

Boulder Valley School District RE-2

Comprehensive Annual Financial Report

For the fiscal year ending June 30, 2001



**Boulder, Colorado
Boulder and Gilpin Counties**

Boulder Valley School District RE-2 Boulder, Colorado

Boulder and Gilpin Counties

**Comprehensive Annual Financial Report
For the fiscal year ending June 30, 2001**



Prepared by: Finance and Accounting Department

**Jan L. Harkins
Finance Director**

**Leslie Stafford, C.P.A.
Accounting Manager**

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INTRODUCTORY
SECTION



Boulder Valley Public Schools

Finance & Accounting

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

October 30, 2001

Members of the Board of Education
Dr. George F. Garcia, 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, Boulder and Gilpin Counties, Colorado for the fiscal year ended June 30, 2001. This report presents to the Board of Education, the District taxpayers, citizens, students, employees and investors, comprehensive financial information about the District.

This extensive document, was prepared by the District's Finance and Accounting Department, and is specifically designed to fairly communicate an accurate and complete financial position of the school district. Results of operations of the various funds and account groups are presented. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included. The independent certified public accounting firm of Swanhorst, Dragon & Cutler LLC, has audited the report.

The Comprehensive Annual Financial Report is presented in four sections:

1. The introductory section includes the transmittal letter, the 2000 Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting, a list of the Board of Education members, the District's organizational chart, the list of principal officials, the mission statement and strategic priorities of the District.
2. The financial section includes the general purpose financial statements and the combined and individual fund and account group financial statements and schedules, as well as the auditor's report on the financial statements and schedules. Also included are the required Colorado state reports.
3. The statistical section includes selected financial and demographic information presented on a multi-year basis.
4. The single audit section includes the schedule of expenditures of federal awards and independent auditors' reports in compliance with the provisions of the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations", Single Audit Act of 1984 and state statutes.

INTRODUCTORY REMARKS

The Reporting Entity

The reporting entity of the District encompasses those activities and functions over which the District's elected officials exercise financial accountability or control. A seven member Board of Education elected by the citizens of Boulder and Gilpin Counties governs the District. This report includes all funds and account groups of the District, which reflect the full range of services it directly provides to students and citizens within the District, as well as the general government management and administration activities that support these services. There are no component units of the District nor is the District a component unit of any other entity, as defined in the Governmental Accounting Standard No. 14, *The Financial Reporting Entity*.

The District

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

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

Boulder Valley Schools encompasses approximately 500 square miles primarily in Boulder County with a small portion in Gilpin County. The District's central offices are located about 30 miles northwest of the City and County of Denver, Colorado. The District's actual enrollment in the fall of 2000 was 27,531 and projected enrollment for 2001 is over 27,900 students.

ECONOMIC CONDITIONS AND OUTLOOK

The District has an estimated population of 189,000 and its most recent assessed valuation from December 2000 is \$2,963,535,310, up 5.8% over the prior year. Approximately 85% of the District's total geographical area, 99% of its total population and 99% of its total assessed valuation are located in Boulder County.

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

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

US Bank's 2002 Economic Forecast reports, "Despite a slowing national economy and mounting layoffs in the technology sector, the Colorado economy remained healthy through mid-2001. Growth rates did not match the phenomenal paces of the 1990's, but were strong enough to keep retail sales growing and unemployment low."

Through June of 2001, job growth averaged 3.2% after a strong 3.9% in 2000. The unemployment rate remained low at mid-year at only 2.9%.

Retail sales growth slowed from its sizzling 11.5% pace in 2000, up 6.0% through May. Inflation in the Denver metropolitan area reflected the strong economy, averaging 4.0% in 2000 relative to 3.4% nationally. Through June of 2001, local inflation reached 5.4%, well ahead of the nation's 3.4% pace.

Personal income rose 10.8% in 2000, outperforming the other 49 states. California was the only other state to enjoy double-digit growth. When adjusted for the state's rapid population growth, per capita personal income reached \$32,949, the seventh highest in the nation. This amounted to a 4.4% increase, a small gain in inflation-adjusted terms.

As data from the 2000 Census becomes available, the strength of a decade of economic growth is confirmed. In April of 2000, Colorado had more than 4.3 million residents, up 30.6% from the 1990 Census, the third fastest growing state in the nation. The six-county Denver metropolitan area, home to more than half of the state's residents, grew 29.9%.

Colorado's rapid population growth has fueled a boom in new construction that rivals the one accompanying the westward migration of the Baby Boom in the 1970s and early 1980s. Housing permits soared 10.7% in 2000, led by a 47% surge in multifamily permits. Through June of 2001, permits increased another 14.2%, with both single-family and multifamily gains. The value of nonresidential contracts fell by 14.2% to \$3.2 billion, and then remained flat through the first half of 2001.

Despite layoffs in Colorado high-tech companies, the Boulder County economy continues to show modest growth through the third quarter of 2001. Although the national level of unemployment has risen to over 4.5%, the unemployment level in Boulder County remains at a low 2.3 % through the second quarter 2001. The national downturn has not been felt as strongly in Boulder County or in Colorado as in other parts of the country. There are a number of factors specific to Boulder County that will allow its economy to continue to outperform the nations. The tight labor market should continue to increase wage-related personal income. Because the local economy remains strong, it is still expected to draw people who want to enjoy Boulder County's quality of life. As a result, real estate prices will continue to increase throughout the county. A more modest but still positive growth is predicted for 2001-2002.

MAJOR INITIATIVES

The Board of Education established five major priorities for the District in 1999-2000 to address the state's goals of improving attendance rates, graduation rates and student

achievement. The District's strategic plan was refined in 2000-2001 by adding a sixth priority for continuous improvement.

Boulder Valley is pleased to report that progress was made in each of the six priority areas. The following presents an overview of some of the outcomes from the goals set forth in the Strategic Plan during the 2000-2001 school year.

Priority 1: Maximize Learning and Achievement

The 2000-2001 results of the Colorado Student Assessment Program (CSAP) tests showed that Boulder Valley schools continued to perform among the best in the state with scores above the state average in all grades tested and in all subjects. CSAP was designed to measure student achievement through a series of snapshots tests in reading, writing, math and science.

The District's educational programs area developed a "Gap Attack" plan in 2000-2001 to include the following programs: English as a Second Language (ESL); Bilingual Education; Language Enriched Schools; Newcomer Pathways; ESL Summer Academy; Refugee Education and Assistance; Title IX Indian Education; Title I's SOAR to Success and Taller Intensivo for Spanish Literacy; Title I Family Literacy; Study Skills for Second Language Learners; and Alternative High School programs called Connections, Chinook, Passages, Teen Parent, Sunset Learning, Combined Diploma, GED and School to Work.

Priority 2: Foster Collaboration and Partnerships

During 2000-2001, the Boulder Task Force on City Schools moved forward with a Memorandum of Understanding between the District and the City of Boulder. The District increased grant funding from \$5 million in 1999-2000 to more than \$8 million during the current year. Boulder Valley formed a new partnership with Front Range Community College and the University of Colorado. The District also partnered with the cities of Lafayette, Nederland and Boulder to explore the possibility of developing subsidized housing for District employees.

Priority 3: Value Diversity and Promote Understanding

Boulder Valley continued to work through the Multi-Ethnic Action Committee, the Safe Schools Coalition and the Special Education Action Committee to address diversity issues and to advocate within the District and throughout the community.

The District attained its affirmative action goals during 2001. The Learning Services Division focused on multiculturalizing the curriculum. The District continued to work with the Lafayette and Boulder Latino Parent Organizations. Various professional development activities provided training in equity.

