Rating	Investment Maturities (in Years)		
		Less Than 1	1 - 5	Fair Value
U.S. Agency Securities	AAA	\$ 30,410,505	\$ 21,719,215	\$ 52,129,720
Commercial Paper	AAA	15,979,240	-	15,979,240
Wells Fargo Money Market Funds	AAAm	23,633	-	23,633
Local Government Investment Pool	AAAm	119,461,502	-	119,461,502
Total		<u>\$ 165,874,880</u>	<u>\$ 21,719,215</u>	<u>\$ 187,594,095</u>

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

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

**Concentration of Credit Risk** - State statutes generally do not limit the amount the district may invest in one issuer. The district's investment in the following securities is in excess of 5% of its total portfolio: Federal Farm Credit Bank, 10.05%, Federal Home Loan Mortgage Corporation, 8.12%, and Federal Home Loan Bank 6.58%.

# Boulder Valley School District RE-2

## NOTES TO FINANCIAL STATEMENTS

June 30, 2010

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

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

*Local Government Investment Pool* - At June 30, 2010, the district had \$119,461,502 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. Colotrust operates similarly to a money market fund with each share equal in value to \$1.00. Colotrust is rated AAAM by Standard and Poor's. Investments of Colotrust are limited to those allowed by state statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

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

Cash and investments of \$726,944 and \$59,896, representing required reserves for the Certificates of Participation and employee flexible spending benefits, respectively, have been restricted in the General Fund. In addition, \$104,776,362, representing unspent bond proceeds, have been restricted in the Building Fund.

### NOTE 3: INTERFUND BALANCES AND TRANSFERS

<u>Due from Other Funds</u>	<u>Due to Other Funds</u>	<u>Balance</u>
General Fund	Grants Fund	\$ 2,343,795
General Fund	Nutrition Services Fund	<u>1,066,091</u>
Total		<u>\$ 3,409,886</u>

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

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Balance</u>
Capital Reserve Fund	General Fund	\$ 3,918,109
Transportation Fund	General Fund	1,363,003
Nutrition Services Fund	General Fund	<u>225,000</u>
Total		<u>\$ 5,506,112</u>

The General Fund transfers a portion of its funding to the Capital Reserve Fund to be used for capital purposes. The General Fund subsidizes the student transportation program reported in the Transportation Fund. The General Fund transferred cash to the Nutrition Services Fund due to the additional expenditures incurred during the restructuring of the nutrition services program.

**Boulder Valley School District RE-2**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

**NOTE 4: CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2010, is summarized below.

	Balances 6/30/09	Additions	Deletions	Balances 6/30/10
<b>Governmental Activities</b>				
Capital Assets, Not Being Depreciated				
Land	\$ 2,776,133	\$ -	\$ -	\$ 2,776,133
Construction in Progress	112,184,762	73,402,471	(81,961,894)	103,625,339
Total Capital Assets, Not Being Depreciated	114,960,895	73,402,471	(81,961,894)	106,401,472
Capital Assets, Being Depreciated				
Land Improvements	9,313,914	2,017,081	(14,021)	11,316,974
Buildings	290,343,177	79,906,864	(127,929)	370,122,112
Equipment	3,186,090	315,207	(73,323)	3,427,974
Vehicles	17,622,333	950,243	(283,282)	18,289,294
Total Capital Assets, Being Depreciated	320,465,514	83,189,395	(498,555)	403,156,354
Less Accumulated Depreciation For				
Land Improvements	1,726,507	436,527	-	2,163,034
Buildings	104,783,273	7,546,170	(104,796)	112,224,647
Equipment	2,190,892	180,714	(62,079)	2,309,527
Vehicles	13,283,384	1,136,824	(168,625)	14,251,583
Total Accumulated Depreciation	121,984,056	9,300,235	(335,500)	130,948,791
Total Capital Assets, Being Depreciated, Net	198,481,458	73,889,160	(163,055)	272,207,563
Governmental Activities Capital Assets, Net	<u>\$ 313,442,353</u>	<u>\$ 147,291,631</u>	<u>\$ (82,124,949)</u>	<u>\$ 378,609,035</u>
<b>Business-Type Activities</b>				
Capital Assets, Being Depreciated				
Equipment	\$ 1,305,583	\$ 8,374	\$ -	\$ 1,313,957
Less Accumulated Depreciation For				
Equipment	1,005,028	60,975	-	1,066,003
Business-Type Activities Capital Assets, Net	<u>\$ 300,555</u>	<u>\$ (52,601)</u>	<u>\$ -</u>	<u>\$ 247,954</u>
<b>Charter Schools</b>				
Capital Assets, Not Being Depreciated				
Land	\$ 2,260,260	\$ -	\$ -	\$ 2,260,260
Construction in Progress	-	201,300	-	201,300
Total Capital Assets, Not Being Depreciated	2,260,260	201,300	-	2,461,560
Capital Assets, Being Depreciated				
Land Improvements	896,522	45,533	-	942,055
Buildings	17,709,290	-	(28,634)	17,680,656
Equipment	44,021	-	(24,761)	19,260
Total Capital Assets, Being Depreciated	18,649,833	45,533	(53,395)	18,641,971
Less Accumulated Depreciation For				
Land Improvements	537,078	99,630	-	636,708
Buildings	3,079,724	321,549	-	3,401,273
Equipment	26,687	1,926	(24,761)	3,852
Total Accumulated Depreciation	3,643,489	423,105	(24,761)	4,041,833
Total Capital Assets, Being Depreciated, Net	15,006,344	(377,572)	(28,634)	14,600,138
Charter School Capital Assets, Net	<u>\$ 17,266,604</u>	<u>\$ (176,272)</u>	<u>\$ (28,634)</u>	<u>\$ 17,061,698</u>

**Boulder Valley School District RE-2**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

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

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

Governmental Activities	
Instruction	\$ 7,634,595
Supporting Services	<u>1,665,640</u>
Total	<u><u>\$ 9,300,235</u></u>
Business-Type Activities	
Nutrition Services	<u><u>\$ 60,975</u></u>

**NOTE 5: ACCRUED SUMMER SALARIES**

Salaries and benefits of certain contractually employed personnel are paid over a twelve month period from September to August, but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, at June 30, 2010, were \$22,689,220 and \$823,613 for the district and charter schools, respectively. This accrued compensation is reflected as a liability in the accompanying financial statements.

**NOTE 6: SHORT-TERM DEBT**

During the year ended June 30, 2010, the district borrowed \$61,403,305 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, 2010, from property taxes received primarily from February through June.

**NOTE 7: LONG-TERM DEBT**

Following is a summary of long-term debt transactions of the district for the year ended June 30, 2010.

	Balances 6/30/09	Additions	Payments	Balances 6/30/10	Due Within One Year
<b>Governmental Activities</b>					
General Obligation Bonds	\$ 397,400,000	\$ 53,645,000	\$ 65,760,000	\$ 385,285,000	\$ 11,005,000
Bond Premium	7,284,403	2,385,564	842,337	8,827,630	-
Certificates of Participation	4,255,000	-	545,000	3,710,000	565,000
Loss on Refunding	(1,232,259)	(1,357,146)	(295,856)	(2,293,549)	-
Compensated Absences	4,802,006	4,534,912	3,932,904	5,404,014	240,100
Total	<u><u>\$ 412,509,150</u></u>	<u><u>\$ 59,208,330</u></u>	<u><u>\$ 70,784,385</u></u>	<u><u>\$ 400,933,095</u></u>	<u><u>\$ 11,810,100</u></u>

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

**Boulder Valley School District RE-2**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

**NOTE 7: LONG-TERM DEBT (Continued)**

**General Obligation Bonds**

General obligation bonds payable at June 30, 2010, are comprised of the following issues:

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

Issued to refund the general obligation bonds, Series 1999.

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

Interest accrues at rates ranging from 2.00% to 4.00%. \$ 53,645,000

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

Issued to implement a district-wide capital construction and improvement program. Principal payments due on

December 1 and interest payments due on December 1 and June 1, through 2034. Interest accrues at rates ranging from

4.00% to 5.00%. \$ 176,800,000

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

Issued to refund certain general obligation bonds. Principal payments due on December 1 and interest payments due on

December 1 and June 1, through 2014. Interest accrues at rates ranging from 4.00% to 5.00%.

\$ 41,360,000

\$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%. \$ 113,480,000

Total

\$ 385,285,000

Bond payments, to maturity, are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	11,005,000	16,932,643	27,937,643
2012	11,745,000	16,419,193	28,164,193
2013	12,250,000	15,879,743	28,129,743
2014	12,790,000	15,310,380	28,100,380
2015	13,370,000	14,706,524	28,076,524
2016 - 2020	69,840,000	66,201,975	136,041,975
2021 - 2025	66,925,000	51,934,465	118,859,465
2026 - 2030	83,040,000	34,458,269	117,498,269
2031 - 2035	104,320,000	13,132,806	117,452,806
Total	<u><u>\$ 385,285,000</u></u>	<u><u>\$ 244,975,998</u></u>	<u><u>\$ 630,260,998</u></u>

**Boulder Valley School District RE-2**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

**NOTE 7: LONG-TERM DEBT (Continued)**

**General Long-term Debt Refunding**

On September 9, 2009, the district issued \$53.645 million in General Obligation Refunding Bonds with an average interest rate of 3.15 percent. These funds were used to refund all of the district's General Obligation Bonds, Series 1999 with an average interest rate of 4.89 percent. The net proceeds of \$57.792 million (after payment of \$453 thousand in underwriting and other issuance costs) plus other available moneys were deposited with the Escrow Bank and used to purchase federal securities to provide funds sufficient to pay all outstanding interest and principal on December 1, 2009.

The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$1.36 million. This difference, reported in the accompanying financial statements as a deduction from bonds payable, is being charged to operations through the year 2018 using the straight line method. The district completed the refunding to reduce its total debt service payments over the next 9 years by \$9.2 million and to obtain an economic gain of \$8.04 million. In prior years, the district defeased certain general obligation bonds by placing proceeds of new bonds in irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the district's financial statements. On June 30, 2010, \$2.445 million of bonds outstanding were considered defeased.

**Certificates of Participation**

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

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	565,000	137,208	702,208
2012	580,000	118,563	698,563
2013	605,000	98,263	703,263
2014	625,000	76,332	701,332
2015	655,000	52,582	707,582
2016	680,000	27,200	707,200
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total	<u><u>\$ 3,710,000</u></u>	<u><u>\$ 510,148</u></u>	<u><u>\$ 4,220,148</u></u>



**Boulder Valley School District RE-2**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

**NOTE 7: LONG-TERM DEBT (Continued)**

**Component Units**

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

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

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

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

Changes in long-term debt of the Charter Schools for the year ended June 30, 2010, were as follows:

	Balances 6/30/09	Additions	Payments	Balances 6/30/10	Due Within One Year
<b>Peak to Peak</b>					
Capital Lease	\$ 21,670,000	\$ -	\$ 440,000	\$ 21,230,000	\$ 455,000
Premium	440,552	-	17,740	422,812	
Loss on Refunding	(4,572,609)	-	(184,132)	(4,388,477)	
<b>Justice High</b>					
Loan Payable	631,294	-	28,401	602,893	68,000
<b>Boulder Prep</b>					
Loan Payable	243,365	-	4,191	239,174	4,746
<b>Summit</b>					
Loan Payable	350,400	-	-	350,400	70,000
<b>Total</b>	<b>\$ 18,763,002</b>	<b>\$ -</b>	<b>\$ 306,200</b>	<b>\$ 18,456,802</b>	<b>\$ 597,746</b>

**Boulder Valley School District RE-2**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

**NOTE 7: LONG-TERM DEBT (Continued)**

Debt payments to maturity are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 597,746	\$ 1,132,967	\$ 1,730,713
2012	1,079,988	1,110,521	2,190,509
2013	565,471	1,065,058	1,630,529
2014	585,874	1,040,654	1,626,528
2015	606,706	1,015,401	1,622,107
2016 - 2020	3,114,217	4,610,337	7,724,554
2021 - 2025	4,020,942	3,674,338	7,695,280
2026 - 2030	5,199,799	2,463,846	7,663,645
2031 - 2035	6,651,724	906,190	7,557,914
Total	<u><u>\$ 22,422,467</u></u>	<u><u>\$ 17,019,312</u></u>	<u><u>\$ 39,441,779</u></u>

**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 \$400,000 are pooled between the member districts, and losses in excess of \$400,000 are reinsured for up to statutory limits.

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

**Boulder Valley School District RE-2**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

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

**Colorado School Districts Self-Insurance Pool**

The Colorado School Districts Self-Insurance Pool (CSDSIP), sponsored by the Colorado Association of School Boards (CASB), operates as a self-insurance pool comprised of various school districts and other related public educational entities within the State of Colorado. The CSDSIP is administered by the Pool Board which is comprised of eight members. The eight members include the president, vice president, and executive director of CASB, with the remaining five members being appointed by the Board of Directors of CASB. The district pays an annual premium to the CSDSIP for various types of property and liability insurance coverage. The Pool Agreement provides that the CSDSIP will be self-sustaining through member premiums and will reinsure through a duly authorized insurer. The reinsurance covers claims against the CSDSIP in excess of specific claim amounts and in the aggregate in an amount and at limits determined by the CSDSIP to be adequate to protect the solvency of the CSDSIP.

**Health and Dental Self-Insurance**

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

	Health Insurance	Dental Insurance
Claims Payable, June 30, 2008	\$ 3,452,935	\$ 301,849
Claims Incurred and Adjustments	14,450,833	1,820,847
Payments	<u>(14,840,504)</u>	<u>(1,778,757)</u>
Claims Payable, June 30, 2009	3,063,264	343,939
Claims Incurred and Adjustments	11,623,037	2,039,309
Payments	<u>(11,554,941)</u>	<u>(1,908,793)</u>
Claims Payable, June 30, 2010	<u><u>\$ 3,131,360</u></u>	<u><u>\$ 474,455</u></u>

Claims payable at June 30, 2010 are expected to be liquidated within the next fiscal year.

**NOTE 9: DEFINED BENEFIT PENSION PLAN**

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

**Boulder Valley School District RE-2**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

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

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

*Funding Policy* - The contribution requirements of plan members and the district are established under Title 24, Article 51, Part 4 of the CRS, as amended. The contribution rate for members was 8%. The district's contribution rate for calendar years 2008, 2009, and 2010 was 12.05%, 12.95%, and 13.85% of covered salary, respectively. A portion of the district's contribution (1.02% of covered salary) is allocated to the Health Care Trust Fund (See Note 10). The district's contributions to the SDTF for the years ended June 30, 2010, 2009, and 2008 were \$24,366,046, \$22,461,866, and \$19,961,504, respectively, equal to the required contributions for each year.

**NOTE 10: POSTEMPLOYMENT HEALTHCARE BENEFITS**

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

*Funding Policy* - The district was required to contribute at a rate of 1.02% of covered salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the district are established under Title 24, Article 51, Part 4 of the CRS, as amended. The apportionment of the contributions of the HCTF is established under Title 24, Article 51, Section 208 of the CRS, as amended. The districts' contributions to the HCTF for the years ended June 30, 2010, 2009, and 2008 were \$1,853,864, \$1,831,754, and \$1,694,815, respectively, equal to the 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, 2010, 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.

**Boulder Valley School District RE-2**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

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

**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, 2010, the district had construction commitments totaling \$42,417,975, primarily for building renovations to be funded with bond proceeds.

**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, 2010, net assets of \$7,671,642 and \$614,506 for the district and the charter schools, respectively, were restricted to satisfy the reserve requirement.