Priority 4: Hire a High-Quality, Committed Staff

Boulder Valley employed 1958 full and part-time teachers during 2000-2001. The District employed 124 full and part-time principals, assistant principals and program directors. The average teaching experience of BVSD teachers during the current year was 11.5 years. The average annual salary for a BVSD teacher was \$44,067. The minimum teacher's salary was \$26,753 while the maximum teacher's salary was \$61,459. Total District staff during the 2000-2001 school year was over 3,800.

Numerous professional development opportunities were available for certified and classified staff during the year. Tuition reimbursement, credit for outside service, a teacher assistant program, a partners in education program and a teachers as scholars program were provided by the District.

Priority 5: Manage Assets Responsibly

The District's 2001-2002 Budget was based on initiatives set forth in the strategic plan. A cross-functional team from the Administration and Operations area and the Curriculum and Instruction Division was formed to develop and implement a District-wide technology plan. A 401(k) MatchMaker Program was implemented in January 2001. The District continued to complete bond projects from the 1998 bond issue approved by community voters. A District Facilities Planning Committee consisting of community members and representatives from Boulder Valley's various cities was established. A new facilities rental rate structure was developed and adopted by the Board of Education in June 2001. The District instituted the use of procurement cards, completed a physical inventory of fixed assets and fully implemented a bar-coding system during 2000-2001.

Priority 6: Plan and Assess for Continuous Improvement

The District began training in continuous quality improvement during 2000-2001. Mission statements based on a systems framework were developed at the division level. A continuous growth plan model was implemented in the Administration and Operations area.

Future areas of focus for 2001-2002 and beyond include: continued K-3 literacy efforts, accountability in all programs and all classrooms, continued strengthening of the sense of District unity while respecting diversity, continued curriculum renewal efforts to support the achievement of high academic standards, continued support of educational choices, continued encouragement of community involvement, increased emphasis on communication and the ongoing challenges of providing quality public education with limited resources.

Area Focus

Each year the Comprehensive Annual Financial Report includes a section to report special accomplishments or to focus on areas of interest in the District. For the 2000-2001 report, the focus of Boulder Valley School District was its Academic Achievement.

Academic achievement has long been a hallmark of the Boulder Valley School District. The 2000-2001 school year showed continued trends of quality performance in all academic areas. The following are a few of Boulder Valley's Points of Pride:

- * Seniors exceeded state and national averages on the American College Test and the Scholastic Aptitude Test – the two primary college entrance exams that test both verbal and mathematical skills.
- * Class of 2001 graduates were accepted to over 260 colleges and universities, were awarded over \$5 million in scholarships and had 29 National Merit Scholar finalists.
- * Sixty-seven percent of Boulder Valley 10th graders finished in the top quartile on the national PLAN test.

- * Eighty percent of Boulder Valley 3rd graders performed at the proficient or advanced level on the state's reading test and achieved some of the state's highest scores on the Colorado Standards Assessment Program tests in reading and writing.
- * Over two dozen Boulder Valley students won the honor of competing in national competitions in history, science, vocational skills and Destination Imagination after scoring top honors at state competitions.
- * Two Boulder Valley teachers were recognized by Congress for their outstanding classroom program.

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

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

FINANCIAL INFORMATION

Internal Control

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

Single Audit

As a recipient of federal, state and local financial assistance, the District is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. As a part of the District's single audit, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations, contracts and grants. The results of the District's single audit for the fiscal year ended June 30, 2001 shows no instances of material weaknesses.

Budgeting Controls

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

funds and sources of income and the fund balance at the end of the fiscal year. By state law, the District's fiscal year begins on July 1 and ends on June 30.

No later than June 30, the Board adopts a final budget for the succeeding fiscal year. The Board adopts an appropriation resolution specifying the amount of money appropriated to each fund, and certifies to the Boards of County Commissioners of Boulder and Gilpin Counties the separate amounts necessary to be raised from levies against the assessed valuation of all taxable property located within the District for its General Fund and Bond Redemption Fund. State law provides that after adoption of the budget, the Board may review and change the budget at any time prior to October 15 of the fiscal year. Budgetary controls include expenditure control and position control. Spending authorities (school principals and department directors) are responsible for spending within budgeted levels.

Financial Overview

The General Fund is the major operating fund of the District and provides the majority of resources for the District's educational and support programs. The following table provides details on the 2000-2001 General Fund revenues and expenditures.

<u>REVENUES</u>	<u>AMOUNT</u>	<u>PERCENT OF TOTAL</u>
Local	\$130,567,967	77.93%
State	36,981,523	22.07%
Federal	0	0%
Total Revenues	\$167,549,490	100.00%

<u>EXPENDITURES</u>	<u>AMOUNT</u>	<u>PERCENT OF TOTAL</u>
Regular Instruction	\$78,415,452	46.48%
Special Programs	28,167,357	16.70%
Student Support Services	4,371,645	2.59%
Instructional Staff Support	6,686,168	3.96%
General Administration	2,402,793	1.42%
School Administration	13,105,900	7.77%
Business Services	1,853,448	1.10%
Operations and Maintenance	14,349,958	8.51%
Pupil Transportation	5,531,612	3.28%
Central Support Services	3,962,807	2.35%
Other Support Services	82,198	0.05%
Enterprise Operations	34,677	0.02%
Facility Acquisition	62,772	0.04%
Community Services	2,180,987	1.29%
Adult Education	32,242	0.02%
Debt Services	1,254,317	0.74%
Insurance Reserve Fund	1,632,998	0.97%
Total Expenditures	\$164,127,331	97.28%

Operating transfers to Capital Reserve Fund	<u>4,583,832</u>	<u>2.72%</u>
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Total Expenditures and Other Financing (Sources) Uses	<u>\$168,711,163</u>	<u>100.00%</u>
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Constitutional Amendment One Revenue Limitations

On November 3, 1992, Colorado voters approved an amendment to the Colorado Constitution, which is commonly referred to as the Taxpayer's Bill of Rights, or Amendment One, and now constitutes Section 20 of Article X of the Colorado Constitution. This tax limitation constitutional amendment limits yearly increases in state and local government expenditures and property tax revenues to the annual percentage change in the Bureau of Labor Statistic's consumer price index plus the yearly percentage change in student enrollment.

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

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

Constitutional Amendment Twenty-Three Funding Guarantees

On November 7, 2000, the voters of Colorado approved a constitutional amendment, Amendment 23. Effective in 2001, Amendment 23 increases per pupil funding for public schools and total state funding for special purpose education programs by at least the rate of inflation plus one percent for the next ten years and by at least the rate of inflation thereafter. It also requires state general fund appropriations under the Public School Finance Act of 1994 to increase by at least five percent annually and sets aside a portion of the state's income tax revenue for a "State Education Fund" which is to be used to fund programs identified in Amendment 23. It also exempts money in the State Education Fund from the revenue and spending limits established under Amendment One.

Boulder Valley School District anticipates that the additional one percent state funding from Amendment 23 will total \$1,373,911 for the 2001-2002 school year. As a part of the implementation plan for Amendment 23 funds, the state requires districts to focus these resources on primary grades, specifically kindergarten through 3rd grade. Boulder Valley has opted to further target these funds to reduce class size.

Pension Operations

The District participates in the State Public Employees' Retirement Association (PERA) system. In 2000-2001, this program required a contribution rate of 10.4% of covered salary from school district employers and 8.0% from employee members. The state's PERA system is actuarially sound.

Enterprise Operations

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

Food Service operations are in place at 21 preparation/serving kitchens serving 49 schools. Food from the preparation kitchens is distributed on a daily basis to the serving kitchens. Meal prices for the 2000-2001 school year were \$1.50 at the elementary level and \$1.75 at the secondary level. The Food Service program operates within the guidelines established by the United States Department of Agriculture and the Colorado Department of Education.

Debt Administration

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

The State of Colorado limits the total bonded indebtedness of the District to 20% of the latest valuation for assessment of the taxable property in the District, as certified by the County Assessor. Based upon the District's 2000 assessed valuation of \$2,963,535,310, the District's debt limitation is \$592,707,062. As of June 30, 2001, the total outstanding indebtedness of the District consisted of its General Obligation Bonds Series 1999, General Obligation Refunding Bonds Series 1997A, General Obligation Bonds Series 1994A, and General Obligation Refunding Bonds Series 1992A which were outstanding in the aggregate principal amount of \$165,070,000.

Cash Management

The cash management and investment practices of the Boulder Valley School District follow the Board of Education Investment Policy and the Colorado Revised Statutes which apply to all financial assets and all funds of the District. All District funds allocated, but temporarily not needed, are invested in accordance with state law. The District's investment portfolio is managed in a manner which optimizes the return on investments within the constraints of safety and liquidity while preserving the capital and protecting the investment principal of the overall portfolio. The District seeks competitive quotes on all investments. Marketable investment securities owned by the District are held in a third-party safekeeping account at a custodian bank.

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

The District's investment decisions are guided by the "prudent investor" rule which states the "investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the

probable safety of their capital as well as the probable income to be derived.” (Investing Public Funds, p. 28 by Girard Miller, Government Finance Officers Association)

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

Risk Management

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

OTHER INFORMATION

Independent Audit

Government statutes require an annual audit by independent certified public accountants. The accounting firm of Swanhorst, Dragon & Cutler LLC was appointed by the District’s Board of Education to perform the June 30, 2001 fiscal year audit. In addition to meeting the requirements set forth in state statutes, the audit is also designed to meet the requirements of the Single Audit Act of 1984 and related OMB Circular A-133. The auditor’s report on the general purpose financial statements and combined and individual fund statements and schedules is included in the Financial Section of this report. The auditor’s reports related specifically to the single audit are included in the Single Audit Section. The District has received an unqualified opinion from the auditors.

Recognition for Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Boulder Valley School District RE-2 for its Comprehensive Annual Financial Report for fiscal year ended June 30, 2000. The Certificate of Achievement is the highest form of recognition for excellence in state and local government reporting.

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


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

Acknowledgments

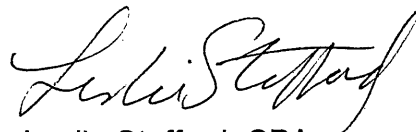
The preparation of this report on a timely basis was made possible by the dedicated service of the entire staff of the Finance and Accounting Department. Each member

has our sincere appreciation for the contributions made in the preparation of this report. Special appreciation is expressed to Wendy Swanhorst, Kay Dragon, John Cutler and Christine Cutler of Swanhorst, Dragon and Cutler LLC for the professional manner in which they accomplished the audit and for their work in publication of this Comprehensive Annual Financial Report. We would also like to thank Dr. George Garcia, Superintendent, Robert Hammond, Chief Operations Officer, Pam Rifkin, Chief Financial Officer and the Board of Education for their interest in and support of the finance and accounting operations of the Boulder Valley School District.

Respectfully Submitted,

A stylized, handwritten signature in black ink, appearing to read 'Jan Harkins'.

Jan Harkins
Finance and Accounting Director

A handwritten signature in black ink, appearing to read 'Leslie Stafford'.

Leslie Stafford, CPA
Accounting Manager

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, 2000

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.



Anne Spray Kinney
President

Jeffrey L. Esser
Executive Director

BOULDER VALLEY SCHOOL DISTRICT RE-2

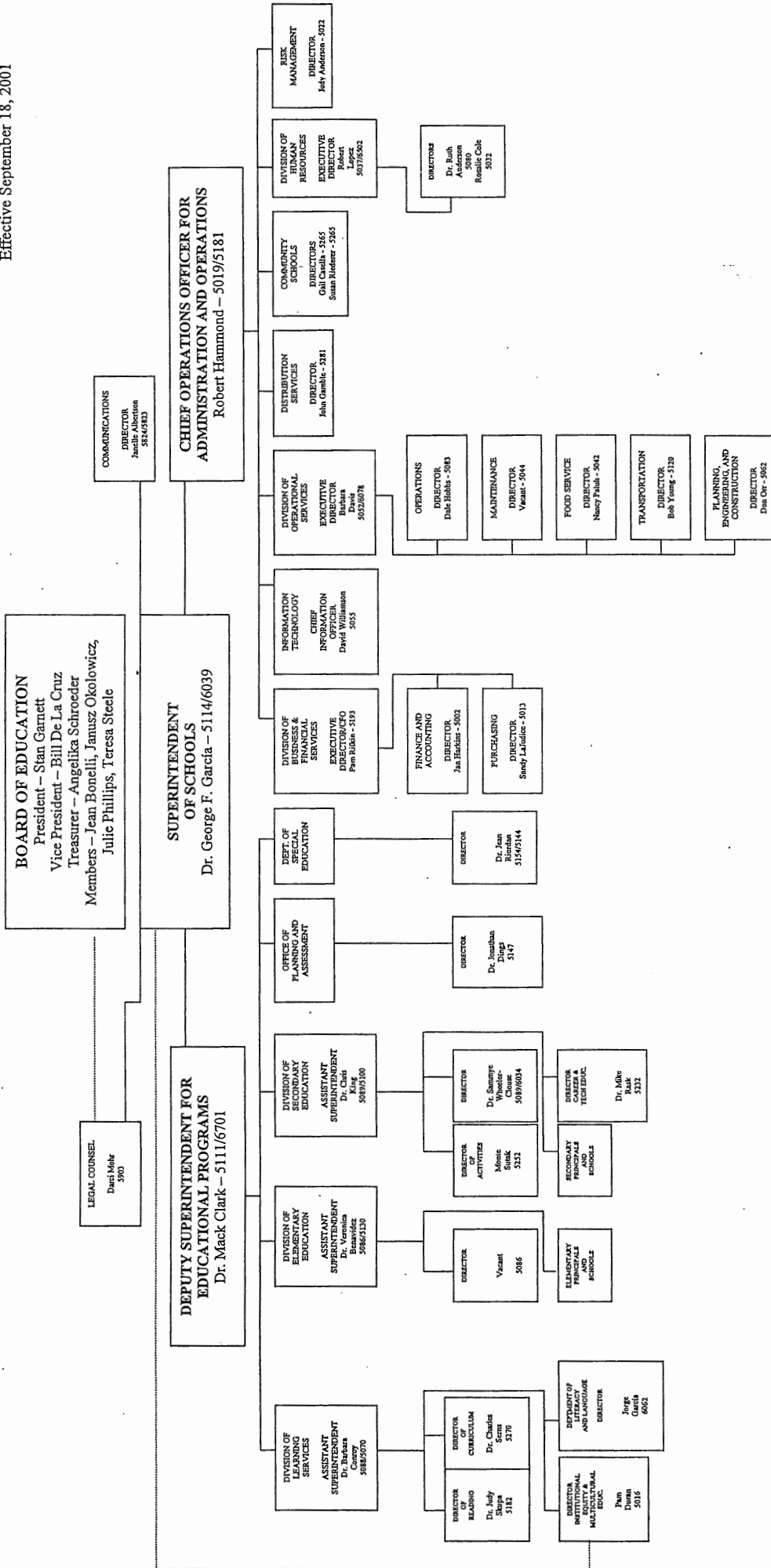
BOARD OF EDUCATION MEMBERS

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

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

Boulder Valley School District

Effective September 18, 2001



BOULDER VALLEY SCHOOL DISTRICT RE-2

LIST OF PRINCIPAL OFFICIALS

The Board is empowered to employ a chief executive officer, the Superintendent, who is responsible to the Board for the daily operations of the District. Other principal administrative officers of the District include a Deputy Superintendent for Educational Programs and a Chief Operations Officer for Administration and Operations. In the absence of the Superintendent, the Deputy Superintendent serves as the Superintendent.