**NOTE 12:      STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Accountability**

At June 30, 2010, the Summit Middle School had negative net assets of \$9,201, the Grants Fund had negative fund balance of \$1,422,177, and the Nutrition Services Fund had negative net assets of \$364,156. These negative balances are expected to be eliminated with future revenues.



(This page was left blank intentionally.)

## **REQUIRED SUPPLEMENTARY INFORMATION**



(This page was left blank intentionally.)



# Boulder Valley School District RE-2

## BUDGETARY COMPARISON SCHEDULE

### GENERAL FUND

Year Ended June 30, 2010

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 165,507,550	\$ 164,826,554	\$ 164,186,141	\$ (640,413)
Tuition	876,807	931,135	885,640	(45,495)
Investment Earnings	250,000	100,000	90,072	(9,928)
Other Local Revenue	11,542,782	11,733,042	11,761,382	28,340
State Equalization	62,518,580	66,532,274	64,227,060	(2,305,214)
State Reimbursement Programs	1,577,395	1,577,395	2,408,248	830,853
Special Education	4,325,401	4,432,401	4,525,751	93,350
ARRA State Stabilization	2,685,388	1,677,365	-	(1,677,365)
English Language Proficiency Act	182,945	182,945	246,723	63,778
<b>TOTAL REVENUES</b>	<b>249,466,848</b>	<b>251,993,111</b>	<b>248,331,017</b>	<b>(3,662,094)</b>
<b>EXPENDITURES</b>				
Current				
Instruction - Regular Programs	128,237,291	129,820,885	127,294,037	2,526,848
Instruction - Special Programs	43,350,037	43,276,782	42,419,535	857,247
Student Support Services	6,352,991	7,313,723	6,828,323	485,400
Instructional Staff Services	8,269,078	8,037,456	8,241,369	(203,913)
General Administration	2,751,081	2,836,346	2,678,408	157,938
School Administration	16,887,988	17,455,725	17,152,823	302,902
Business Services	2,762,642	2,927,663	2,793,824	133,839
Operations and Maintenance	18,417,663	20,205,186	20,163,477	41,709
Central Support Services	10,865,801	10,016,569	10,136,862	(120,293)
Community Services	4,965,179	4,892,603	4,404,410	488,193
Emergency Reserves	10,526,548	10,717,821	-	10,717,821
Reserves	7,592,138	7,748,514	-	7,748,514
Debt Service				
Principal	698,133	698,133	545,000	153,133
Interest	-	-	157,144	(157,144)
<b>TOTAL EXPENDITURES</b>	<b>261,676,570</b>	<b>265,947,406</b>	<b>242,815,212</b>	<b>23,132,194</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(12,209,722)</b>	<b>(13,954,295)</b>	<b>5,515,805</b>	<b>19,470,100</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(5,048,836)	(5,681,375)	(5,506,112)	175,263
<b>NET CHANGE IN FUND BALANCE</b>	<b>(17,258,558)</b>	<b>(19,635,670)</b>	<b>9,693</b>	<b>19,645,363</b>
<b>FUND BALANCE, Beginning</b>	<b>17,258,558</b>	<b>19,635,670</b>	<b>19,635,670</b>	<b>-</b>
<b>FUND BALANCE, Ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 19,645,363</b>	<b>\$ 19,645,363</b>

See the accompanying Independent Auditors' Report.

# Boulder Valley School District RE-2

## BUDGETARY COMPARISON SCHEDULE

### GRANTS FUND

Year Ended June 30, 2010

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
<b>REVENUES</b>				
Local Sources	\$ -	\$ 656,178	\$ 570,743	\$ (85,435)
State Sources	283,050	837,487	649,220	(188,267)
Federal Sources	19,216,950	18,006,335	12,418,687	(5,587,648)
<b>TOTAL REVENUES</b>	<b>19,500,000</b>	<b>19,500,000</b>	<b>13,638,650</b>	<b>(5,861,350)</b>
<b>EXPENDITURES</b>				
Current				
Instruction and Supporting Services-Unallocated	19,500,000	1,674,838	-	1,674,838
Instruction - Regular Programs	-	2,122,668	2,051,412	71,256
Instruction - Special Programs	-	6,917,165	5,317,665	1,599,500
Student Support Services	-	1,300,840	1,509,861	(209,021)
Instructional Staff Services	-	4,086,533	3,986,763	99,770
School Administration	-	1,454,970	1,146,883	308,087
Business Services	-	10,494	10,049	445
Operations and Maintenance	-	724,051	144,836	579,215
Student Transportation	-	412,188	114,099	298,089
Central Support Services	-	34,672	36,916	(2,244)
Community Services	-	583,751	630,203	(46,452)
Adult Education	-	162,830	97,140	65,690
Capital Outlay	-	15,000	15,000	-
<b>TOTAL EXPENDITURES</b>	<b>19,500,000</b>	<b>19,500,000</b>	<b>15,060,827</b>	<b>4,439,173</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>-</b>	<b>-</b>	<b>(1,422,177)</b>	<b>(1,422,177)</b>
<b>FUND BALANCE, Beginning</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE, Ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (1,422,177)</b>	<b>\$ (1,422,177)</b>

See the accompanying Independent Auditors' Report.

**Boulder Valley School District RE-2**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**June 30, 2010**

**NOTE 1:      STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Budgets**

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

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

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



(This page was left blank intentionally.)

## **COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES**



(This page was left blank intentionally.)

## **GENERAL FUND**

# Boulder Valley School District RE-2

## COMBINING BALANCE SHEET

### GENERAL FUND

June 30, 2010

	GENERAL	RISK MANAGEMENT	TECHNOLOGY
<b>ASSETS</b>			
Cash and Investments	\$ 40,089,632	\$ 123,247	\$ 1,074,971
Restricted Cash and Investments	786,840	-	-
Accounts Receivable	297,897	-	-
Taxes Receivable	6,413,157	-	-
Due from Other Funds	3,409,886	-	-
Inventories	384,785	-	-
Prepaid Items	31,700	-	-
TOTAL ASSETS	<u>\$ 51,413,897</u>	<u>\$ 123,247</u>	<u>\$ 1,074,971</u>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>LIABILITIES</b>			
Accounts Payable	\$ 2,709,296	\$ -	\$ -
Accrued Liabilities	5,639,031	-	-
Accrued Summer Salaries	21,578,879	-	-
Accrued Salaries and Benefits	1,433,994	-	20,741
Deferred Revenues	89,213	-	-
Deferred Property Taxes	2,440,869	-	-
TOTAL LIABILITIES	<u>33,891,282</u>	<u>-</u>	<u>20,741</u>
<b>FUND BALANCES</b>			
Reserved for Inventories	384,785	-	-
Reserved for Prepaid Items	31,700	-	-
Reserved for Multiple Year Obligations	120,000	-	-
Reserved for Colorado Preschool Program	-	-	-
Reserved for Emergencies	6,319,661	87,708	158,199
Unreserved	10,666,469	35,539	896,031
TOTAL FUND BALANCES	<u>17,522,615</u>	<u>123,247</u>	<u>1,054,230</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 51,413,897</u>	<u>\$ 123,247</u>	<u>\$ 1,074,971</u>

See the accompanying Independent Auditors' Report.



<b>ATHLETICS</b>	<b>COMMUNITY SCHOOLS</b>	<b>TUITION PRESCHOOL</b>	<b>COLORADO PRESCHOOL PROGRAM</b>	<b>TOTAL GENERAL FUND</b>
\$ 249,958	\$ 575,214	\$ 184,915	\$ 95,036	\$ 42,392,973
-	-	-	-	786,840
-	-	-	-	297,897
-	-	-	-	6,413,157
-	-	-	-	3,409,886
-	-	-	-	384,785
-	-	-	-	31,700
<u>\$ 249,958</u>	<u>\$ 575,214</u>	<u>\$ 184,915</u>	<u>\$ 95,036</u>	<u>\$ 53,717,238</u>
\$ -	\$ -	\$ -	\$ -	\$ 2,709,296
-	-	-	-	5,639,031
-	-	-	-	21,578,879
9,202	9,354	3,594	2,900	1,479,785
-	77,171	57,631	-	224,015
-	-	-	-	2,440,869
<u>9,202</u>	<u>86,525</u>	<u>61,225</u>	<u>2,900</u>	<u>34,071,875</u>
-	-	-	-	384,785
-	-	-	-	31,700
-	-	-	-	120,000
-	-	-	92,136	92,136
94,766	130,269	22,291	-	6,812,894
145,990	358,420	101,399	-	12,203,848
<u>240,756</u>	<u>488,689</u>	<u>123,690</u>	<u>92,136</u>	<u>19,645,363</u>
<u>\$ 249,958</u>	<u>\$ 575,214</u>	<u>\$ 184,915</u>	<u>\$ 95,036</u>	<u>\$ 53,717,238</u>

**Boulder Valley School District RE-2**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**GENERAL FUND**  
**Year Ended June 30, 2010**

	<b>GENERAL</b>	<b>RISK MANAGEMENT</b>	<b>TECHNOLOGY</b>
<b>REVENUES</b>			
Local Sources	\$ 169,729,051	\$ 48,780	\$ 285,469
State Sources	71,407,782	-	-
<b>TOTAL REVENUES</b>	<b>241,136,833</b>	<b>48,780</b>	<b>285,469</b>
<b>EXPENDITURES</b>			
Current			
Instruction - Regular Programs	123,441,258	-	3,402,021
Instruction - Special Programs	38,182,200	-	-
Student Support Services	6,828,323	-	-
Instructional Staff Services	7,702,107	-	349,970
General Administration	2,613,664	-	3,067
School Administration	17,152,823	-	-
Business Services	2,793,824	-	-
Operations and Maintenance	20,157,982	-	-
Central Support Services	6,594,605	2,931,824	610,433
Community Services	193,940	-	-
Debt Service			
Principal	545,000	-	-
Interest and Fiscal Charges	157,144	-	-
<b>TOTAL EXPENDITURES</b>	<b>226,362,870</b>	<b>2,931,824</b>	<b>4,365,491</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>14,773,963</b>	<b>(2,883,044)</b>	<b>(4,080,022)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	642,605	2,779,703	3,056,159
Transfers Out	(14,206,792)	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(13,564,187)</b>	<b>2,779,703</b>	<b>3,056,159</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>1,209,776</b>	<b>(103,341)</b>	<b>(1,023,863)</b>
<b>FUND BALANCE, Beginning</b>	<b>16,312,839</b>	<b>226,588</b>	<b>2,078,093</b>
<b>FUND BALANCE, Ending</b>	<b>\$ 17,522,615</b>	<b>\$ 123,247</b>	<b>\$ 1,054,230</b>

See the accompanying Independent Auditors' Report.

<b>ATHLETICS</b>	<b>COMMUNITY SCHOOLS</b>	<b>TUITION PRESCHOOL</b>	<b>COLORADO PRESCHOOL PROGRAM</b>	<b>TOTAL GENERAL FUND</b>
\$ 1,211,685	\$ 4,970,802	\$ 677,448	\$ -	\$ 176,923,235
-	-	-	-	71,407,782
1,211,685	4,970,802	677,448	-	248,331,017
-	-	422,338	28,420	127,294,037
3,027,102	-	211,631	998,602	42,419,535
-	-	-	-	6,828,323
-	-	3,986	185,306	8,241,369
61,677	-	-	-	2,678,408
-	-	-	-	17,152,823
-	-	-	-	2,793,824
5,495	-	-	-	20,163,477
-	-	-	-	10,136,862
-	4,210,470	-	-	4,404,410
-	-	-	-	545,000
-	-	-	-	157,144
3,094,274	4,210,470	637,955	1,212,328	242,815,212
(1,882,589)	760,332	39,493	(1,212,328)	5,515,805
1,934,415	-	-	1,190,510	9,603,392
-	(867,605)	-	(35,107)	(15,109,504)
1,934,415	(867,605)	-	1,155,403	(5,506,112)
51,826	(107,273)	39,493	(56,925)	9,693
188,930	595,962	84,197	149,061	19,635,670
\$ 240,756	\$ 488,689	\$ 123,690	\$ 92,136	\$ 19,645,363



(This page was left blank intentionally.)

## **NONMAJOR GOVERNMENTAL FUNDS**

### **Special Revenue Fund**

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

### **Capital Projects Fund**

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



(This page was left blank intentionally.)

# Boulder Valley School District RE-2

## COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS June 30, 2010

	<u>SPECIAL REVENUE</u>	<u>CAPITAL PROJECTS</u>	
	<u>TRANSPORTATION</u>	<u>CAPITAL RESERVE</u>	<u>TOTAL</u>
<b>ASSETS</b>			
Cash and Investments	\$ 1,345,059	\$ 7,041,623	\$ 8,386,682
Taxes Receivable	268,190	-	268,190
TOTAL ASSETS	<u>\$ 1,613,249</u>	<u>\$ 7,041,623</u>	<u>\$ 8,654,872</u>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>LIABILITIES</b>			
Accrued Salaries and Benefits	\$ 593,702	\$ 2,597	\$ 596,299
Deferred Property Taxes	114,217	-	114,217
TOTAL LIABILITIES	<u>707,919</u>	<u>2,597</u>	<u>710,516</u>
<b>FUND BALANCES</b>			
Reserved for Transportation	563,787	-	563,787
Reserved for Emergencies	341,543	340,714	682,257
Unreserved	-	6,698,312	6,698,312
TOTAL FUND BALANCES	<u>905,330</u>	<u>7,039,026</u>	<u>7,944,356</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,613,249</u>	<u>\$ 7,041,623</u>	<u>\$ 8,654,872</u>

See the accompanying Independent Auditors' Report.

**Boulder Valley School District RE-2**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**Year Ended June 30, 2010**

	<u>SPECIAL REVENUE</u>	<u>CAPITAL PROJECTS</u>	
	<u>TRANSPORTATION</u>	<u>CAPITAL RESERVE</u>	<u>TOTAL</u>
<b>REVENUES</b>			
Local Sources	\$ 7,515,918	\$ 186,852	\$ 7,702,770
State Sources	2,506,921	-	2,506,921
Federal Sources	-	-	-
	<hr/>	<hr/>	<hr/>
TOTAL REVENUES	10,022,839	186,852	10,209,691
	<hr/>	<hr/>	<hr/>
<b>EXPENDITURES</b>			
Current			
Instruction - Special Programs	1,041,716	-	1,041,716
Operations and Maintenance	218,188	-	218,188
Student Transportation	10,032,848	-	10,032,848
Capital Outlay	-	4,741,663	4,741,663
	<hr/>	<hr/>	<hr/>
TOTAL EXPENDITURES	11,292,752	4,741,663	16,034,415
	<hr/>	<hr/>	<hr/>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,269,913)	(4,554,811)	(5,824,724)
<b>OTHER FINANCING SOURCES</b>			
Transfers In	1,363,003	3,918,109	5,281,112
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	93,090	(636,702)	(543,612)
<b>FUND BALANCE, Beginning</b>	812,240	7,675,728	8,487,968
	<hr/>	<hr/>	<hr/>
<b>FUND BALANCE, Ending</b>	<u>\$ 905,330</u>	<u>\$ 7,039,026</u>	<u>\$ 7,944,356</u>

See the accompanying Independent Auditors' Report.