George F. Garcia, Ed.D., Superintendent

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

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

H. Mack Clark, Ed.D., Deputy Superintendent

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

Robert Hammond, Chief Operations Officer

Mr. Hammond joined Boulder Valley School District as Chief Operations Officer for Administration and Operations in January 2001, after serving as Associate Superintendent for Administration and Operations with the Wichita Public School District in Wichita, Kansas for many years. Mr. Hammond also held positions as Senior Vice President of Farm Credit Services, Assistant City Manager of Norman, Oklahoma, and City Manager of Oskaloosa, Iowa before joining the public education arena. He received a Bachelor of Arts in psychology and sociology at Baker University, Baldwin, Kansas, in 1972. Mr. Hammond also holds a Master's Degree in Public Administration, Urban Management from the University of Kansas, Lawrence, Kansas, 1977.

STRATEGIC PLAN GUIDES DISTRICT DECISION-MAKING

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

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

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

Below and on the following pages, you will find the adopted priorities and beliefs of Boulder Valley School District, which were approved Feb. 11, 1999. The district published the Report of Progress in March 2000, that includes strategies and indicators for each of the five priorities in the strategic plan.

The Priorities

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

The BVSD Mission

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

Definitions:

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

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

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

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

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

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

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

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

Maximize Student Learning and Achievement

Beliefs

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

Foster Collaboration and Partnerships

Beliefs

- ⇒ Schools welcome community members and encourage them to volunteer their time.
- ⇒ Boulder Valley School District staff is accountable to the community for student progress toward established goals.
- ⇒ The district and schools make decisions in partnership with parents, community members, teachers, administrators and School Board members.
- ⇒ Community members — from parents, students and staff to business executives, elected officials and neighbors who no longer have children in school — contribute significantly to the success of Boulder Valley schools and should be involved in school activities.
- ⇒ Parent involvement in activities that support the instructional program enhances their children's school performance.

Value Diversity and Promote Understanding

Beliefs

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

Manage Assets Responsibly

Beliefs

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

Provide a High-Quality, Committed Staff

Beliefs

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

RELATIONSHIP OF STRATEGIC PLAN TO 2001-02 BUDGET

Priority 1: Maximize student learning and achievement

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

Priority 2: Foster collaboration and partnerships

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

Priority 3: Value diversity and promote understanding

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

Priority 4: Manage assets responsibly

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

Priority 5: Provide a high-quality, committed staff

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





Swanhorst, Dragon & Cutler LLC

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

Independent Auditors' Report

We have audited the accompanying general purpose financial statements of the Boulder Valley School District RE-2, as of and for the year ended June 30, 2001, as listed in the table of contents. These general purpose financial statements are the responsibility of the Boulder Valley School District RE-2's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Boulder Valley School District RE-2, as of June 30, 2001, and the results of its operations and the cash flows of its proprietary and nonexpendable trust funds for the year then ended in conformity with accounting principles generally accepted in the United States.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 3, 2001, on our consideration of the Boulder Valley School District RE-2's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

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

Swanhorst, Dragon & Cutler LLC

October 3, 2001



GENERAL PURPOSE FINANCIAL STATEMENTS

The General Purpose Financial Statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all funds and account groups as of June 30, 2001.

BOULDER VALLEY SCHOOL DISTRICT RE-2

COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
June 30, 2001

	GOVERNMENTAL FUND TYPES			
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS
ASSETS				
Cash and Investments	\$ 17,016,059	\$ 498,953	\$ 14,739,233	\$ 9,471,303
Restricted Cash and Investments	5,230,704	-	-	1,320,956
Property Taxes Receivable, Net	2,781,020	-	212,996	-
Accounts Receivable	331,227	1,357,686	-	97,622
Accrued Interest Receivable	-	-	-	-
Inventories	462,161	-	-	-
Prepaid Assets	142,542	783	-	-
Land, Buildings, and Equipment (net where applicable, of accumulated depreciation)	-	-	-	-
OTHER DEBITS				
Amounts Available in Debt Service Fund	-	-	-	-
Amounts to be Provided for Retirement of General Long-term Debt	-	-	-	-
TOTAL ASSETS AND OTHER DEBITS	\$ 25,963,713	\$ 1,857,422	\$ 14,952,229	\$ 10,889,881

(Continued)

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

PROPRIETARY FUND TYPE		FIDUCIARY FUND TYPE	ACCOUNT GROUPS		TOTALS (MEMORANDUM ONLY)	
ENTERPRISE	INTERNAL SERVICE	TRUST AND AGENCY	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	2001	2000
\$ 563,587	\$ 71,507	\$ 2,561,913	\$ -	\$ -	\$ 44,922,555	\$ 80,428,372
-	-	-	-	-	6,551,660	1,405,697
-	-	-	-	-	2,994,016	5,382,529
70,194	14	243,791	-	-	2,100,534	1,762,484
-	-	-	-	-	-	10,385
138,593	-	-	-	-	600,754	670,852
-	754,236	-	-	-	897,561	849,234
521,160	-	-	314,701,180	-	315,222,340	290,083,742
-	-	-	-	14,952,229	14,952,229	14,172,985
-	-	-	-	158,753,626	158,753,626	165,588,812
<u>\$ 1,293,534</u>	<u>\$ 825,757</u>	<u>\$ 2,805,704</u>	<u>\$ 314,701,180</u>	<u>\$ 173,705,855</u>	<u>\$ 546,995,275</u>	<u>\$ 560,355,092</u>

BOULDER VALLEY SCHOOL DISTRICT RE-2

COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS

June 30, 2001

(Continued)

	GOVERNMENTAL FUND TYPES			
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS
LIABILITIES				
Accounts Payable	\$ 1,539,496	\$ 73,954	\$ -	\$ 1,238,355
Accrued Salaries and Benefits	19,627,477	592,331	-	2,203
Arbitrage Payable	-	-	-	502,551
Retainage Payable	-	-	-	776,651
Due to Student Groups	-	-	-	-
Deferred Property Tax Revenue	-	-	-	-
Deferred Revenue	111,680	1,137,987	-	-
General Obligation Bonds	-	-	-	-
Certificates of Participation	-	-	-	-
Compensated Absences	-	-	-	-
Early Retirement	-	-	-	-
Capital Lease Obligations	-	-	-	-
Total liabilities	21,278,653	1,804,272	-	2,519,760
EQUITY AND OTHER CREDITS				
Contributed Capital	-	-	-	-
Investment in General Fixed Assets	-	-	-	-
Retained Earnings				
Reserved for Emergencies	-	-	-	-
Unreserved	-	-	-	-
Fund Balances				
Reserved for				
Inventories	462,161	-	-	-
Prepaid Assets	142,542	783	-	-
Debt Service	-	-	14,952,229	-
Construction	-	-	-	5,379,889
Endowment	-	-	-	-
Emergencies	-	-	-	-
Multi-year obligations	100,000	-	-	-
Unreserved				
Undesignated	3,980,357	52,367	-	2,990,232
Total equity and other credits	4,685,060	53,150	14,952,229	8,370,121
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	<u>\$ 25,963,713</u>	<u>\$ 1,857,422</u>	<u>\$ 14,952,229</u>	<u>\$ 10,889,881</u>

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

PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE	ACCOUNT GROUPS		TOTALS (MEMORANDUM ONLY)	
ENTERPRISE	INTERNAL SERVICE	TRUST AND AGENCY	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	2001	2000
\$ 2,661	\$ 22,482	\$ 39,359	\$ -	\$ -	\$ 2,916,307	\$ 9,218,633
83,482	19,002	-	-	-	20,324,495	19,993,383
-	-	-	-	-	502,551	468,679
-	-	-	-	-	776,651	2,271,809
-	-	2,576,889	-	-	2,576,889	2,170,782
-	-	-	-	-	-	1,989,826
46,596	-	-	-	-	1,296,263	621,189
-	-	-	-	165,070,000	165,070,000	170,405,000
-	-	-	-	7,115,000	7,115,000	7,925,000
-	-	-	-	1,248,933	1,248,933	1,019,256
-	-	-	-	-	-	8,356
-	-	-	-	271,922	271,922	404,185
132,739	41,484	2,616,248	-	173,705,855	202,099,011	216,496,098
834,417	-	-	-	-	834,417	834,417
-	-	-	314,701,180	-	314,701,180	289,623,070
149,489	73,999	-	-	-	223,488	184,004
176,889	710,274	-	-	-	887,163	1,222,631
-	-	-	-	-	462,161	485,142
-	-	-	-	-	143,325	21,229
-	-	-	-	-	14,952,229	14,172,985
-	-	-	-	-	5,379,889	29,224,258
-	-	154,073	-	-	154,073	145,814
-	-	-	-	-	-	5,013,369
-	-	-	-	-	100,000	-
-	-	35,383	-	-	7,058,339	2,932,075
1,160,795	784,273	189,456	314,701,180	-	344,896,264	343,858,994
\$ 1,293,534	\$ 825,757	\$ 2,805,704	\$ 314,701,180	\$ 173,705,855	\$ 546,995,275	\$ 560,355,092

BOULDER VALLEY SCHOOL DISTRICT RE-2

**COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND
Year Ended June 30, 2001**

	GOVERNMENTAL FUND TYPES			
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS
REVENUES				
Local Sources	\$ 130,567,967	\$ 358,214	\$ 14,715,494	\$ 1,301,661
State Sources	36,981,523	356,145	-	-
Federal Sources	-	6,210,931	-	-
TOTAL REVENUES	<u>167,549,490</u>	<u>6,925,290</u>	<u>14,715,494</u>	<u>1,301,661</u>
EXPENDITURES				
Current				
Instruction - Regular Programs	78,415,452	2,213,660	-	-
Instruction - Special Programs	28,167,357	2,396,378	-	-
Student Support Services	4,371,645	659,790	-	-
Instructional Staff Services	6,686,168	842,429	-	-
General Administration	2,402,793	43,115	9,139	-
School Administration	13,105,900	399,516	-	-
Business Services	1,853,448	2,888	-	-
Operations and Maintenance	14,349,958	8,815	-	-
Pupil Transportation	5,531,612	-	-	-
Central Support Services	3,962,807	6,056	-	-
Other Support Services	82,198	-	-	-
Enterprise Operations	34,677	-	-	-
Facility Acquisition	62,772	-	-	-
Community Services	2,180,987	304,778	-	-
Adult Education	32,242	-	-	-
Insurance Reserve	1,632,998	-	-	-
Capital Outlay	-	-	-	29,385,576
Scholarships and Awards	-	-	-	-
Debt Service	1,254,317	-	13,927,111	-
TOTAL EXPENDITURES	<u>164,127,331</u>	<u>6,877,425</u>	<u>13,936,250</u>	<u>29,385,576</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>3,422,159</u>	<u>47,865</u>	<u>779,244</u>	<u>(28,083,915)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from Sale of Fixed Assets	-	-	-	87,428
Operating Transfers In	-	-	-	4,583,832
Operating Transfers (Out)	(4,583,832)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(4,583,832)</u>	<u>-</u>	<u>-</u>	<u>4,671,260</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>(1,161,673)</u>	<u>47,865</u>	<u>779,244</u>	<u>(23,412,655)</u>
FUND BALANCES, BEGINNING	<u>5,846,733</u>	<u>5,285</u>	<u>14,172,985</u>	<u>31,782,776</u>
FUND BALANCES, ENDING	<u>\$ 4,685,060</u>	<u>\$ 53,150</u>	<u>\$ 14,952,229</u>	<u>\$ 8,370,121</u>

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

FIDUCIARY FUND EXPENDABLE TRUST	TOTALS (MEMORANDUM ONLY)	
	2001	2000
\$ 3,918	\$ 146,947,254	\$ 144,517,767
-	37,337,668	34,719,003
-	6,210,931	5,540,810
3,918	190,495,853	184,777,580
-	80,629,112	78,960,052
-	30,563,735	28,343,878
-	5,031,435	4,643,640
-	7,528,597	7,311,116
-	2,455,047	1,821,222
-	13,505,416	13,312,533
-	1,856,336	1,613,363
-	14,358,773	12,633,683
-	5,531,612	5,394,059
-	3,968,863	3,845,487
-	82,198	283,697
-	34,677	31,897
-	62,772	-
-	2,485,765	2,337,352
-	32,242	49,644
-	1,632,998	1,672,969
-	29,385,576	48,199,794
9,814	9,814	8,079
-	15,181,428	16,010,254
9,814	214,336,396	226,472,719
(5,896)	(23,840,543)	(41,695,139)
-	87,428	602,963
-	4,583,832	4,276,108
-	(4,583,832)	(4,276,108)
-	87,428	602,963
(5,896)	(23,753,115)	(41,092,176)
41,279	51,849,058	92,941,234
\$ 35,383	\$ 28,095,943	\$ 51,849,058

BOULDER VALLEY SCHOOL DISTRICT RE-2

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

BUDGET AND ACTUAL

GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND (BUDGET BASIS)

Year Ended June 30, 2001

	GENERAL		VARIANCE- FAVORABLE (UNFAVORABLE)
	BUDGET	ACTUAL	
REVENUES			
Local Sources	\$ 130,497,511	\$ 130,567,967	\$ 70,456
State Sources	37,153,103	36,981,523	(171,580)
Federal Sources	-	-	-
TOTAL REVENUES	167,650,614	167,549,490	(101,124)
EXPENDITURES			
Current			
Instruction - Regular Programs	82,506,222	78,708,103	3,798,119
Instruction - Special Programs	28,343,833	27,978,306	365,527
Student Support Services	4,128,476	4,339,149	(210,673)
Instructional Staff Services	6,650,218	6,661,166	(10,948)
General Administration	1,894,852	2,019,079	(124,227)
School Administration	12,833,225	13,101,208	(267,983)
Business Services	1,958,357	1,853,448	104,909
Operations and Maintenance	13,916,693	14,349,958	(433,265)
Pupil Transportation	5,048,103	5,531,612	(483,509)
Central Support Services	4,099,757	3,962,351	137,406
Other Support Services	-	81,473	(81,473)
Enterprise Operations	4,941	34,677	(29,736)
Facility Acquisition	-	62,772	(62,772)
Community Services	2,806,763	2,180,987	625,776
Adult Education	32,077	32,242	(165)
Committed Reserves	-	-	-
Reserves	8,588,478	-	8,588,478
Capital Outlay	-	-	-
Scholarships and Awards	-	-	-
Debt Service	1,269,215	1,254,317	14,898
TOTAL EXPENDITURES	174,081,210	162,150,848	11,930,362
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(6,430,596)	5,398,642	11,829,238