# Boulder Valley School District RE-2

## BUDGETARY COMPARISON SCHEDULE

### TRANSPORTATION FUND

Year Ended June 30, 2010

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
<b>REVENUES</b>				
Property Taxes	\$ 7,238,694	\$ 7,238,694	\$ 7,262,834	\$ 24,140
State Transportation Reimbursement	2,248,947	2,444,331	2,506,921	62,590
Other Local Revenue	209,597	209,597	253,084	43,487
<b>TOTAL REVENUES</b>	<b>9,697,238</b>	<b>9,892,622</b>	<b>10,022,839</b>	<b>130,217</b>
<b>EXPENDITURES</b>				
Current				
Instruction - Special Programs	1,123,704	1,188,537	1,041,716	146,821
Operations and Maintenance	212,275	212,862	218,188	(5,326)
Student Transportation	9,628,696	9,983,380	10,032,848	(49,468)
Emergency Reserves	328,940	341,543	-	341,543
Reserves	328,940	341,543	-	341,543
<b>TOTAL EXPENDITURES</b>	<b>11,622,555</b>	<b>12,067,865</b>	<b>11,292,752</b>	<b>775,113</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(1,925,317)</b>	<b>(2,175,243)</b>	<b>(1,269,913)</b>	<b>905,330</b>
<b>OTHER FINANCING SOURCES</b>				
Transfers In	1,363,003	1,363,003	1,363,003	-
<b>NET CHANGE IN FUND BALANCE</b>	<b>(562,314)</b>	<b>(812,240)</b>	<b>93,090</b>	<b>905,330</b>
<b>FUND BALANCE, Beginning</b>	<b>562,314</b>	<b>812,240</b>	<b>812,240</b>	<b>-</b>
<b>FUND BALANCE, Ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 905,330</b>	<b>\$ 905,330</b>

See the accompanying Independent Auditors' Report.

# Boulder Valley School District RE-2

## BUDGETARY COMPARISON SCHEDULE

### BOND REDEMPTION FUND

Year Ended June 30, 2010

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
<b>REVENUES</b>				
Property Taxes	\$ 29,382,816	\$ 31,631,290	\$ 31,749,082	\$ 117,792
Investment Earnings	150,000	150,000	37,735	(112,265)
<b>TOTAL REVENUES</b>	<u>29,532,816</u>	<u>31,781,290</u>	<u>31,786,817</u>	<u>5,527</u>
<b>EXPENDITURES</b>				
Debt Service				
Principal	10,185,000	9,325,000	9,325,000	-
Interest and Fiscal Charges	18,528,691	18,227,548	16,878,930	1,348,618
Debt Issuance Costs	-	160,307	453,110	(292,803)
<b>TOTAL EXPENDITURES</b>	<u>28,713,691</u>	<u>27,712,855</u>	<u>26,657,040</u>	<u>1,055,815</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>819,125</u>	<u>4,068,435</u>	<u>5,129,777</u>	<u>1,061,342</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Bonds Issued	-	53,645,000	53,645,000	-
Bond Premium	-	2,385,564	2,385,564	-
Payment to Escrow Agent	-	(58,118,375)	(57,792,146)	326,229
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>(2,087,811)</u>	<u>(1,761,582)</u>	<u>326,229</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>819,125</u>	<u>1,980,624</u>	<u>3,368,195</u>	<u>1,387,571</u>
<b>FUND BALANCE, Beginning</b>	<u>20,449,987</u>	<u>20,663,878</u>	<u>20,663,878</u>	<u>-</u>
<b>FUND BALANCE, Ending</b>	<u>\$ 21,269,112</u>	<u>\$ 22,644,502</u>	<u>\$ 24,032,073</u>	<u>\$ 1,387,571</u>

See the accompanying Independent Auditors' Report.

# Boulder Valley School District RE-2

## BUDGETARY COMPARISON SCHEDULE

### BUILDING FUND

Year Ended June 30, 2010

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
<b>REVENUES</b>				
Local Sources				
Investment Earnings	\$ 720,000	\$ 423,472	\$ 588,747	\$ 165,275
Other Local Revenue	-	847,250	3,747,258	2,900,008
<b>TOTAL REVENUES</b>	<u>720,000</u>	<u>1,270,722</u>	<u>4,336,005</u>	<u>3,065,283</u>
<b>EXPENDITURES</b>				
Capital Outlay	<u>82,202,025</u>	<u>82,683,906</u>	<u>71,977,884</u>	<u>10,706,022</u>
<b>TOTAL EXPENDITURES</b>	<u>82,202,025</u>	<u>82,683,906</u>	<u>71,977,884</u>	<u>10,706,022</u>
<b>NET CHANGE IN FUND BALANCE</b>	(81,482,025)	(81,413,184)	(67,641,879)	13,771,305
<b>FUND BALANCE, Beginning</b>	<u>173,139,139</u>	<u>162,152,707</u>	<u>162,152,707</u>	<u>-</u>
<b>FUND BALANCE, Ending</b>	<u>\$ 91,657,114</u>	<u>\$ 80,739,523</u>	<u>\$ 94,510,828</u>	<u>\$ 13,771,305</u>

See the accompanying Independent Auditors' Report.

# Boulder Valley School District RE-2

## BUDGETARY COMPARISON SCHEDULE

### CAPITAL RESERVE FUND

Year Ended June 30, 2010

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
<b>REVENUES</b>				
Local Sources	\$ 703,200	\$ 104,000	\$ 186,852	\$ 82,852
TOTAL REVENUES	703,200	104,000	186,852	82,852
<b>EXPENDITURES</b>				
Capital Outlay				
Salaries and Benefits	550,000	295,000	275,641	19,359
Building Improvements	1,380,000	1,318,584	1,126,558	192,026
Operating Departments	2,035,371	3,037,178	1,371,713	1,665,465
School Projects	6,744,610	6,706,361	1,967,751	4,738,610
Reserves	321,298	340,714	-	340,714
TOTAL EXPENDITURES	11,031,279	11,697,837	4,741,663	6,956,174
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(10,328,079)	(11,593,837)	(4,554,811)	7,039,026
<b>OTHER FINANCING SOURCES</b>				
Transfers In	3,206,770	3,918,109	3,918,109	-
NET CHANGE IN FUND BALANCE	(7,121,309)	(7,675,728)	(636,702)	7,039,026
<b>FUND BALANCE, Beginning</b>	7,121,309	7,675,728	7,675,728	-
<b>FUND BALANCE, Ending</b>	\$ -	\$ -	\$ 7,039,026	\$ 7,039,026

See the accompanying Independent Auditors' Report.

# Boulder Valley School District RE-2

## BUDGETARY COMPARISON SCHEDULE

### NUTRITION SERVICES FUND

Year Ended June 30, 2010

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
<b>OPERATING REVENUES</b>				
Regular School Lunch	\$ 2,605,637	\$ 2,304,766	\$ 2,119,395	\$ (185,371)
A La Carte	759,096	759,096	434,067	(325,029)
Other	60,851	87,850	143,465	55,615
<b>TOTAL OPERATING REVENUES</b>	<b>3,425,584</b>	<b>3,151,712</b>	<b>2,696,927</b>	<b>(454,785)</b>
<b>OPERATING EXPENSES</b>				
Salaries	2,545,176	2,482,247	2,697,834	(215,587)
Benefits	936,888	796,248	854,982	(58,734)
Purchased Food and Commodities	2,457,312	2,139,516	1,922,715	216,801
Nonfood Supplies	220,000	270,000	321,593	(51,593)
Purchased Services	62,500	82,500	116,694	(34,194)
Depreciation	63,500	63,500	60,975	2,525
Other	49,286	49,009	58,253	(9,244)
Reserves	252,310	237,055	-	237,055
Emergency Reserves	190,040	176,491	-	176,491
<b>TOTAL OPERATING EXPENSES</b>	<b>6,777,012</b>	<b>6,296,566</b>	<b>6,033,046</b>	<b>263,520</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(3,351,428)</b>	<b>(3,144,854)</b>	<b>(3,336,119)</b>	<b>(191,265)</b>
<b>NONOPERATING REVENUES</b>				
USDA Donated Commodities	243,667	243,667	225,169	(18,498)
Federal Reimbursements	2,399,904	2,285,371	2,126,676	(158,695)
State Sources	56,704	56,704	61,006	4,302
<b>TOTAL NONOPERATING REVENUES</b>	<b>2,700,275</b>	<b>2,585,742</b>	<b>2,412,851</b>	<b>(172,891)</b>
<b>NET INCOME (LOSS) BEFORE TRANSFERS</b>	<b>(651,153)</b>	<b>(559,112)</b>	<b>(923,268)</b>	<b>(364,156)</b>
<b>TRANSFERS</b>				
Transfers In	225,000	225,000	225,000	-
<b>CHANGE IN NET ASSETS</b>	<b>(426,153)</b>	<b>(334,112)</b>	<b>(698,268)</b>	<b>(364,156)</b>
<b>NET ASSETS, Beginning</b>	<b>426,153</b>	<b>334,112</b>	<b>334,112</b>	<b>-</b>
<b>NET ASSETS, Ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (364,156)</b>	<b>\$ (364,156)</b>

See the accompanying Independent Auditors' Report.



(This page was left blank intentionally.)

## **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.



(This page was left blank intentionally.)



# Boulder Valley School District RE-2

## COMBINING STATEMENT OF NET ASSETS

### INTERNAL SERVICE FUNDS

June 30, 2010

	HEALTH INSURANCE FUND	DENTAL INSURANCE FUND	TOTAL
<b>ASSETS</b>			
Cash and Investments	\$ 7,602,552	\$ 761,596	\$ 8,364,148
TOTAL ASSETS	7,602,552	761,596	8,364,148
<b>LIABILITIES</b>			
Claims Payable	3,131,360	474,455	3,605,815
TOTAL LIABILITIES	3,131,360	474,455	3,605,815
<b>NET ASSETS</b>			
Unrestricted	4,471,192	287,141	4,758,333
TOTAL NET ASSETS	\$ 4,471,192	\$ 287,141	\$ 4,758,333

See the accompanying Independent Auditors' Report.

# Boulder Valley School District RE-2

## COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS

### INTERNAL SERVICE FUNDS

Year Ended June 30, 2010

	HEALTH INSURANCE FUND	DENTAL INSURANCE FUND	TOTAL
<b>OPERATING REVENUES</b>			
Contributions	\$ 23,644,009	\$ 2,202,909	\$ 25,846,918
Other	596,011	2,049	598,060
<b>TOTAL OPERATING REVENUES</b>	<u>24,240,020</u>	<u>2,204,958</u>	<u>26,444,978</u>
<b>OPERATING EXPENSES</b>			
Salaries	109,058	25,207	134,265
Benefits	26,123	5,724	31,847
Insurance Premiums and Claims	19,384,764	2,039,309	21,424,073
Administrative Fees	765,593	163,805	929,398
Other	949,091	7,897	956,988
<b>TOTAL OPERATING EXPENSES</b>	<u>21,234,629</u>	<u>2,241,942</u>	<u>23,476,571</u>
<b>OPERATING INCOME (LOSS)</b>	<u>3,005,391</u>	<u>(36,984)</u>	<u>2,968,407</u>
<b>TRANSFERS</b>			
Transfers In	600,000	-	600,000
Transfers Out	-	(600,000)	(600,000)
<b>TOTAL TRANSFERS</b>	<u>600,000</u>	<u>(600,000)</u>	<u>-</u>
<b>CHANGE IN NET ASSETS</b>	3,605,391	(636,984)	2,968,407
<b>NET ASSETS, Beginning</b>	<u>865,801</u>	<u>924,125</u>	<u>1,789,926</u>
<b>NET ASSETS, Ending</b>	<u><u>\$ 4,471,192</u></u>	<u><u>\$ 287,141</u></u>	<u><u>\$ 4,758,333</u></u>

See the accompanying Independent Auditors' Report.

# Boulder Valley School District RE-2

## COMBINING STATEMENT OF CASH FLOWS

### INTERNAL SERVICE FUNDS

Increase (Decrease) in Cash and Cash Equivalents

Year Ended June 30, 2010

	HEALTH INSURANCE FUND	DENTAL INSURANCE FUND	TOTAL
<b>Cash Flows From Operating Activities</b>			
Contributions	\$ 24,240,020	\$ 2,204,958	\$ 26,444,978
Cash Payments for Premiums, Claims, and Suppliers	(21,032,037)	(2,080,495)	(23,112,532)
Cash Paid to Employees	(135,181)	(30,931)	(166,112)
	<u>3,072,802</u>	<u>93,532</u>	<u>3,166,334</u>
<b>Cash flows from Noncapital Financing Activities</b>			
Transfers from Other Funds	600,000	-	600,000
Transfers to Other Funds	-	(600,000)	(600,000)
	<u>600,000</u>	<u>(600,000)</u>	<u>-</u>
Net Change in Cash and Cash Equivalents	3,672,802	(506,468)	3,166,334
<b>CASH AND CASH EQUIVALENTS, Beginning</b>	<u>3,929,750</u>	<u>1,268,064</u>	<u>5,197,814</u>
<b>CASH AND CASH EQUIVALENTS, Ending</b>	<u><u>\$ 7,602,552</u></u>	<u><u>\$ 761,596</u></u>	<u><u>\$ 8,364,148</u></u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>			
Operating Income (Loss)	\$ 3,005,391	\$ (36,984)	\$ 2,968,407
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities			
Changes in Assets and Liabilities Related to Operations			
Claims Payable	68,096	130,516	198,612
Accrued Salaries and Benefits	(685)	-	(685)
	<u>3,072,802</u>	<u>93,532</u>	<u>3,166,334</u>
Net Cash Provided by Operating Activities	<u><u>\$ 3,072,802</u></u>	<u><u>\$ 93,532</u></u>	<u><u>\$ 3,166,334</u></u>

See the accompanying Independent Auditors' Report.

# Boulder Valley School District RE-2

## BUDGETARY COMPARISON SCHEDULE

### HEALTH INSURANCE FUND

Year Ended June 30, 2010

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
<b>OPERATING REVENUES</b>				
Contributions	\$ 25,378,139	\$ 22,684,924	\$ 23,644,009	\$ 959,085
Other	457,000	619,000	596,011	(22,989)
<b>TOTAL OPERATING REVENUES</b>	<b>25,835,139</b>	<b>23,303,924</b>	<b>24,240,020</b>	<b>936,096</b>
<b>OPERATING EXPENSES</b>				
Salaries	109,786	111,611	109,058	2,553
Benefits	24,441	25,986	26,123	(137)
Insurance Premiums and Claims	25,368,976	23,519,400	19,384,764	4,134,636
Administrative Fees	924,874	730,876	765,593	(34,717)
Other	203,000	174,057	949,091	(775,034)
Reserves	630,854	207,795	-	207,795
<b>TOTAL OPERATING EXPENSES</b>	<b>27,261,931</b>	<b>24,769,725</b>	<b>21,234,629</b>	<b>3,535,096</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(1,426,792)</b>	<b>(1,465,801)</b>	<b>3,005,391</b>	<b>4,471,192</b>
<b>TRANSFERS</b>				
Transfers In	500,000	600,000	600,000	-
<b>CHANGE IN NET ASSETS</b>	<b>(926,792)</b>	<b>(865,801)</b>	<b>3,605,391</b>	<b>4,471,192</b>
<b>NET ASSETS, Beginning</b>	<b>926,792</b>	<b>865,801</b>	<b>865,801</b>	<b>-</b>
<b>NET ASSETS, Ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,471,192</b>	<b>\$ 4,471,192</b>

See the accompanying Independent Auditors' Report.