(Continued)

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

SPECIAL REVENUE			DEBT SERVICE		
BUDGET	ACTUAL	VARIANCE- FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE- FAVORABLE (UNFAVORABLE)
\$ 194,000	\$ 358,214	\$ 164,214	\$ 13,727,845	\$ 14,715,494	\$ 987,649
-	356,145	356,145	-	-	-
8,500,000	5,667,451	(2,832,549)	-	-	-
8,694,000	6,381,810	(2,312,190)	13,727,845	14,715,494	987,649
-	2,216,145	(2,216,145)	-	-	-
-	2,396,378	(2,396,378)	-	-	-
-	659,790	(659,790)	-	-	-
-	842,429	(842,429)	-	-	-
-	43,115	(43,115)	20,000	9,139	10,861
-	399,516	(399,516)	-	-	-
-	2,888	(2,888)	-	-	-
-	8,815	(8,815)	-	-	-
-	-	-	-	-	-
-	6,056	(6,056)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
231,205	304,778	(73,573)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
8,500,000	-	8,500,000	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	13,927,611	13,927,111	500
8,731,205	6,879,910	1,851,295	13,947,611	13,936,250	11,361
(37,205)	(498,100)	(460,895)	(219,766)	779,244	999,010

BOULDER VALLEY SCHOOL DISTRICT RE-2

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

BUDGET AND ACTUAL

GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND (BUDGET BASIS)

Year Ended June 30, 2001

	CAPITAL PROJECTS FUND			EXPENDABLE TRUST FUND		
	BUDGET	ACTUAL	VARIANCE- FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE- FAVORABLE (UNFAVORABLE)
REVENUES						
Local Sources	\$ 2,743,368	\$ 1,301,661	\$ (1,441,707)	\$ 25,000	\$ 3,918	\$ (21,082)
State Sources	-	-	-	-	-	-
Federal Sources	-	-	-	-	-	-
TOTAL REVENUES	<u>2,743,368</u>	<u>1,301,661</u>	<u>(1,441,707)</u>	<u>25,000</u>	<u>3,918</u>	<u>(21,082)</u>
EXPENDITURES						
Current						
Instruction - Regular Programs	-	-	-	-	-	-
Instruction - Special Programs	-	-	-	-	-	-
Student Support Services	-	-	-	-	-	-
Instructional Staff Services	-	-	-	-	-	-
General Administration	-	-	-	-	-	-
School Administration	-	-	-	-	-	-
Business Services	-	-	-	-	-	-
Operations and Maintenance	-	-	-	-	-	-
Pupil Transportation	-	-	-	-	-	-
Central Support Services	-	-	-	-	-	-
Other Support Services	-	-	-	-	-	-
Enterprise Operations	-	-	-	-	-	-
Facility Acquisition	-	-	-	-	-	-
Community Services	-	-	-	-	-	-
Adult Education	-	-	-	-	-	-
Committed Reserves	-	-	-	-	-	-
Reserves	-	-	-	-	-	-
Capital Outlay	36,356,444	29,385,576	6,970,868	-	-	-
Scholarships and Awards	-	-	-	20,000	9,814	10,186
Debt Service	-	-	-	-	-	-
TOTAL EXPENDITURES	<u>36,356,444</u>	<u>29,385,576</u>	<u>6,970,868</u>	<u>20,000</u>	<u>9,814</u>	<u>10,186</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(33,613,076)</u>	<u>(28,083,915)</u>	<u>5,529,161</u>	<u>5,000</u>	<u>(5,896)</u>	<u>(10,896)</u>

(Continued)

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



BOULDER VALLEY SCHOOL DISTRICT RE-2

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

BUDGET AND ACTUAL

GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND (BUDGET BASIS)

Year Ended June 30, 2001

	GENERAL		
	BUDGET	ACTUAL	VARIANCE- FAVORABLE (UNFAVORABLE)
OTHER FINANCING SOURCES (USES)			
Proceeds from Sale of Fixed Assets	-	-	-
Operating Transfers In	-	-	-
Operating Transfers (Out)	(6,201,844)	(6,216,830)	(14,986)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(6,201,844)</u>	<u>(6,216,830)</u>	<u>(14,986)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(12,632,440)	(818,188)	11,814,252
Salaries and Benefits Earned but Unpaid:			
Beginning	-	14,351,221	14,351,221
Ending	-	(14,694,706)	(14,694,706)
Revenues Accrued Due to Salaries and Benefits Earned but Unpaid	-	-	-
FUND BALANCES (DEFICITS), BEGINNING	<u>19,828,965</u>	<u>5,846,733</u>	<u>(13,982,232)</u>
FUND BALANCES (DEFICITS), ENDING	<u>\$ 7,196,525</u>	<u>\$ 4,685,060</u>	<u>\$ (2,511,465)</u>

(Continued)

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

SPECIAL REVENUE			DEBT SERVICE		
BUDGET	ACTUAL	VARIANCE- FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE- FAVORABLE (UNFAVORABLE)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(37,205)	(498,100)	(460,895)	(219,766)	779,244	999,010
-	545,965	545,965	-	-	-
-	(543,480)	(543,480)	-	-	-
-	543,480	543,480	-	-	-
37,205	5,285	(31,920)	14,172,985	14,172,985	-
\$ -	\$ 53,150	\$ 53,150	\$ 13,953,219	\$ 14,952,229	\$ 999,010

BOULDER VALLEY SCHOOL DISTRICT RE-2

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

BUDGET AND ACTUAL

GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND (BUDGET BASIS)

Year Ended June 30, 2001

	CAPITAL PROJECTS FUND			EXPENDABLE TRUST FUND		
	BUDGET	ACTUAL	VARIANCE- FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE- FAVORABLE (UNFAVORABLE)
OTHER FINANCING SOURCES (USES)						
Proceeds from Sale of Fixed Assets	85,000	87,428	2,428	-	-	-
Operating Transfers In	4,568,846	4,583,832	14,986	-	-	-
Operating Transfers (Out)	-	-	-	-	-	-
 TOTAL OTHER FINANCING SOURCES (USES)	 4,653,846	 4,671,260	 17,414	 -	 -	 -
 EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	 (28,959,230)	 (23,412,655)	 5,546,575	 5,000	 (5,896)	 (10,896)
Salaries and Benefits Earned but Unpaid:						
Beginning	-	-	-	-	-	-
Ending	-	-	-	-	-	-
Revenues Accrued Due to Salaries and Benefits Earned but Unpaid	-	-	-	-	-	-
 FUND BALANCES (DEFICITS), BEGINNING	 31,782,777	 31,782,776	 (1)	 41,278	 41,279	 1
 FUND BALANCES (DEFICITS), ENDING	 \$ 2,823,547	 \$ 8,370,121	 \$ 5,546,574	 \$ 46,278	 \$ 35,383	 \$ (10,895)

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



BOULDER VALLEY SCHOOL DISTRICT RE-2

**COMBINED STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS/FUND BALANCE
ALL PROPRIETARY FUND TYPES AND NONEXPENDABLE TRUST FUND
Year Ended June 30, 2001**

	PROPRIETARY FUND TYPES		FIDUCIARY FUND
	ENTERPRISE	INTERNAL SERVICE	NONEXPENDABLE TRUST
OPERATING REVENUES			
Food Sales	\$ 3,521,777	\$ -	\$ -
Premiums and Services	-	1,632,998	-
Interest on Investments	-	-	7,801
Other Revenue	65,795	326,162	8,000
TOTAL OPERATING REVENUES	3,587,572	1,959,160	15,801
OPERATING EXPENSES			
Salaries	1,795,764	706,138	-
Benefits	414,596	158,988	-
Other Expenses	-	259,000	-
Insurance Premiums and Claims	-	568,895	-
Workers Compensation Insurance	-	576,928	-
Purchased Food	1,991,033	-	-
USDA Donated Commodities	165,480	-	-
Nonfood Supplies	111,319	-	-
Capital Outlay	-	-	-
Purchased Services	104,899	-	7,542
Depreciation	50,000	-	-
Other	145,007	-	-
TOTAL OPERATING EXPENSES	4,778,098	2,269,949	7,542
OPERATING INCOME (LOSS)	(1,190,526)	(310,789)	8,259
NON-OPERATING REVENUES			
USDA Donated Commodities	219,629	-	-
State Reimbursement	985,702	-	-
TOTAL NON-OPERATING REVENUES	1,205,331	-	-
NET INCOME (LOSS)	14,805	(310,789)	8,259
RETAINED EARNINGS/ FUND BALANCE, BEGINNING	311,573	1,095,062	145,814
RETAINED EARNINGS/ FUND BALANCE, ENDING	\$ 326,378	\$ 784,273	\$ 154,073

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

TOTALS
(MEMORANDUM ONLY)

<u>2001</u>	<u>2000</u>
\$ 3,521,777	\$ 3,143,908
1,632,998	1,672,969
7,801	6,841
<u>399,957</u>	<u>109,657</u>
5,562,533	4,933,375
2,501,902	2,339,870
573,584	527,379
259,000	297,326
568,895	283,221
576,928	183,034
1,991,033	1,890,387
165,480	164,155
111,319	103,164
-	3,378
112,441	173,062
50,000	50,000
<u>145,007</u>	<u>103,203</u>
7,055,589	6,118,179
<u>(1,493,056)</u>	<u>(1,184,804)</u>
219,629	205,703
<u>985,702</u>	<u>971,234</u>
1,205,331	1,176,937
(287,725)	(7,867)
<u>1,552,449</u>	<u>1,560,316</u>
\$ <u>1,264,724</u>	\$ <u>1,552,449</u>

BOULDER VALLEY SCHOOL DISTRICT RE-2

COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES AND NONEXPENDABLE TRUST FUND

Increase (Decrease) in Cash
Year Ended June 30, 2001

	PROPRIETARY FUND TYPES		FIDUCIARY FUND
	ENTERPRISE	INTERNAL SERVICE	NONEXPENDABLE TRUST
Cash Flows From Operating Activities			
Receipts from Premiums and Services	\$ -	\$ 1,633,637	\$ -
Contributions	-	-	8,000
Cash Received from Operations	3,762,032	-	-
Other Operating Receipts	-	326,162	-
Cash Payments for Premiums and Claims	-	(1,072,054)	-
Cash Paid to Employees	(2,208,069)	(288,329)	-
Cash Paid to Suppliers	(2,472,119)	(862,013)	(7,542)
Net Cash Provided (Used) by Operating Activities	(918,156)	(262,597)	458
Cash Flows From Noncapital Financing Activities			
Cash Received from National School Lunch Program	985,702	-	-
Cash Flows From Capital Financing Activities			
Purchase of Equipment	(110,488)	-	-
Cash Flows From Investing Activities			
Interest Received	-	-	7,801
NET INCREASE (DECREASE) IN CASH	(42,942)	(262,597)	8,259
CASH, BEGINNING	606,529	334,104	145,814
CASH, ENDING	\$ 563,587	\$ 71,507	154,073
Cash, Expendable Trust and Agency Funds			2,407,840
CASH, FIDUCIARY FUND TYPES			\$ 2,561,913
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	\$ (1,190,526)	\$ (310,789)	\$ 8,259
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Depreciation	50,000	-	-
Donated Commodities	219,629	-	-
Interest Reported as Operating Income	-	-	(7,801)
Changes in Assets and Liabilities Related to Operations			
Accounts Receivable	(2,729)	639	-
Inventory	47,117	-	-
Prepaid Assets	-	73,769	-
Accounts Payable	(1,498)	(29,329)	-
Accrued Liabilities	-	3,113	-
Accrued Salaries and Benefits	2,291	-	-
Deferred Revenue	(42,440)	-	-
Total Adjustments	272,370	48,192	(7,801)
Net Cash Provided (Used) by Operating Activities	\$ (918,156)	\$ (262,597)	\$ 458

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

TOTALS
(MEMORANDUM ONLY)

	<u>2001</u>		<u>2000</u>
\$	1,633,637	\$	1,672,316
	8,000		-
	3,762,032		3,351,075
	326,162		35,143
	(1,072,054)		(283,536)
	(2,496,398)		(2,234,151)
	(3,341,674)		(3,380,882)
	(1,180,295)		(840,035)
	<u>985,702</u>		<u>971,234</u>
	(110,488)		(119,405)
	<u>7,801</u>		<u>6,841</u>
	(297,280)		18,635
	<u>1,086,447</u>		<u>1,067,812</u>
\$	<u>789,167</u>	\$	<u>1,086,447</u>
\$	(1,493,056)	\$	(1,184,804)
	50,000		50,000
	219,629		205,703
	(7,801)		(6,841)
	(2,090)		(67,600)
	47,117		29,873
	73,769		182,719
	(30,827)		1,230
	3,113		5,358
	2,291		11,815
	(42,440)		(67,488)
	<u>312,761</u>		<u>344,769</u>
\$	<u>(1,180,295)</u>	\$	<u>(840,035)</u>

BOULDER VALLEY SCHOOL DISTRICT RE-2

NOTES TO FINANCIAL STATEMENTS

June 30, 2001

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Boulder Valley School District RE-2 (the District) conform to generally accepted accounting principles as applicable to governmental units. Following is a summary of the more significant policies:

Reporting Entity

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

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

Basis of Presentation - Fund Accounting

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

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

BOULDER VALLEY SCHOOL DISTRICT RE-2

NOTES TO FINANCIAL STATEMENTS

June 30, 2001

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation - Fund Accounting (Continued)

Governmental Fund Types

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

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

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

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

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

Proprietary Fund Types

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

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

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

BOULDER VALLEY SCHOOL DISTRICT RE-2

NOTES TO FINANCIAL STATEMENTS

June 30, 2001

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation - Fund Accounting (Continued)

Fiduciary Funds

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

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

Account Groups

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

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

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

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

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

BOULDER VALLEY SCHOOL DISTRICT RE-2

NOTES TO FINANCIAL STATEMENTS

June 30, 2001

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation - Fund Accounting (Continued)

Account Groups (Continued)

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are, instead, reported as liabilities in the General Long-Term Debt Account Group.

Basis of Accounting

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

Governmental, Expendable Trust and Agency Funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Available means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period, not to exceed sixty days. Grant and entitlement revenues are recognized to the extent of related expenditures. A receivable is established when the related expenditures exceed revenue receipts and a deferred revenue account is established when receipts exceed the related expenditures.