# Boulder Valley School District RE-2

## BUDGETARY COMPARISON SCHEDULE

### DENTAL INSURANCE FUND

Year Ended June 30, 2010

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
<b>OPERATING REVENUES</b>				
Contributions	\$ 2,190,609	\$ 2,160,000	\$ 2,202,909	\$ 42,909
Other	8,000	3,500	2,049	(1,451)
<b>TOTAL OPERATING REVENUES</b>	<b>2,198,609</b>	<b>2,163,500</b>	<b>2,204,958</b>	<b>41,458</b>
<b>OPERATING EXPENSES</b>				
Salaries	25,233	25,399	25,207	192
Benefits	5,810	5,908	5,724	184
Insurance Premiums and Claims	2,023,864	2,006,599	2,039,309	(32,710)
Administrative Fees	175,000	160,000	163,805	(3,805)
Other	9,500	17,000	7,897	9,103
Reserves	296,788	272,719	-	272,719
<b>TOTAL OPERATING EXPENSES</b>	<b>2,536,195</b>	<b>2,487,625</b>	<b>2,241,942</b>	<b>245,683</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(337,586)</b>	<b>(324,125)</b>	<b>(36,984)</b>	<b>287,141</b>
<b>TRANSFERS</b>				
Transfers Out	(500,000)	(600,000)	(600,000)	-
<b>CHANGE IN NET ASSETS</b>	<b>(837,586)</b>	<b>(924,125)</b>	<b>(636,984)</b>	<b>287,141</b>
<b>NET ASSETS, Beginning</b>	<b>837,586</b>	<b>924,125</b>	<b>924,125</b>	<b>-</b>
<b>NET ASSETS, Ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 287,141</b>	<b>\$ 287,141</b>

See the accompanying Independent Auditors' Report.



(This page was left blank intentionally.)

## **FIDUCIARY FUNDS**

### **Private Purpose Trust Funds**

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

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

### **Agency Fund**

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



(This page was left blank intentionally.)



**Boulder Valley School District RE-2**  
**COMBINING STATEMENT OF FIDUCIARY NET ASSETS**  
**PRIVATE PURPOSE TRUST FUNDS**  
**June 30, 2010**

	<u>SCHOLARSHIP</u>	<u>TRUST</u>	<u>TOTAL</u>
<b>ASSETS</b>			
Cash and Investments	<u>\$ 67,375</u>	<u>\$ 193,639</u>	<u>\$ 261,014</u>
TOTAL ASSETS	<u>67,375</u>	<u>193,639</u>	<u>261,014</u>
<b>NET ASSETS</b>			
Restricted for Scholarships	<u>\$ 67,375</u>	<u>\$ 193,639</u>	<u>\$ 261,014</u>

See the accompanying Independent Auditors' Report.

**Boulder Valley School District RE-2**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
**PRIVATE PURPOSE TRUST FUNDS**  
**Year Ended June 30, 2010**

	<u>SCHOLARSHIP</u>	<u>TRUST</u>	<u>TOTAL</u>
<b>ADDITIONS</b>			
Contributions	<u>\$ 3,960</u>	<u>\$ 10,511</u>	<u>\$ 14,471</u>
TOTAL ADDITIONS	<u>3,960</u>	<u>10,511</u>	<u>14,471</u>
<b>DEDUCTIONS</b>			
Scholarships and Awards	<u>12,287</u>	<u>17,730</u>	<u>30,017</u>
CHANGE IN NET ASSETS	<u>(8,327)</u>	<u>(7,219)</u>	<u>(15,546)</u>
<b>NET ASSETS, Beginning</b>	<u>75,702</u>	<u>200,858</u>	<u>276,560</u>
<b>NET ASSETS, Ending</b>	<u><u>\$ 67,375</u></u>	<u><u>\$ 193,639</u></u>	<u><u>\$ 261,014</u></u>

See the accompanying Independent Auditors' Report.

**Boulder Valley School District RE-2**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUND**  
**Year Ended June 30, 2010**

	<u>Balances 6/30/09</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balances 6/30/10</u>
<b>ASSETS</b>				
Cash and Investments - Student Groups	\$ 2,147,463	\$ 8,160,073	\$ 7,875,659	\$ 2,431,877
Cash and Investments - School Groups	<u>663,441</u>	<u>2,261,530</u>	<u>2,331,881</u>	<u>593,090</u>
TOTAL ASSETS	<u>\$ 2,810,904</u>	<u>\$ 10,421,603</u>	<u>\$ 10,207,540</u>	<u>\$ 3,024,967</u>
<b>LIABILITIES</b>				
Due to Student Groups	\$ 2,147,463	\$ 8,160,073	\$ 7,875,659	\$ 2,431,877
Due to School Groups	<u>663,441</u>	<u>2,261,530</u>	<u>2,331,881</u>	<u>593,090</u>
TOTAL LIABILITIES	<u>\$ 2,810,904</u>	<u>\$ 10,421,603</u>	<u>\$ 10,207,540</u>	<u>\$ 3,024,967</u>

See the accompanying Independent Auditors' Report.



(This page was left blank intentionally.)

### **COMPONENT UNITS**

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

# Boulder Valley School District RE-2

## COMBINING STATEMENT OF NET ASSETS

### COMPONENT UNITS

June 30, 2010

	BOULDER PREP	HORIZONS	PEAK TO PEAK
<b>ASSETS</b>			
Cash and Investments	\$ 291,524	\$ 920,159	\$ 4,249,598
Restricted Cash and Investments	-	-	2,724,019
Accounts Receivable	-	-	15,354
Inventories	-	-	18,245
Prepaid Expenses	-	1,130	-
Debt Issuance Costs, Net of Accumulated Amortization	-	-	550,127
Capital Assets, Not Being Depreciated	-	-	1,859,266
Capital Assets, Net of Accumulated Depreciation	808,260	20,346	13,653,673
	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	1,099,784	941,635	23,070,282
	<hr/>	<hr/>	<hr/>
<b>LIABILITIES</b>			
Accrued Liabilities	-	-	117,541
Accrued Summer Salaries	-	265,927	426,834
Accrued Salaries and Benefits	2,543	14,880	59,286
Unearned Revenues	13,262	7,921	46,556
Accrued Interest Payable	-	-	407,378
Noncurrent Liabilities			
Due Within One Year	4,746	-	455,000
Due in More Than One Year	234,428	-	16,809,335
	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES	254,979	288,728	18,321,930
	<hr/>	<hr/>	<hr/>
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	569,086	20,346	(1,201,269)
Restricted for Repairs and Replacements	-	-	250,089
Restricted for Debt Service	-	-	2,066,552
Restricted for Emergencies	37,205	84,313	386,283
Unrestricted	238,514	548,248	3,246,697
	<hr/>	<hr/>	<hr/>
TOTAL NET ASSETS	<u>\$ 844,805</u>	<u>\$ 652,907</u>	<u>\$ 4,748,352</u>

See the accompanying Independent Auditors' Report.

SUMMIT	JUSTICE HIGH	TOTAL
\$ 466,136	\$ 70,618	\$ 5,998,035
-	-	2,724,019
-	-	15,354
-	-	18,245
-	-	1,130
-	-	550,127
-	602,294	2,461,560
26,571	91,288	14,600,138
492,707	764,200	26,368,608
-	-	117,541
130,852	-	823,613
12,772	-	89,481
7,884	-	75,623
-	-	407,378
70,000	68,000	597,746
280,400	534,893	17,859,056
501,908	602,893	19,970,438
26,571	90,689	(494,577)
-	-	250,089
-	-	2,066,552
83,283	23,422	614,506
(119,055)	47,196	3,961,600
\$ (9,201)	\$ 161,307	\$ 6,398,170

# Boulder Valley School District RE-2

## COMBINING STATEMENT OF ACTIVITIES

### COMPONENT UNITS

Year Ended June 30, 2010

	BOULDER PREP	HORIZONS	PEAK TO PEAK
<b>EXPENSES</b>			
Instruction	\$ 816,333	\$ 2,740,774	\$ 7,039,858
Supporting Services	449,897	702,740	5,072,184
Interest and Fiscal Charges	17,443	-	1,254,383
	<hr/>	<hr/>	<hr/>
TOTAL EXPENSES	1,283,673	3,443,514	13,366,425
	<hr/>	<hr/>	<hr/>
<b>PROGRAM REVENUES</b>			
Charges for Services	-	-	1,281,625
Operating Grants and Contributions	51,729	808,915	226,864
	<hr/>	<hr/>	<hr/>
TOTAL PROGRAM REVENUES	51,729	808,915	1,508,489
	<hr/>	<hr/>	<hr/>
NET EXPENSE (REVENUE)	(1,231,944)	(2,634,599)	(11,857,936)
	<hr/>	<hr/>	<hr/>
<b>GENERAL REVENUES</b>			
Per Pupil Revenues	1,039,195	2,171,325	9,972,283
Mill Levy Override	174,935	399,825	1,731,770
Grants and Contributions Not Restricted to Specific Programs	89,035	50,448	439,032
Capital Construction Funding	14,684	15,316	135,969
Investment Earnings	-	-	115,222
Other	-	-	85,118
	<hr/>	<hr/>	<hr/>
TOTAL GENERAL REVENUES	1,317,849	2,636,914	12,479,394
	<hr/>	<hr/>	<hr/>
CHANGE IN NET ASSETS	85,905	2,315	621,458
	<hr/>	<hr/>	<hr/>
<b>NET ASSETS, Beginning</b>	758,900	650,592	4,126,894
	<hr/>	<hr/>	<hr/>
<b>NET ASSETS, Ending</b>	<u>\$ 844,805</u>	<u>\$ 652,907</u>	<u>\$ 4,748,352</u>

See the accompanying Independent Auditors' Report.



SUMMIT	JUSTICE HIGH	TOTAL
\$ 1,680,666	\$ 458,470	\$ 12,736,101
1,004,413	464,126	7,693,360
17,666	39,599	1,329,091
2,702,745	962,195	21,758,552
-	-	1,281,625
124,154	81,956	1,293,618
124,154	81,956	2,575,243
(2,578,591)	(880,239)	(19,183,309)
2,276,959	759,517	16,219,279
381,720	-	2,688,250
52,744	200,107	831,366
15,806	11,220	192,995
-	-	115,222
-	-	85,118
2,727,229	970,844	20,132,230
148,638	90,605	948,921
(157,839)	70,702	5,449,249
\$ (9,201)	\$ 161,307	\$ 6,398,170

# Boulder Valley School District RE-2

## COMBINING BALANCE SHEET

### COMPONENT UNITS

June 30, 2010

	BOULDER PREP	HORIZONS	PEAK TO PEAK
<b>ASSETS</b>			
Cash and Investments	\$ 291,524	\$ 920,159	\$ 4,249,598
Restricted Cash and Investments	-	-	2,724,019
Accounts Receivable	-	-	15,354
Inventories	-	-	18,245
Prepaid Items	-	1,130	-
	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 291,524</u>	<u>\$ 921,289</u>	<u>\$ 7,007,216</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accrued Liabilities	\$ -	\$ -	\$ 117,541
Accrued Summer Salaries	-	265,927	426,834
Accrued Salaries and Benefits	2,543	14,880	59,286
Deferred Revenues	13,262	7,921	46,556
	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES	<u>15,805</u>	<u>288,728</u>	<u>650,217</u>
<b>FUND BALANCES</b>			
Reserved for Inventories	-	-	18,245
Reserved for Prepaid Items	-	1,130	-
Reserved for Repairs and Replacements	-	-	250,089
Reserved for Debt Service	-	-	2,473,930
Reserved for Emergencies	37,205	84,313	386,283
Unreserved	238,514	547,118	3,228,452
	<hr/>	<hr/>	<hr/>
TOTAL FUND BALANCES	<u>275,719</u>	<u>632,561</u>	<u>6,356,999</u>
	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 291,524</u>	<u>\$ 921,289</u>	<u>\$ 7,007,216</u>

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

Fund Balances	\$ 275,719	\$ 632,561	\$ 6,356,999
Capital Assets	808,260	20,346	15,512,939
Debt Issuance Costs	-	-	550,127
Accrued Interest Payable	-	-	(407,378)
Long-Term Debt	(239,174)	-	(21,230,000)
Debt Premium	-	-	(422,812)
Loss on Refunding	-	-	4,388,477
	<hr/>	<hr/>	<hr/>
Net Assets	<u>\$ 844,805</u>	<u>\$ 652,907</u>	<u>\$ 4,748,352</u>

See the accompanying Independent Auditors' Report.

SUMMIT	JUSTICE HIGH	TOTAL
\$ 466,136	\$ 70,618	\$ 5,998,035
-	-	2,724,019
-	-	15,354
-	-	18,245
-	-	1,130
<u>\$ 466,136</u>	<u>\$ 70,618</u>	<u>\$ 8,756,783</u>

\$ -	\$ -	\$ 117,541
130,852	-	823,613
12,772	-	89,481
7,884	-	75,623
<u>151,508</u>	<u>-</u>	<u>1,106,258</u>

-	-	18,245
-	-	1,130
-	-	250,089
-	-	2,473,930
83,283	23,422	614,506
231,345	47,196	4,292,625
<u>314,628</u>	<u>70,618</u>	<u>7,650,525</u>
<u>\$ 466,136</u>	<u>\$ 70,618</u>	<u>\$ 8,756,783</u>

\$ 314,628	\$ 70,618	\$ 7,650,525
26,571	693,582	17,061,698
-	-	550,127
-	-	(407,378)
(350,400)	(602,893)	(22,422,467)
-	-	(422,812)
-	-	4,388,477
<u>\$ (9,201)</u>	<u>\$ 161,307</u>	<u>\$ 6,398,170</u>

**Boulder Valley School District RE-2**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**COMPONENT UNITS**  
**Year Ended June 30, 2010**

	<b>BOULDER PREP</b>	<b>HORIZONS</b>	<b>PEAK TO PEAK</b>
<b>REVENUES</b>			
Local Sources	\$ 1,290,256	\$ 3,430,513	\$ 13,625,050
State Sources	79,322	15,316	362,833
Federal Sources	-	-	-
<b>TOTAL REVENUES</b>	<b>1,369,578</b>	<b>3,445,829</b>	<b>13,987,883</b>
<b>EXPENDITURES</b>			
Current			
Instruction	816,333	2,740,774	7,039,858
Supporting Services	433,058	701,611	4,650,321
Capital Outlay	-	-	201,300
Debt Service			
Principal	4,191	-	440,000
Interest and Fiscal Charges	17,443	-	1,092,943
<b>TOTAL EXPENDITURES</b>	<b>1,271,025</b>	<b>3,442,385</b>	<b>13,424,422</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>98,553</b>	<b>3,444</b>	<b>563,461</b>
<b>FUND BALANCES, Beginning</b>	<b>177,166</b>	<b>629,117</b>	<b>5,793,538</b>
<b>FUND BALANCES, Ending</b>	<b>\$ 275,719</b>	<b>\$ 632,561</b>	<b>\$ 6,356,999</b>
Amounts reported in the statement of activities are different because:			
Net Change in Fund Balances	\$ 98,553	\$ 3,444	\$ 563,461
Capital Outlay	-	-	201,300
Depreciation Expense	(16,839)	(1,129)	(398,781)
Accrued Interest Payable	-	-	4,952
Repayment of Debt Principal	4,191	-	440,000
Amortization of Debt Premium	-	-	17,740
Amortization of Loss on Refunding	-	-	(184,132)
Amortization of Debt Issuance Costs	-	-	(23,082)
<b>Change in Net Assets</b>	<b>\$ 85,905</b>	<b>\$ 2,315</b>	<b>\$ 621,458</b>

See the accompanying Independent Auditors' Report.

SUMMIT	JUSTICE HIGH	TOTAL
\$ 2,835,577	\$ 827,236	\$ 22,008,632
15,806	193,420	666,697
-	15,245	15,245
2,851,383	1,035,901	22,690,574

1,680,666	458,470	12,736,101
1,002,937	459,246	7,247,173
-	-	201,300
-	28,401	472,592
17,666	39,599	1,167,651
2,701,269	985,716	21,824,817
150,114	50,185	865,757
164,514	20,433	6,784,768
\$ 314,628	\$ 70,618	\$ 7,650,525

\$ 150,114	\$ 50,185	\$ 865,757
-	16,899	218,199
(1,476)	(4,880)	(423,105)
-	-	4,952
-	28,401	472,592
-	-	17,740
-	-	(184,132)
-	-	(23,082)
\$ 148,638	\$ 90,605	\$ 948,921



(This page was left blank intentionally.)

## **STATISTICAL SECTION**



(This page was left blank intentionally.)



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

## **STATISTICAL SECTION**

### **TABLE OF CONTENTS**

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

<b>Contents</b>	<b>Tables</b>	<b>Pages</b>
<b>Financial Trends</b>		
These tables contain trend information to help the reader understand how the district's financial condition has changed over time.	1- 4	81 - 84
<b>Revenue Capacity</b>		
These tables contain information to help the reader assess the district's largest revenue source: property taxes.	5 - 7	85 - 87
<b>Debt Capacity</b>		
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.	6 - 9	88 - 89
<b>Demographic and Economic Information</b>		
These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	10 -14	90 - 94
<b>Operating Information</b>		
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.	15-17	95 - 101

# Boulder Valley School District RE-2

## NET ASSETS BY COMPONENT

Last 9 Fiscal Years (1)

(Unaudited)

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

Note: (1) Years after the implementation of GASB 34

**Table 1**

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

# Boulder Valley School District RE-2

## CHANGES IN NET ASSETS

Last 9 Fiscal Years (1)

(Unaudited)

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

Note: (1) Years after the implementation of GASB 34

Table 2

<u>June 30, 2006</u>	<u>June 30, 2007</u>	<u>June 30, 2008</u>	<u>June 30, 2009</u>	<u>June 30, 2010</u>
\$ 159,937,412	\$ 162,839,335	\$ 174,678,565	\$ 184,528,008	\$ 184,537,048
76,041,071	85,954,536	94,388,108	91,944,942	93,260,558
-	-	-	-	-
6,732,020	8,429,419	9,817,663	13,076,805	16,358,947
242,710,503	257,223,290	278,884,336	289,549,755	294,156,553
5,211,811	5,625,673	5,728,486	5,708,651	6,033,046
5,211,811	5,625,673	5,728,486	5,708,651	6,033,046
247,922,314	262,848,963	284,612,822	295,258,406	300,189,599
1,071,875	729,238	805,306	850,255	885,640
8,154,329	9,737,651	10,496,456	10,908,725	10,934,983
19,442,789	20,948,003	19,718,065	20,861,065	24,748,470
-	-	-	-	3,747,258
28,668,993	31,414,892	31,019,827	32,620,045	40,316,351
3,371,042	3,486,250	3,649,198	3,124,504	2,696,927
1,669,144	1,828,748	2,016,276	2,185,169	2,412,851
5,040,186	5,314,998	5,665,474	5,309,673	5,109,778
33,709,179	36,729,890	36,685,301	37,929,718	45,426,129
(214,041,510)	(225,808,398)	(247,864,509)	(256,929,710)	(253,840,202)
(171,625)	(310,675)	(63,012)	(398,978)	(923,268)
(214,213,135)	(226,119,073)	(247,927,521)	(257,328,688)	(254,763,470)
154,646,048	164,129,499	174,440,943	182,808,375	193,973,616
10,887,850	11,108,990	11,258,208	9,995,765	9,251,558
51,919,871	58,089,462	56,336,553	61,973,644	64,227,060
-	-	-	-	-
1,192,940	3,629,865	7,152,235	2,288,518	716,554
2,263,535	1,210,079	4,834,871	3,989,195	1,266,334
220,910,244	238,167,895	254,022,810	261,055,497	269,435,122
6,868,734	12,359,497	6,158,301	4,125,787	15,594,920
(171,625)	(310,675)	(63,012)	(398,978)	(923,268)
<u>\$ 6,697,109</u>	<u>\$ 12,048,822</u>	<u>\$ 6,095,289</u>	<u>\$ 3,726,809</u>	<u>\$ 14,671,652</u>

# Boulder Valley School District RE-2

## FUND BALANCES OF GOVERNMENTAL FUNDS

Last 10 Fiscal Years

(Unaudited)

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
General Fund					
Reserved	\$ 704,703	\$ 482,630	\$ 5,836,698	\$ 6,088,567	\$ 6,452,971
Unreserved	<u>3,980,357</u>	<u>(586,897)</u>	<u>273,456</u>	<u>8,310,252</u>	<u>12,555,719</u>
Subtotal	<u>4,685,060</u>	<u>(104,267)</u>	<u>6,110,154</u>	<u>14,398,819</u>	<u>19,008,690</u>
Other Governmental Funds					
Reserved	5,380,672	191,684	170,609	286,639	209,028
Unreserved, reported in					
Grants Fund	-	-	-	-	-
Debt Service Fund	14,952,229	14,973,430	15,131,986	17,075,783	15,577,400
Capital Projects Fund	2,990,232	4,000,873	4,001,547	2,141,390	1,575,024
Special Revenue Fund	<u>52,367</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal	<u>23,375,500</u>	<u>19,165,987</u>	<u>19,304,142</u>	<u>19,503,812</u>	<u>17,361,452</u>
Total Governmental Funds	<u>\$ 28,060,560</u>	<u>\$ 19,061,720</u>	<u>\$ 25,414,296</u>	<u>\$ 33,902,631</u>	<u>\$ 36,370,142</u>

**Table 3**

<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
\$ 6,416,452	\$ 7,039,417	\$ 7,244,362	\$ 7,543,322	\$ 7,441,515
17,132,787	21,551,939	14,521,629	12,092,348	12,203,848
<u>23,549,239</u>	<u>28,591,356</u>	<u>21,765,991</u>	<u>19,635,670</u>	<u>19,645,363</u>
501,254	521,385	683,809	1,135,289	1,246,044
-	-	-	-	(1,422,177)
15,912,470	23,304,815	17,282,227	20,663,878	24,032,073
2,310,761	122,941,492	93,862,349	169,505,386	101,209,140
143,238	682,392	318,922	-	-
<u>18,867,723</u>	<u>147,450,084</u>	<u>112,147,307</u>	<u>191,304,553</u>	<u>125,065,080</u>
<u><u>\$ 42,416,962</u></u>	<u><u>\$ 176,041,440</u></u>	<u><u>\$ 133,913,298</u></u>	<u><u>\$ 210,940,223</u></u>	<u><u>\$ 144,710,443</u></u>

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

(Unaudited)

	2001	2002	2003	2004
Primary Government Revenues				
Local Sources				
Current Property Taxes	\$ 125,932,588	\$ 131,277,327	\$ 145,992,818	\$ 151,789,396
Specific Qwnership Taxes	11,936,063	12,221,725	11,605,270	11,588,140
Deliquent Property Taxes	847,037	940,528	420,203	336,249
Grants	193,593	637,603	609,678	891,361
Tuition	3,275,045	4,893,573	5,310,851	5,416,755
Interest	2,462,192	1,000,511	444,693	826,866
Miscellaneous	2,296,818	1,770,591	1,519,558	4,639,448
Subtotal Local Sources	146,943,336	152,741,858	165,903,071	175,488,215
State Sources				
Equalization	31,174,893	35,352,777	42,286,795	45,510,703
Special Education	3,076,734	3,253,442	3,458,753	3,562,820
Transportation	1,605,018	1,641,720	1,740,381	1,666,126
Vocational Education	997,821	1,093,446	836,724	740,919
Grants	356,145	1,905,909	1,911,065	1,283,960
Medicaid	-	-	211,016	195,883
Miscellaneous	127,057	861,089	322,123	298,318
Subtotal State Sources	37,337,668	44,108,383	50,766,857	53,258,729
Federal Sources				
Grants	6,210,931	7,845,668	8,920,076	8,703,306
Miscellaneous	-	-	-	-
Subtotal Federal Sources	6,210,931	7,845,668	8,920,076	8,703,306
Total Revenues	190,491,935	204,695,909	225,590,004	237,450,250
Expenditures				
Regular Instruction	80,856,556	91,734,901	99,197,958	101,172,110
Special Instruction	30,563,735	36,374,276	39,416,453	41,407,709
Instructional Support				
Student Services	5,031,435	4,701,396	5,170,891	5,332,767
Instructional Staff Support	7,528,597	7,616,595	7,910,443	7,340,550
School Administration and Operations				
School Administration	13,505,416	12,909,374	11,116,837	14,119,765
Operations and Maintenance	14,358,773	13,788,472	14,307,963	15,338,688
Student Transportation	5,531,612	6,050,831	6,262,799	6,611,788
District Wide/Community Services				
General Administration	2,445,908	2,701,597	2,756,668	2,607,570
Business Services	1,856,336	1,764,119	1,923,562	1,934,280
Central Services	5,684,059	7,479,615	7,851,084	8,495,520
Enterprise Operations	34,677			
Community Services	2,485,765	3,509,275	3,688,237	4,061,211
Adult Basic Education	32,242	38,758	40,793	41,195
Debt Service				
Principal	6,145,000	6,485,000	6,890,000	6,935,000
Interest and Fiscal Charges	9,045,567	8,742,481	7,741,948	7,606,483
Debt Issuance Costs	-	-	-	-
Capital Outlay	29,448,348	9,786,473	4,961,792	7,713,867
Total Expenditures	214,554,026	213,683,163	219,237,428	230,718,503
Other Financing Sources (Uses)	87,428	215,858	-	1,756,588
Net Change in Fund Balances	(23,974,663)	(8,771,396)	6,352,576	8,488,335
Fund Balance, Beginning	51,807,779	27,833,116	19,061,720	25,414,296
Fund Balance, Ending	\$ 27,833,116	\$ 19,061,720	\$ 25,414,296	\$ 33,902,631
Debt Service as a Percentage of Noncapital Expenditures	9.03%	7.32%	6.73%	6.42%



Table 4

2005	2006	2007	2008	2009	2010
\$ 146,875,553	\$ 155,286,194	\$ 165,456,960	\$ 174,006,259	\$ 181,017,953	\$ 193,830,522
11,254,363	10,887,850	11,108,990	11,258,208	9,995,765	9,251,558
154,876	197,766	988,215	147,499	248,156	115,978
625,824	379,077	415,434	425,429	739,098	570,743
4,178,361	5,856,936	4,978,744	5,026,167	5,868,843	5,856,442
314,937	1,192,940	3,629,864	7,152,235	2,288,518	716,554
6,369,584	5,632,801	5,185,099	11,110,467	9,879,333	10,977,773
169,773,498	179,433,564	191,763,306	209,126,264	210,037,666	221,319,570
49,628,580	51,919,871	58,089,462	56,336,553	61,973,644	64,227,060
3,580,231	4,382,998	4,325,948	4,450,546	4,449,466	4,525,751
1,817,823	1,812,163	1,953,274	1,629,616	2,244,747	2,506,921
863,334	745,959	1,382,780	945,566	1,098,195	1,391,921
1,708,940	699,254	1,431,036	39,200	198,448	649,220
181,471	205,233	1,512	306,245	381,501	529,192
299,121	342,855	594,242	432,416	400,302	733,858
58,079,500	60,108,333	67,778,254	64,140,142	70,746,303	74,563,923
10,486,570	10,875,250	10,843,777	11,489,046	11,349,308	12,418,687
-	-	-	-	-	-
10,486,570	10,875,250	10,843,777	11,489,046	11,349,308	12,418,687
238,339,568	250,417,147	270,385,337	284,755,452	292,133,277	308,302,180
103,615,622	106,537,319	111,167,575	118,137,145	124,512,216	129,345,449
43,141,666	42,475,585	44,666,239	48,087,295	48,462,119	48,778,916
5,332,346	5,737,529	6,127,364	7,202,651	7,726,360	8,338,184
7,943,077	9,200,010	11,265,749	11,976,063	11,489,131	12,228,132
14,292,469	14,968,318	15,818,323	16,473,185	17,865,922	18,299,706
15,759,700	16,890,272	16,915,946	18,005,709	18,855,666	20,526,501
6,887,504	7,439,219	7,727,513	8,952,362	9,218,669	10,146,947
2,715,598	2,832,062	3,132,739	3,253,790	2,757,510	2,678,408
2,694,665	2,016,893	2,121,958	2,211,860	2,693,872	2,803,873
9,338,785	10,813,212	11,302,707	10,887,214	10,956,736	10,173,778
107,008	-	-	-	-	-
4,042,492	4,373,239	4,815,749	5,010,135	4,981,140	5,034,613
179,308	92,263	117,797	147,949	116,098	97,140
7,245,000	7,555,000	7,880,000	10,535,000	10,105,000	9,870,000
7,051,265	6,741,497	6,427,353	11,172,641	12,477,695	17,036,074
-	-	687,174	124,702	1,330,325	453,110
5,525,552	7,171,042	8,002,276	46,175,383	112,036,962	76,734,547
235,872,057	244,843,460	258,176,462	318,353,084	395,585,421	372,545,378
-	473,133	121,415,603	(8,530,510)	180,479,069	(1,986,582)
2,467,511	6,046,820	133,624,478	(42,128,142)	77,026,925	(66,229,780)
33,902,631	36,370,142	42,416,962	176,041,440	133,913,298	210,940,223
\$ 36,370,142	\$ 42,416,962	\$ 176,041,440	\$ 133,913,298	\$ 210,940,223	\$ 144,710,443
6.13%	5.90%	5.87%	7.80%	8.34%	9.18%

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

(Unaudited)

Collection Year	Taxable Assessed Value				Total Direct Tax Rate*
	Residential Property	Commercial Property	All Other	Total	
2001	1,483,630,811	1,291,614,707	262,615,286	3,037,860,804	44.000
2002	1,864,943,092	1,550,515,234	357,373,542	3,772,831,868	42.890
2003	1,894,344,086	1,594,437,769	355,916,948	3,844,698,803	34.807
2004	1,952,680,540	1,667,504,239	352,499,975	3,972,684,754	38.524
2005	1,974,598,660	1,681,144,196	319,779,595	3,975,522,451	38.255
2006	2,064,990,490	1,766,828,760	322,566,613	4,154,385,863	37.423
2007	2,096,273,840	1,764,603,370	304,095,073	4,164,972,283	39.564
2008	2,334,001,690	1,956,154,040	337,926,058	4,628,081,788	37.865
2009	2,334,456,140	2,047,735,440	299,416,056	4,681,607,636	39.113
2010	2,451,438,580	1,562,360,162	864,866,444	4,878,665,186	39.999

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

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

**Table 5**

<b>Estimated Actual Value</b>	<b>Ratio of Estimated Actual Value to Assessed Value</b>	<b>Assessment Rate</b>	
		<b>Residential</b>	<b>All Other</b>
20,601,038,329	6.7814	9.15%	29.00%
27,110,806,850	7.1858	9.15%	29.00%
27,573,225,209	7.1718	9.15%	29.00%
31,624,551,624	7.9605	7.96%	29.00%
31,834,021,863	8.0075	7.96%	29.00%
33,273,880,826	8.0093	7.96%	29.00%
33,586,945,608	8.0641	7.96%	29.00%
36,648,062,817	7.9186	7.96%	29.00%
37,827,103,800	8.0799	7.96%	29.00%
38,364,291,949	7.8637	7.96%	29.00%

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

<b>Levy Year</b>	<b>Collection Year</b>	<b>Total Tax Levy</b>	<b>Current Tax Collections</b>	<b>Percent of Current Tax Collected</b>	<b>Delinquent Tax Collections</b>	<b>Total Collections</b>	
						<b>Amount</b>	<b>Percent of Levy</b>
1999	2000	123,278,175	123,084,709	99.84%	142,920	123,227,629	99.96%
2000	2001	127,106,029	126,382,188	99.43%	356,068	126,738,256	99.71%
2001	2002	131,684,926	130,756,272	99.29%	71,953	130,828,225	99.35%
2002	2003	148,091,114	147,139,163	99.36%	387,790	147,526,953	99.62%
2003	2004	152,358,541	151,722,942	99.58%	336,249	152,059,191	99.80%
2004	2005	149,047,366	147,225,944	98.78%	139,537	147,365,481	98.87%
2005	2006	156,558,031	155,286,194	99.19%	197,766	155,483,960	99.31%
2006	2007	164,782,963	161,992,586	98.31%	96,132	162,088,718	98.36%
2007	2008	175,242,316	172,742,380	98.57%	47,942	172,790,322	98.60%
2008	2009	183,111,718	178,265,743	97.35%	184,636	178,450,379	97.45%
2009	2010*	195,141,729	190,148,336	97.44%	80,169	190,228,505	97.48%

\* Collections through July 31, 2010

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



(This page was left blank intentionally.)

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

(Unaudited)

	2001	2002	2003	2004
Boulder Valley School District RE-2				
General Fund				
School Finance Act	31.972	26.412	26.412	26.049
Budget Election	5.960	4.669	8.469	8.201
Abatements and Refunds	0.259	0.193	0.125	0.128
Subtotal General Fund	38.191	31.274	35.006	34.378
Transportation Fund	-	-	-	-
Bond Redemption Fund	4.699	3.533	3.518	3.877
Total Boulder Valley School District RE-2	42.890	34.807	38.524	38.255
Boulder County	19.835	17.621	20.087	20.088
Cities and Towns				
Boulder	10.908	9.301	9.640	9.860
Broomfield	13.894	28.986	28.986	28.986
Lafayette	11.860	11.130	10.994	10.832
Louisville	4.767	5.292	5.184	6.710
Jamestown	13.289	12.343	14.843	14.680
Nederland	15.546	15.408	15.455	14.462
Superior	2.144	1.836	1.906	8.805
Ward	4.230	3.662	3.474	2.616
	76.638	87.958	90.482	96.951
Special Districts (Ranges)	.594 to 41.000	.521 to 43.000	.531 to 98.746	.533 to 84.319
Fire Districts (Ranges)	1.776 to 12.432	1.090 to 11.023	2.500 to 11.715	2.500 to 11.434
Water/Sanitation Districts (Ranges)	.303 to 19.364	.258 to 16.462	.245 to 16.795	.243 to 17.365

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

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

Table 7

Assessment Year					
2005	2006	2007	2008	2009	2010
26.049	25.023	25.023	25.023	25.023	25.023
8.193	7.862	7.842	7.057	6.977	6.695
0.176	0.461	0.288	0.229	0.125	0.220
34.418	33.346	33.153	32.309	32.125	31.938
-	1.065	1.509	1.414	1.559	1.496
3.005	3.274	4.902	4.142	5.429	6.565
37.423	37.685	39.564	37.865	39.113	39.999
21.267	21.867	22.467	22.467	23.067	23.667
10.005	9.643	9.889	9.201	9.841	10.295
28.986	28.968	28.968	28.968	28.968	28.968
10.710	11.848	11.779	10.641	15.515	15.009
6.710	6.710	6.710	6.710	6.710	6.710
21.400	21.400	21.400	21.400	21.000	21.000
14.765	14.572	14.572	14.070	15.051	14.883
8.805	8.805	8.805	8.050	8.050	8.050
2.709	2.300	2.730	2.699	2.792	3.480
104.090	104.246	104.853	101.739	107.927	108.395
.538 to 89.500	.538 to 99.000	.542 to 49.500	.507 to 49.500	.528 to 74.771	.508 to 79.366
2.500 to 11.433	2.500 to 11.325	2.500 to 11.747	2.500 to 11.747	2.500 to 15.256	2.500 to 15.192
.230 to 17.957	.222 to 18.141	.214 to 18.482	.197 to 21.825	.194 to 22.755	.184 to 22.283

# Boulder Valley School District RE-2

## RATIOS OF OUTSTANDING DEBT BY TYPE

Last 10 Fiscal Years

(Unaudited)

Fiscal Year	General Obligation Bonds	Percentage of Actual Taxable Value of Property*	Per Capita**	Other Governmental Activities Debt		
				Certificates of Participation	Capital Leases	Total Primary Government
2001	165,070,000	0.801270292	597	7,115,000	271,922	172,456,922
2002	159,500,000	0.588326275	574	6,255,000	139,784	165,894,784
2003	153,515,000	0.556753876	553	5,350,000	-	158,865,000
2004	147,065,000	0.465034261	527	6,790,000	-	153,855,000
2005	140,310,000	0.440754865	499	6,300,000	-	146,610,000
2006	133,250,000	0.400464258	470	5,805,000	-	139,055,000
2007	245,875,000	0.732055254	834	5,300,000	-	251,175,000
2008	230,175,000	0.628068668	785	4,785,000	-	234,960,000
2009	397,400,000	1.050569459	1,324	4,255,000	-	401,655,000
2010	385,285,000	1.004280232	1,262	3,710,000	-	388,995,000

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

\*\* Personal Income and Population data may be found on Table 10

Source: Boulder Valley School District RE-2



**Table 8**

<b>Percentage of Personal Income**</b>	<b>Per Capita**</b>
1.52%	623
1.48%	597
1.39%	572
1.28%	551
1.15%	521
1.03%	490
1.75%	852
1.54%	801
2.47%	1,338
2.26%	1,274

# Boulder Valley School District RE-2

## LEGAL DEBT MARGIN INFORMATION

Last 10 Fiscal Years

(Unaudited)

Assessed Valuation

Debt Limit Percentage

Legal Debt Limit

Debt Outstanding

Legal Debt Margin

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Debt Limit	\$ 592,707,062	\$ 756,657,718	\$ 771,327,974	\$ 796,541,845	\$ 796,554,878
Debt Applicable To Limit	<u>165,070,000</u>	<u>159,500,000</u>	<u>153,515,000</u>	<u>147,065,000</u>	<u>140,310,000</u>
Legal Debt Margin	<u>\$ 427,637,062</u>	<u>\$ 597,157,718</u>	<u>\$ 617,812,974</u>	<u>\$ 649,476,845</u>	<u>\$ 656,244,878</u>
Total Debt Applicable As A Percentage Of Debt Limit	27.85%	21.08%	19.90%	18.46%	17.61%

**Table 9**

\$ 4,878,665,186

20.00%

975,733,037

385,285,000\$ 590,448,037

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$ 830,877,173	\$ 832,994,457	\$ 925,616,358	\$ 936,321,527	\$ 975,733,037
<u>133,250,000</u>	<u>245,875,000</u>	<u>230,175,000</u>	<u>397,400,000</u>	<u>385,285,000</u>
<u>\$ 697,627,173</u>	<u>\$ 587,119,457</u>	<u>\$ 695,441,358</u>	<u>\$ 538,921,527</u>	<u>\$ 590,448,037</u>
16.04%	29.52%	24.87%	42.44%	39.49%

# Boulder Valley School District RE-2

Table 10

## DEMOGRAPHIC AND ECONOMIC STATISTICS

Last 10 Fiscal Years

(Unaudited)

<b>Fiscal Year</b>	<b>*Estimated Population(1)</b>	<b>**Personal Income(1) (millions)</b>	<b>**Per Capita Personal Income(1)</b>	<b>***Enrollment (Student FTE)</b>	<b>****Unemployment Rate(1)</b>
2001	276,711	11,312	40,883	26,311.5	3.495%
2002	278,048	11,230	40,390	26,703.0	5.885%
2003	277,813	11,399	41,034	26,629.5	5.809%
2004	279,227	11,994	42,955	26,643.5	4.924%
2005	281,195	12,765	45,394	26,789.5	4.402%
2006	283,644	13,550	47,770	26,739.5	4.009%
2007	290,580	14,385	50,141	26,914.0	3.896%
2008	293,232	15,267	52,601	27,229.0	4.900%
2009	300,136	16,251	55,319	27,293.0	7.500%
2010	305,268	17,241	57,978	27,508.5	6.500%

Source: \* Colorado State Demography Office

\*\* Global Insight Inc.

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

\*\*\*\* Colorado Department of Labor

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

# Boulder Valley School District RE-2

Table 11

## COMPUTATION OF DIRECT AND OVERLAPPING GENERAL OBLIGATION DEBT

June 30, 2010

(Unaudited)

	Outstanding General Obligation Debt	Percentage Applicable to the District (3)	Amount of Outstanding Debt Applicable to the District
Overlapping Debt (1)			
City of Boulder	58,265,000	100.00%	58,265,000
City of Louisville	6,400,000	100.00%	6,400,000
City of Lafayette	6,355,000	100.00%	6,355,000
City and County of Broomfield	680,000	20.88%	141,984
Boulder Central Area General Improvement District	17,705,000	100.00%	17,705,000
Boulder Rural Fire	3,600,000	100.00%	3,600,000
Colorado Tech Center Metropolitan District	13,315,000	100.00%	13,315,000
East Boulder County Water District	1,645,000	100.00%	1,645,000
Hoover Hill Water and Sanitation District	141,562	100.00%	141,562
Interlocken Consolidated Metropolitan District	94,290,134	100.00%	94,290,134
North Metro Fire Rescue District	24,630,000	20.88%	5,142,744
Nederland Community Library District	1,876,057	100.00%	1,876,057
Nederland Fire Protection District	1,030,000	100.00%	1,030,000
Northern Colorado Water Conservancy District	4,069,927	41.05%	1,670,705
Pine Brook Water District	4,670,000	100.00%	4,670,000
Rocky Mountain Fire	9,700,000	100.00%	9,700,000
Superior/McCaslin Interchange District	4,570,000	100.00%	4,570,000
Superior Metropolitan District #2	5,065,000	100.00%	5,065,000
Superior Metropolitan District #3	2,415,000	100.00%	2,415,000
Town of Erie	18,235,000	1.96%	357,406
Town of Nederland	1,180,000	100.00%	1,180,000
Subtotal Overlapping Debt			239,535,592
School District Direct Debt (2)			385,285,000
Total Direct and Overlapping Debt			<u>\$ 624,820,592</u>

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

**Notes:**

- (1) Balances as of December 31, 2009
- (2) Balance as of June 30, 2010
- (3) The Percentage Applicable to the district is calculated by taking the percentage of the government's assessed value which is located within the boundaries of the district.

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



(This page was left blank intentionally.)

# Boulder Valley School District RE-2

Table 12

## PRINCIPAL PROPERTY TAXPAYERS

January 1, 2010 and 9 Years Ago

(Unaudited)

Taxpayer	2010			2001		
	Rank	Assessed Valuation	Percentage of Total Assessed Valuation	Rank	Assessed Valuation	Percentage of Total Assessed Valuation
Exel Energy	1	55,638,190	1.14%	1	54,036,010	1.78%
Flatiron Holding LLC	2	45,240,320	0.93%			
Qwest Corporation	3	33,506,100	0.69%	4	36,686,000	1.21%
Level 3 Communications	4	33,315,200	0.68%	6	27,078,150	0.89%
Macerich Twenty Ninth Street LLC	5	25,850,260	0.44%			
Roche Colorado Corporation	6	23,690,560	0.49%	7	13,685,630	0.45%
Sun Microsystems Inc	7	21,405,330	0.53%	3	45,383,510	1.49%
IBM Corporation	8	20,631,010	0.42%	5	30,336,340	1.00%
Sun Microsystems	9	19,575,000	0.40%			
Ball Corporation	10	18,665,300	0.38%			
Storage Technology Corporation				2	50,169,810	1.65%
Macerich Partnership				8	12,648,430	0.42%
Tana Oil & Gas, LLC				9	11,186,390	0.37%
Valley Lab Inc.				10	9,491,780	0.31%
Subtotal		297,517,270	6.10%		290,702,050	9.57%
Remaining Assessed Valuation		4,581,147,916	93.90%		2,747,158,754	90.43%
Total Assessed Valuation		<u>\$ 4,878,665,186</u>	<u>100.00%</u>		<u>\$ 3,037,860,804</u>	<u>100.00%</u>

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

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

Source: Boulder County and Broomfield County Assessors Office

# Boulder Valley School District RE-2

## DISTRICT EMPLOYEES - FULL TIME EQUIVALENTS

Last 10 Fiscal Years

(Unaudited)

	2001	2002	2003	2004	2005
<b>Administrators</b>					
Superintendent	1.00	1.00	1.00	1.00	1.00
Assistant Superintendent	6.00	8.00	7.00	7.70	6.80
Non-Instructional Director	16.70	18.30	17.60	18.70	18.20
Instructional Director	11.30	11.00	11.40	10.00	9.00
Principal	46.40	51.80	55.20	49.40	49.60
Assistant Principal	32.40	33.70	35.60	35.90	37.60
Instructional Program Coord.	-	-	-	6.80	1.00
Subtotal	113.80	123.80	127.80	129.50	123.20
<b>Professional-Instructional</b>					
Teacher, Regular	1,367.50	1,472.20	1,482.10	1,420.50	1,465.40
Teacher, Special Education	201.10	211.10	204.40	189.40	199.40
Teacher, Title I	20.90	22.10	25.70	19.50	11.80
Counselor	49.60	46.10	54.20	54.80	55.40
Curriculum Specialist Consultant	6.40	8.60	7.80	8.00	6.50
Dean	1.00	-	1.30	2.10	1.60
Education Diagnostician	-	-	-	-	-
Instructional Program Consultant	-	-	-	8.70	1.00
Librarian/Media Consultant	38.60	36.00	38.10	39.30	40.10
Teacher Mentor	41.10	32.20	30.70	36.40	40.60
Audiologist	2.00	2.00	2.60	2.00	2.00
Licensed Practical Nurse	-	-	-	-	-
Registered Nurse	10.20	9.40	11.00	10.90	13.50
Occupational Therapist	12.40	12.10	13.50	14.90	14.60
Physical Therapist	1.40	1.80	1.80	1.80	1.80
Psychologist	18.80	17.90	20.60	20.70	21.10
Social Worker	18.70	17.70	20.30	20.60	22.00
Speech-Language Pathologist	28.60	31.50	32.70	31.70	34.00
Subtotal	1,818.30	1,920.70	1,946.80	1,881.30	1,930.80
<b>Professional-Other</b>	66.80	94.20	85.30	97.80	87.60
<b>Paraprofessionals</b>	533.70	522.50	542.80	666.90	666.40
<b>Office/Administrative Support</b>	274.20	289.20	297.90	261.30	261.80
<b>Crafts, Trades, and Services</b>					
Bus Driver	128.80	123.00	128.50	133.50	163.20
Food Service Worker	63.80	79.90	72.00	48.60	55.70
Custodian	147.90	159.20	165.60	152.70	152.60
Mantenenace Workers	128.00	107.80	109.40	136.20	131.30
Subtotal	468.50	469.90	475.50	471.00	502.80
<b>Total</b>	<u>3,275.30</u>	<u>3,420.30</u>	<u>3,476.10</u>	<u>3,507.80</u>	<u>3,572.60</u>

Source: Boulder Valley School District RE-2



**Table 13**

<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
1.00	1.00	1.00	1.00	1.00
5.00	6.40	9.50	13.80	12.30
21.40	21.50	22.70	18.90	17.50
13.90	11.00	7.70	14.04	15.57
53.60	51.90	54.10	54.40	54.80
35.60	32.90	37.00	40.70	38.70
2.40	2.00	2.50	2.00	2.00
132.90	126.70	134.50	144.84	141.87
1,460.20	1,504.60	1,538.20	1,549.50	1,517.40
199.00	191.90	190.47	178.60	180.16
15.40	13.50	16.10	15.70	18.90
56.40	57.70	65.70	68.20	61.80
7.80	13.50	10.97	9.60	4.70
3.40	4.00	3.20	4.70	3.00
-	2.60	4.33	4.60	2.76
0.80	2.60	8.79	1.00	1.25
41.70	44.10	43.50	42.60	41.60
45.70	58.40	54.90	49.20	48.90
2.00	2.00	1.52	2.06	1.98
-	1.10	2.10	-	-
13.40	11.30	15.74	14.91	14.73
14.10	14.50	14.12	15.03	15.13
1.90	2.00	2.16	1.76	2.06
23.30	19.70	22.10	46.66	25.81
22.30	20.00	26.40	24.47	21.63
34.90	32.40	28.72	34.62	29.73
1,942.30	1,995.90	2,049.02	2,063.21	1,991.54
107.10	96.90	112.40	132.75	132.36
674.60	672.30	675.52	757.90	727.88
265.10	266.60	269.00	268.70	254.77
152.10	164.20	165.80	198.00	196.10
44.60	55.70	78.30	84.50	100.60
155.70	154.90	153.50	155.70	160.30
125.60	119.00	101.40	95.90	92.10
478.00	493.80	499.00	534.10	549.10
3,600.00	3,652.20	3,739.44	3,901.50	3,797.52



(This page was left blank intentionally.)

# Boulder Valley School District RE-2

Table 14

## PRINCIPAL EMPLOYERS January 1, 2010 and 9 Years Ago

(Unaudited)

Employer	2010			2001		
	Rank	Number of Employees	Percentage of Total County Employment	Rank	Number of Employees	Percentage of Total County Employment
University of Colorado	1	6,827	3.34%	1	6,400	3.50%
Boulder Valley School District	2	4,042	1.98%	3	3,815	2.08%
St. Vrain Valley School District	3	3,806	1.86%			
Ball Aerospace	4	3,571	1.75%	9	1,925	1.05%
Sun Microsystems, Inc	5	3,200	1.56%	4	3,250	1.78%
State of Colorado	6	2,844	1.39%			
International Business Machines	7	2,800	1.37%	2	5,000	2.73%
Boulder Community Hospital	8	2,300	1.12%	6	2,102	1.15%
Covidien, Energy-Based Devices	9	2,300	1.12%			
Level 3 Communications	10	2,000	0.98%	7	2,350	1.28%
Storage Technology Corporation				5	3,000	1.64%
Centrobe				8	2,000	1.09%
Longmont Foods				10	1,200	0.66%
Subtotal		33,690	16.47%		31,042	16.96%
Other Employers		170,868	83.53%		151,964	83.04%
Total		204,558	100.00%		183,006	100.00%

Source: Boulder County Business Report Book of Lists, Denver Business Journal, Organization's websites and Colorado Department of Labor

# Boulder Valley School District RE-2

## SCHOOL BUILDING INFORMATION

Last 10 Fiscal Years

(Unaudited)

School	2001	2002	2003	2004	2005	2006	2007
<u>Elementary Schools</u>							
Aurora 7							
Square Feet	0	0	0	0	0	0	0
Capacity	0	0	0	0	0	0	0
Enrollment	0	0	0	0	0	0	0
Bear Creek							
Square Feet	39,549	39,549	39,549	39,549	39,549	39,549	39,549
Capacity	405	376	379	310	350	370	350
Enrollment	362	341	336	343	337	348	343
Birch							
Square Feet	44,714	44,714	44,714	44,714	44,714	44,714	44,714
Capacity	531	531	502	440	438	463	463
Enrollment	431	378	391	400	403	409	415
BCSIS							
Square Feet	25,922	25,922	25,922	25,922	25,922	25,922	25,922
Capacity	190	221	211	210	230	230	230
Enrollment	160	200	217	229	259	285	287
Coal Creek							
Square Feet	53,916	53,916	53,916	53,916	53,916	53,916	53,916
Capacity	559	557	555	473	460	460	465
Enrollment	553	539	524	537	511	491	478
Columbine							
Square Feet	48,078	48,078	48,078	48,078	48,078	48,078	48,078
Capacity	395	499	499	341	352	413	431
Enrollment	351	335	305	312	346	384	402
Community Montessori							
Square Feet	42,583	42,583	42,583	42,583	42,583	42,583	42,583
Capacity	104	144	144	126	140	180	200
Enrollment	149	154	153	148	148	193	215
Creekside							
Square Feet	46,976	46,976	46,976	46,976	46,976	46,976	46,976
Capacity	402	450	416	308	289	316	316
Enrollment	327	352	309	293	285	269	329
Crest View							
Square Feet	55,007	55,007	55,007	55,007	55,007	55,007	55,007
Capacity	614	493	493	385	485	510	530
Enrollment	517	501	473	492	494	501	510
Douglass							
Square Feet	54,772	54,772	54,772	54,772	54,772	54,772	54,772
Capacity	475	451	451	410	435	435	435
Enrollment	453	447	469	476	482	469	455
Eisenhower							
Square Feet	53,601	53,601	53,601	53,601	53,601	53,601	53,601
Capacity	611	611	611	548	548	500	525
Enrollment	452	426	422	420	436	449	440
Emerald							
Square Feet	56,300	56,300	56,300	56,300	56,300	56,300	56,300
Capacity	557	557	585	420	384	377	377
Enrollment	464	451	411	382	384	376	390
Fireside							
Square Feet	60,307	60,307	60,307	60,307	60,307	60,307	60,307
Capacity	557	555	504	440	465	460	440
Enrollment	531	492	443	416	454	449	433
Flatirons							
Square Feet	33,469	33,469	33,469	33,469	33,469	33,469	33,469
Capacity	264	234	237	300	295	315	320
Enrollment	260	257	241	307	297	298	307
Foothill							
Square Feet	57,819	57,819	57,819	57,819	57,819	57,819	57,819
Capacity	485	504	504	435	440	485	510
Enrollment	432	416	419	430	463	486	504

**Table 15**

<b>2008</b>	<b>2009</b>	<b>2010</b>
0	0	0
0	0	0
0	0	0
39,549	39,549	39,549
350	350	350
361	362	352
44,714	44,714	44,714
463	463	440
425	448	426
25,922	25,922	31,745
230	230	280
287	290	284
53,916	53,916	53,916
465	465	485
470	470	448
48,078	48,078	50,938
431	431	431
368	379	398
42,583	42,583	42,588
200	200	280
228	225	237
46,976	46,976	46,976
316	316	334
330	344	345
55,007	67,266	66,884
530	530	595
511	532	594
54,772	54,772	54,901
435	435	480
439	409	423
53,601	53,601	53,601
525	525	555
468	453	445
56,300	56,300	56,300
377	377	413
384	386	370
60,307	60,307	60,307
440	440	465
444	418	437
33,469	33,469	43,857
320	320	305
295	288	272
57,819	57,819	75,951
510	510	610
526	528	572

# Boulder Valley School District RE-2

## SCHOOL BUILDING INFORMATION

Last 10 Fiscal Years

(Unaudited)

School	2001	2002	2003	2004	2005	2006	2007
<u>Elementary Schools (continued)</u>							
Gold Hill							
Square Feet	3,316	3,316	3,316	3,316	3,316	3,316	3,316
Capacity	51	51	51	41	41	41	41
Enrollment	30	34	33	37	34	26	26
Heatherwood							
Square Feet	52,016	52,016	52,016	52,016	52,016	52,016	52,016
Capacity	469	424	421	316	312	319	321
Enrollment	387	363	332	350	332	323	340
High Peaks							
Square Feet	24,521	24,521	24,521	24,521	24,521	24,521	24,521
Capacity	326	307	248	240	240	287	240
Enrollment	281	277	278	279	296	299	293
Jamestown							
Square Feet	5,030	5,030	5,030	5,030	5,030	5,030	5,030
Capacity	27	27	27	18	18	18	18
Enrollment	17	17	18	22	12	15	16
Kohl							
Square Feet	54,113	54,113	54,113	54,113	54,113	54,113	54,113
Capacity	504	509	509	480	480	460	480
Enrollment	470	467	445	437	442	467	453
Lafayette							
Square Feet	56,764	56,764	56,764	56,764	56,764	56,764	56,764
Capacity	408	408	381	296	298	298	350
Enrollment	421	394	387	331	333	353	396
Louisville							
Square Feet	57,018	57,018	57,018	57,018	57,018	57,018	57,018
Capacity	562	560	504	460	460	460	460
Enrollment	487	458	430	440	432	404	409
Majestic Heights							
Square Feet	0	0	0	0	0	0	0
Capacity	0	0	0	0	0	0	0
Enrollment	0	0	0	0	0	0	0
Mapleton							
Square Feet	21,387	21,387	21,387	0	0	0	0
Capacity	184	184	184	0	0	0	0
Enrollment	154	144	128	0	0	0	0
Martin Park							
Square Feet	0	0	0	0	0	0	0
Capacity	0	0	0	0	0	0	0
Enrollment	0	0	0	0	0	0	0
Mesa							
Square Feet	45,670	45,670	45,670	45,670	45,670	45,670	45,670
Capacity	349	349	349	310	330	315	315
Enrollment	357	357	347	348	346	319	357
Nederland							
Square Feet	61,470	61,470	61,470	61,470	61,470	61,470	61,470
Capacity	444	418	390	345	332	345	355
Enrollment	289	310	312	302	331	317	319
Pioneer							
Square Feet	72,398	72,398	72,398	72,398	72,398	72,398	72,398
Capacity	374	443	443	355	329	341	348
Enrollment	290	322	339	356	396	404	427
Ryan							
Square Feet	49,176	49,176	49,176	49,176	49,176	49,176	49,176
Capacity	504	506	479	369	363	350	357
Enrollment	478	421	411	390	383	390	398
Sanchez							
Square Feet	49,887	49,887	49,887	49,887	49,887	49,887	49,887
Capacity	403	371	422	301	278	316	334
Enrollment	355	346	296	288	262	280	286

**Table 15**  
(continued)

2008	2009	2010
3,316	3,316	3,316
41	41	41
25	25	21
52,016	52,016	51,975
321	321	440
368	382	363
24,521	24,521	32,983
240	240	280
299	301	311
5,030	5,030	5,030
18	18	18
22	21	27
54,113	54,113	54,113
480	480	490
469	488	478
60,673	67,638	62,208
350	350	492
475	534	603
57,018	57,018	57,018
460	460	485
427	440	459
0	0	0
0	0	0
0	0	0
0		
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
45,670	45,670	45,670
315	315	375
355	384	365
61,470	61,470	61,470
355	355	375
285	307	278
72,398	72,398	72,398
348	348	419
414	429	433
49,176	49,176	49,352
357	357	377
430	406	422
49,887	49,887	49,900
334	334	266
280	278	286

# Boulder Valley School District RE-2

## SCHOOL BUILDING INFORMATION

Last 10 Fiscal Years

(Unaudited)

School	2001	2002	2003	2004	2005	2006	2007
<u>Elementary Schools (continued)</u>							
Superior							
Square Feet	69,765	69,765	69,765	69,765	69,765	69,765	69,765
Capacity	553	495	524	480	500	500	500
Enrollment	603	577	570	589	600	629	650
University Hill							
Square Feet	68,696	68,696	68,696	68,696	68,696	68,696	68,696
Capacity	462	467	467	510	492	314	375
Enrollment	397	346	336	503	391	307	322
Washington							
Square Feet	29,959	29,959	29,959	0	0	0	0
Capacity	344	344	344	0	0	0	0
Enrollment	299	291	285	0	0	0	0
Whittier							
Square Feet	35,122	35,122	35,122	35,122	35,122	35,122	35,122
Capacity	264	291	291	300	320	300	325
Enrollment	232	247	239	303	328	319	323
<u>Middle Schools</u>							
Angevine							
Square Feet	121,676	121,676	121,676	121,676	121,676	121,676	121,676
Capacity	926	971	971	862	902	863	906
Enrollment	732	709	650	668	616	587	536
Baseline							
Square Feet	76,668	76,668	76,668	0	0	0	0
Capacity	527	535	553	0	0	0	0
Enrollment	484	455	416	0	0	0	0
Broomfield Heights							
Square Feet	107,385	107,385	107,385	107,385	107,385	107,385	107,385
Capacity	891	935	935	935	914	914	914
Enrollment	629	571	572	551	562	555	565
Burbank							
Square Feet	83,572	83,572	83,572	0	0	0	0
Capacity	494	503	503	0	0	0	0
Enrollment	304	312	258	0	0	0	0
Casey							
Square Feet	84,007	84,007	84,007	84,007	84,007	84,007	84,007
Capacity	563	636	582	582	612	612	535
Enrollment	334	357	317	341	361	366	313
Centennial							
Square Feet	99,556	99,556	99,556	99,556	99,556	99,556	99,556
Capacity	708	750	750	750	750	750	772
Enrollment	688	677	648	641	596	588	559
Halcyon							
Square Feet	8,736	8,736	8,736	8,736	8,736	8,736	8,736
Capacity	na	na	na	na	na	na	na
Enrollment	15	16	13	15	12	14	11
Louisville							
Square Feet	88,887	88,887	88,887	88,887	88,887	88,887	88,887
Capacity	641	677	695	673	651	651	651
Enrollment	656	601	575	547	541	546	560
Manhattan							
Square Feet	0	0	0	83,572	83,572	83,572	83,572
Capacity	0	0	0	590	579	605	618
Enrollment	0	0	0	587	449	443	422
Platt							
Square Feet	117,573	117,573	117,573	117,573	117,573	117,573	117,573
Capacity	813	812	790	729	729	707	707
Enrollment	623	566	530	529	524	531	549
Southern Hills							
Square Feet	72,260	72,260	72,260	72,260	72,260	72,260	72,260
Capacity	545	539	539	503	503	503	503
Enrollment	465	476	480	523	537	503	478



**Table 15**  
(continued)

2008	2009	2010
69,765	69,765	69,725
500	500	505
633	664	635
68,696	68,696	67,276
375	375	402
306	321	338
0	0	0
0	0	0
0	0	0
35,122	35,122	35,123
325	325	325
320	347	334
121,676	121,676	121,676
906	906	902
550	546	581
0	0	0
0	0	0
0	0	0
107,385	107,385	107,239
914	914	932
523	536	530
0	0	0
0	0	0
0	0	0
84,007	84,007	44,923
535	535	521
345	292	349
99,556	99,556	99,515
772	772	750
583	596	627
8,736	8,736	10,168
na	na	na
17	6	27
74,206	74,206	101,483
651	651	669
567	548	569
83,572	83,572	93,632
618	618	638
413	455	498
117,573	117,573	81,495
707	707	888
556	540	546
70,194	70,194	98,342
503	503	701
487	496	539

# Boulder Valley School District RE-2

## SCHOOL BUILDING INFORMATION

Last 10 Fiscal Years

(Unaudited)

School	2001	2002	2003	2004	2005	2006	2007
<u>High Schools</u>							
Boulder							
Square Feet	229,281	229,281	229,281	229,281	229,281	229,281	229,281
Capacity	2012	2015	2015	2015	2015	1994	1900
Enrollment	1806	1876	1919	1929	1970	1932	1093
Broomfield							
Square Feet	218,163	218,163	218,163	218,163	218,163	218,163	218,163
Capacity	1583	1565	1565	1593	1599	1599	1606
Enrollment	1345	1323	1337	1321	1375	1413	1407
Centaurus							
Square Feet	190,610	190,610	190,610	190,610	190,610	190,610	190,610
Capacity	1723	1652	1638	1616	1530	1607	1581
Enrollment	1112	1108	1060	1003	990	996	1051
Fairview							
Square Feet	256,392	256,392	256,392	256,392	256,392	256,392	256,392
Capacity	1942	1889	1889	1861	1861	1861	1840
Enrollment	1934	1937	1916	1880	1891	1871	1903
Monarch							
Square Feet	228,827	228,827	228,827	228,827	228,827	228,827	228,827
Capacity	1759	1728	1728	1728	1728	1728	1728
Enrollment	1427	1563	1576	1626	1679	1633	1562
New Vista							
Square Feet	42,583	42,583	42,583	76,668	76,668	76,668	76,668
Capacity	342	342	342	345	637	659	659
Enrollment	341	335	344	332	341	339	337
<u>Combination Schools</u>							
Aspen Creek K-8							
Square Feet	114,478	114,478	114,478	114,478	114,478	114,478	114,478
Capacity	1199	978	995	948	969	969	969
Enrollment	712	791	787	817	870	875	869
Eldorado K-8							
Square Feet	117,336	117,336	117,336	117,336	117,336	117,336	117,336
Capacity	1161	946	966	899	942	876	876
Enrollment	522	796	869	956	938	935	994
Monarch K-8							
Square Feet	108,802	108,802	108,802	108,802	108,802	108,802	108,802
Capacity	853	808	782	746	753	753	766
Enrollment	752	677	671	719	709	696	741
Nederland Middle/Senior							
Square Feet	97,080	97,080	97,080	97,080	97,080	97,080	97,080
Capacity	557	650	650	650	650	650	650
Enrollment	398	407	422	387	387	391	385
<u>Vocational/Technical Schools</u>							
Arapahoe Ridge and Technical Education Center							
Square Feet	129,579	129,579	129,579	129,579	129,579	129,579	129,579
Capacity	904	904	904	882	876	820	925
Enrollment	139	138	138	308	281	279	223
<u>Charter Schools</u>							
Boulder Preparatory High School							
Square Feet	3,500	6,000	6,000	6,000	6,000	6,000	6,000
Capacity	na	na	na	na	na	na	na
Enrollment	44	67	78	84	88	103	125
Horizons K-8 School							
Square Feet	30,814	30,814	30,814	30,814	30,814	30,814	30,814
Capacity	313	403	403	330	351	315	342
Enrollment	306	313	320	309	309	321	320
Peak To Peak K-12 School							
Square Feet	9,000	31,000	104,365	104,365	116,679	116,679	116,679
Capacity	na	na	na	na	na	na	na
Enrollment	195	606	1027	1107	1175	1236	1292

**Table 15**  
(continued)

2008	2009	2010
218,717	218,717	245,772
1900	1900	1900
1851	1808	1786
218,163	218,163	240,535
1606	1606	1805
1438	1388	1401
196,089	198,329	194,687
1581	1581	1874
1051	1135	1092
256,392	256,392	262,019
1840	1840	1958
1907	1903	1913
228,827	230,134	233,909
1728	1728	1728
1526	1508	1511
76,668	76,668	76,668
659	659	659
324	324	317
115,918	115,918	115,918
969	969	892
912	913	921
117,336	117,336	120,210
876	876	926
1012	967	983
108,802	108,802	108,802
766	766	856
757	769	748
97,080	97,080	97,080
650	650	674
377	457	340
129,579	129,579	130,707
925	925	981
216	199	175
11,938	11,938	11,938
na	na	na
149	131	158
30,814	30,814	30,810
342	342	404
340	324	325
116,679	116,679	134,284
na	na	na
1341	1405	1425

# Boulder Valley School District RE-2

## SCHOOL BUILDING INFORMATION

Last 10 Fiscal Years

(Unaudited)

School	2001	2002	2003	2004	2005	2006	2007
<u>Charter Schools (continued)</u>							
Summit Middle School							
Square Feet	29,894	29,894	29,894	29,894	29,894	29,894	29,894
Capacity	271	320	320	278	337	337	337
Enrollment	258	304	303	308	309	307	312
Sojourner K-8 School							
Square Feet	na	na	na	0	0	0	0
Capacity	na	na	na	0	0	0	0
Enrollment	60	53	34	0	0	0	0
Justice High 6-12 School							
Square Feet	0	0	0	0	na	na	na
Capacity	0	0	0	0	na	na	na
Enrollment	0	0	0	0	0	0	79

Source: Boulder Valley School District RE-2

**Table 15**  
**(continued)**

<b>2008</b>	<b>2009</b>	<b>2010</b>
41,161	52,434	49,934
337	337	480
312	319	324
0	0	0
0	0	0
0	0	0
2,409	2,409	2,409
na	na	na
75	97	129



(This page was left blank intentionally.)

# Boulder Valley School District RE-2

Table 16

## TEACHER STATISTICS

Last 4 School Years\*

(Unaudited)

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

\* Amounts Prior to 2007 are not available

Source: Boulder Valley School District RE-2

# Boulder Valley School District RE-2

## MISCELLANEOUS STATISTICAL DATA

Last 10 School Years

(Unaudited)

	2001	2002	2003	2004
Student Teacher Ratio*				
Elementary	24.10	23.28	22.94	22.60
Middle	20.87	20.45	20.57	20.33
Senior	22.18	22.14	22.49	22.83
Governmental Activities Expenses	N/A	\$ 208,901,709	\$ 218,559,476	\$ 227,311,141
Cost Per Student	N/A	\$ 7,481	\$ 7,860	\$ 8,159
Enrollment Data				
Student Full Time Equivalent				
Elementary	11,211.5	11,218.0	11,019.5	10,888.5
Middle	6,647.5	6,800.0	6,733.5	6,731.0
Senior	8,256.5	8,451.0	8,643.0	8,811.0
Other	196.0	234.0	233.5	213.0
Total	26,311.5	26,703.0	26,629.5	26,643.5
Total Enrollment				
K-12 Enrollment	27,204.0	27,609.0	27,493.0	27,604.0
Pre-K Enrollment	296.0	315.0	314.0	256.0
Total	27,500.0	27,924.0	27,807.0	27,860.0
Number of Students Eligible to Receive School Lunches Free Or At Reduced Cost				
Elementary	1,995	2,087	2,141	2,213
Combination	181	190	195	201
Middle	725	759	779	805
Senior	726	758	778	804
Total	3,627	3,794	3,893	4,023
Percent of Students Receiving Free or Reduced Cost Meals	13.19%	13.59%	14.00%	14.44%

\* Used budget amounts prior to 2010 and submitted amounts from the October count thereafter.

Source: Boulder Valley School District RE-2



Table 17

2005	2006	2007	2008	2009	2010
22.27	22.19	22.29	22.32	22.29	22.35
20.54	20.52	20.66	20.64	20.53	20.86
23.21	23.31	22.91	22.57	22.50	22.88
\$ 233,942,454	\$ 242,710,503	\$ 257,223,290	\$ 278,784,336	\$ 289,549,755	\$ 294,156,553
\$ 8,378	\$ 8,692	\$ 9,123	\$ 9,742	\$ 10,118	\$ 10,200
10,950.0	10,921.5	11,147.0	11,331.0	11,658.20	11,716.80
6,528.5	6,420.5	6,324.0	6,385.5	6,356.00	6,576.00
9,102.5	9,146.0	9,155.5	9,204.0	9,142.00	9,128.00
208.5	252.5	288.0	302.0	299.00	252.50
26,789.5	26,740.5	26,914.5	27,222.5	27,455.2	27,673.3
27,651.0	27,593.0	27,798.0	28,173.0	28,171.00	28,344.00
271.0	329.0	398.0	445.0	445.00	494.00
27,922.0	27,922.0	28,196.0	28,618.0	28,616.0	28,838.0
2,249	2,460	2,498	2,544	2,529	2,473
204	224	221	191	207	256
818	895	877	900	864	893
818	895	777	963	1,101	1,025
4,089	4,474	4,373	4,598	4,701	4,647
14.64%	16.02%	15.51%	16.07%	16.43%	16.11%



(This page was left blank intentionally.)

## **SINGLE AUDIT**



(This page was left blank intentionally.)

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component units and remaining fund information of the Boulder Valley School District RE-2 as of and for the year ended June 30, 2010, which collectively comprise the basic financial statements of the Boulder Valley School District RE-2, and have issued our report thereon dated October 27, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

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

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

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

**Compliance and Other Matters**

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

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

*Swanlund & Company LLC*

October 27, 2010





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

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

**Compliance**

We have audited the Boulder Valley School District RE-2's compliance with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010. The Boulder Valley School District RE-2's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Boulder Valley School District RE-2's management. Our responsibility is to express an opinion on the Boulder Valley School District RE-2's compliance based on our audit.

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

In our opinion, the Boulder Valley School District RE-2 complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

**Internal Control Over Compliance**

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

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

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

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

*Swadlow & Company LLC*

October 27, 2010



**Boulder Valley School District RE-2**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended June 30, 2010**

**Summary of Auditors' Results**

*Financial Statements*

Type of auditors' report issued: unqualified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted?

\_\_\_\_\_ yes      x   no

*Federal Awards*

Internal control over major programs:

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

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

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

\_\_\_\_\_ yes      x   no

Identification of major programs:

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

Dollar threshold used to distinguish between type A and type B programs: \$482,437

Auditee qualified as low-risk auditee?   x   yes    \_\_\_\_\_ no

**Financial Statement Findings**

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

**Federal Awards Findings and Questioned Costs**

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



(This page was left blank intentionally.)



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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component units and remaining fund information of the Boulder Valley School District RE-2 as of and for the year ended June 30, 2010, which collectively comprise the basic financial statements of the Boulder Valley School District RE-2, and have issued our report thereon dated October 27, 2010. These financial statements are the responsibility of the Boulder Valley School District RE-2's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

October 27, 2010



(This page was left blank intentionally.)

**Boulder Valley School District RE-2**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended June 30, 2010**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Accrued (Deferred) Revenue 6/30/2009</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Accrued (Deferred) Revenue 6/30/2010</u>
<b>U.S. Department of Education</b>					
Direct Programs					
Indian Education	84.060	\$ 6,621	26,192	23,668	\$ 4,097
Safe and Drug Free Schools and Communities	84.184	25,830	301,676	348,569	72,723
Fund for the Improvement of Education	84.215	62,255	381,448	383,749	64,556
Passed Through State Department of Education					
Adult Education	84.002	41,666	136,448	95,402	620
Title I	84.010	638,986	2,608,853	2,594,910	625,043
Special Education	84.027	737,175	4,215,280	5,115,852	1,637,747
Special Education Preschool	84.173	32,457	75,581	124,517	81,393
Safe and Drug Free Schools and Communities	84.186	17,721	56,934	58,293	19,080
Education for Homeless Children and Youth	84.196	17,493	50,072	45,288	12,709
Even Start	84.213	25,509	25,509	-	-
Charter Schools	84.282	65,129	80,374	15,245	-
21st Century Community Learning Centers	84.287	4,529	34,453	92,870	62,946
Education Technology	84.318	3,041	64,674	70,620	8,987
Advanced Placement Program	84.330	(4,129)	-	4,129	-
English Language Acquisition	84.365	146,708	405,521	459,442	200,629
Mathematics and Science Partnerships	84.366	44,277	44,277	-	-
Improving Teacher Quality	84.367	137,019	843,174	862,698	156,543
School Improvement	84.377	37,629	228,038	293,291	102,882
ARRA Education Technology	84.386	-	20,092	27,691	7,599
ARRA Education for Homeless Children and Youth	84.387	-	17,008	43,699	26,691
ARRA Title I	84.389	-	522,324	780,025	257,701
ARRA State Fiscal Stabilization Fund	84.397	-	170,845	170,763	(82)
ARRA Special Education	84.391	-	775,284	1,630,819	855,535
ARRA Special Education Preschool	84.392	-	44,606	58,134	13,528
Passed Through State Department of Human Services					
Vocational Rehabilitation	84.126	59,916	248,721	165,524	(23,281)
Passed Through State Community College System					
Career and Technical Education	84.048	60,753	114,456	143,775	90,072
<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>		<u>2,160,585</u>	<u>11,491,840</u>	<u>13,608,973</u>	<u>4,277,718</u>
<b>U.S. Department of Agriculture</b>					
Passed Through State Department of Human Services					
Donated Commodities	10.555	-	225,169	225,169	-
Passed Through State Department of Education					
National School Lunch Program	10.555	167,867	1,507,978	1,755,531	415,420
School Breakfast Program	10.553	30,109	282,019	371,145	119,235
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>		<u>197,976</u>	<u>2,015,166</u>	<u>2,351,845</u>	<u>534,655</u>
<b>U.S. Department of Transportation</b>					
Passed Through State Department of Transportation					
Highway Planning and Construction	20.205	19,412	55,075	112,532	76,869
<b>National Endowment for the Humanities</b>					
Passed Through State Department of Education					
IMLS Grants to States	45.310	369	8,256	7,887	-
<b>TOTAL FEDERAL FINANCIAL ASSISTANCE</b>		<u>\$ 2,378,342</u>	<u>\$ 13,570,337</u>	<u>\$ 16,081,237</u>	<u>\$ 4,889,242</u>

See the accompanying Independent Auditors' Report.

**Boulder Valley School District RE-2**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended June 30, 2010**

**NOTE 1:**            **BASIS OF PRESENTATION**

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

## **STATE COMPLIANCE**



(This page was left blank intentionally.)





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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component units and remaining fund information of the Boulder Valley School District RE-2 as of and for the year ended June 30, 2010, which collectively comprise the basic financial statements of the Boulder Valley School District RE-2, and have issued our report thereon dated October 27, 2010. These financial statements are the responsibility of the Boulder Valley School District RE-2's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

*Swanhorst & Company LLC*

October 27, 2010



(This page was left blank intentionally.)

10/27/2010  
10:08 PM

Colorado Department of Education  
Fiscal Year 2009-2010  
Colorado School District/BOCES  
Auditor's Integrity Report

BOULDER BOULDER VALLEY RE 2  
District Code: 0480

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*) +	1000 - 5999 Total Revenues & Other Sources -	0001 - 0999 Total Expenditures & Other Uses =	6700 - 6799 & Prior Per Adj (6880*) Ending Fund Balance
-----	-----	-----	-----	-----
Governmental				
10 General Fund	19,260,021	219,561,131	219,391,172	19,429,980
18 Risk Mgmt Sub-Fund of General Fund	226,588	2,828,483	2,931,824	123,247
19 Colorado Preschool Program Fund	149,061	1,155,403	1,212,328	92,136
Subtotal	19,635,670	223,545,017	223,535,324	19,645,363
11 Charter School Fund	6,784,768	22,675,329	21,809,572	7,650,525
20,26-29 Special Revenue Fund	0	0	0	0
21 Capital Reserve Spec Revenue Fund	0	0	0	0
22 Govt Designated-Purpose Grants Fund	0	13,638,650	15,060,827	-1,422,177
23 Pupil Activity Special Revenue Fund	0	0	0	0
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	812,240	11,385,842	11,292,752	905,330
30 Debt Service Fund	0	0	0	0
31 Bond Redemption Fund	20,663,878	87,817,381	84,449,186	24,032,073
41 Building Fund	162,152,707	4,336,005	71,977,884	94,510,828
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	7,675,728	4,104,961	4,741,663	7,039,026
TOTALS	217,724,992	367,503,186	432,867,209	152,360,969
Proprietary				
51 Food Service Fund	334,112	5,334,778	6,033,046	-364,156
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	1,789,926	598,059	-2,370,348	4,758,333
TOTALS	2,124,038	5,932,838	3,662,699	4,394,177
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	276,560	14,471	30,017	261,014
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	2,810,904	10,421,603	10,207,540	3,024,967
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
TOTALS	3,087,464	10,436,074	10,237,557	3,285,981

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



(This page was left blank intentionally.)