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

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

BOULDER VALLEY SCHOOL DISTRICT RE-2

NOTES TO FINANCIAL STATEMENTS

June 30, 2001

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets and Legal Compliance

For the year ended June 30, 2001, the District followed these procedures in establishing the budgetary data reflected in these financial statements:

1. In March, the Superintendent submitted to the Board of Education a preliminary proposed budget for the period commencing July 1, 2000. The budget included proposed expenditures and the means for financing them.
2. Public hearings were conducted at regular Board of Education meetings to obtain taxpayer comments.
3. On June 22, 2000, the budget was legally adopted by the Board of Education.
4. On October 10, 2000, the revised budget was legally adopted by the Board of Education.
5. The budget was used in the integrated financial management system as a management control device for all funds.

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

- Revenues and expenditures for budgetary purposes exclude amounts for salaries and benefits earned but unpaid.
- Payments from the General Fund to the Insurance Reserve Fund are treated as a transfer for budgetary purposes and as an expenditure and revenue for GAAP purposes.
- The District prepares a combined budget for the Building Fund 1994 and Building Fund 1998.

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

BOULDER VALLEY SCHOOL DISTRICT RE-2

NOTES TO FINANCIAL STATEMENTS

June 30, 2001

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets and Legal Compliance (Continued)

Generally accepted accounting principles do not require budgetary accounting for agency funds. However, Colorado Local Government Uniform Accounting and Budget Laws require that a budget be adopted and reported for these funds. For the year ended June 30, 2001, the Agency Fund expenditures exceeded its budgeted expenditures by \$1,646,892. This may be a violation of State statutes.

Encumbrances

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

Property Taxes

Under Colorado law, all property taxes become due and payable in the year following that in which they are levied. The 2001 fiscal year property tax calendar for Boulder and Gilpin Counties was as follows:

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

Assets, Liabilities and Fund Equity

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

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

BOULDER VALLEY SCHOOL DISTRICT RE-2

NOTES TO FINANCIAL STATEMENTS

June 30, 2001

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Fund Equity (Continued)

Receivables -- All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Property taxes levied in 2000 but not received as of June 30, 2001, are identified as property taxes receivable and are presented net of an allowance for uncollectible taxes of 1% of the gross amounts. Any taxes not collected within sixty days after year end are recorded as deferred revenue.

Prepaid items -- Payments made to vendors for services that will benefit periods beyond June 30, 2001 are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of payment, and an expenditure/expense is reported in the year in which the services are consumed.

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

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2001

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Fund Equity (Continued)

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

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

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

Revenues and Expenditures/Expenses

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

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

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

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

BOULDER VALLEY SCHOOL DISTRICT RE-2

NOTES TO FINANCIAL STATEMENTS

June 30, 2001

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues and Expenditures/Expenses (Continued)

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

Comparative Data

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

Total Columns

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

NOTE 2: BUDGETARY BASIS OF ACCOUNTING

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

The following schedules identify these differences:

	<u>General Fund</u>	<u>Governmental Designated- Purpose Grants Fund</u>
<u>Expenditures</u>		
Expenditures Reported on a GAAP Basis	\$ 164,127,331	\$ 6,729,323
Effect of Salaries Earned but Unpaid	(343,485)	2,485
Less Transfers to Insurance Reserve Fund	<u>(1,632,998)</u>	<u>-</u>
Expenditures Reported on a Budget Basis	<u>\$ 162,150,848</u>	<u>\$ 6,731,808</u>

BOULDER VALLEY SCHOOL DISTRICT RE-2

NOTES TO FINANCIAL STATEMENTS

June 30, 2001

NOTE 2: BUDGETARY BASIS OF ACCOUNTING (Continued)

Salaries of teachers and certain other employees are paid over a 12 month period ending August 31. However, most salaries are earned over the school year of August through June. For salaries and benefits earned prior to June 30 but not paid until July and August of the following year, the District has consistently followed a practice of budgeting and appropriating these expenditures in the period paid.

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

	Governmental Designated- Purpose Grants Fund	Internal Service Fund
<u>Revenues</u>		
Revenues Reported on a GAAP Basis	\$ 6,760,669	\$ 1,959,160
Effect of Summer Salaries Earned but Unpaid	(543,480)	-
Premiums and Services	<u>-</u>	<u>(1,632,998)</u>
	<u>\$ 6,217,189</u>	<u>\$ 326,162</u>
<u>Operating Transfers</u>		
Operating Transfers from General Fund Reported on a GAAP Basis	\$ -	\$ -
Premiums and Services	<u>-</u>	<u>1,632,998</u>
Operating Transfers from General Fund Reported on a Budget Basis	<u>\$ -</u>	<u>\$ 1,672,969</u>

NOTE 3: CASH AND INVESTMENTS

At June 30, 2001, the District had the following cash and investments:

Cash on Hand	\$ 41,805
Deposits	3,622,009
Investments	<u>47,810,401</u>
Total	<u>\$ 51,474,215</u>

BOULDER VALLEY SCHOOL DISTRICT RE-2

NOTES TO FINANCIAL STATEMENTS

June 30, 2001

NOTE 3: CASH AND INVESTMENTS (Continued)

Deposits

The Colorado Public Deposit Protection Act, (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. Deposits are categorized by type of credit risk: (1) Insured or collateralized with securities held by the District or by its agent in the District's name. (2) Collateralized with securities held by the pledging financial institution's trust department or agent in the District's name. (3) Uncollateralized, including any bank balance that is collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the District's name.

At June 30, 2001, the District's deposits had a carrying balance of \$3,622,009 and a corresponding bank balance as follows:

	<u>Bank Balance</u>
Insured - Category (1)	\$ 264,129
Deposits Collateralized in Trust Department or with Agent - Category (2)	<u>6,749,627</u>
Total Deposits	<u><u>\$ 6,989,589</u></u>

Investments

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

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2001

NOTE 3: CASH AND INVESTMENTS (Continued)**Investments** (Continued)

The District's investments are categorized below:

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

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

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

The District had the following investments as of June 30, 2001:

	<u>Fair Value</u>
Repurchase Agreements, collateralized by securities with fair values totaling \$1,009,467 (Category 1)	\$ 826,237
US Agency Securities (Category 1)	437,158
US Treasury Securities (Category 2)	39,036
Local Government Investment Pool (Colotrust)	<u>46,507,970</u>
Total Investments	<u>\$ 47,810,401</u>

During the year ended June 30, 2001, the District invested funds in the Colorado Government Liquid Asset Trust (Colotrust). This is an investment trust established for local government entities in Colorado to pool surplus funds, and is regulated by the State Securities Commissioner. It operates similarly to a money market fund and each share is equal in value to \$1.00. Investments consist of U.S. Treasury and U.S. Agency securities and repurchase agreements collateralized by U.S. Treasury and U.S. Agency securities. A designated custodial bank provides safekeeping and depository services to Colotrust in connection with the direct investment and withdrawal functions of the trusts. Substantially all securities owned by Colotrust are held by the Federal Reserve Bank in the account maintained for the custodial banks. The custodians' internal records identify the investments owned by the District.

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

BOULDER VALLEY SCHOOL DISTRICT RE-2

NOTES TO FINANCIAL STATEMENTS

June 30, 2001

NOTE 4: FIXED ASSETS

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

	Balances 7-1-00	Additions	Deletions	Balances 6-30-01
Land and sites	\$ 4,559,168	\$ -	\$ -	\$ 4,559,168
Buildings	195,596,507	1,249,140	-	196,845,647
Equipment	34,887,559	8,975,678	4,981,901	38,881,336
Construction in progress	54,579,836	20,780,247	945,054	74,415,029
TOTALS	<u>\$ 289,623,070</u>	<u>\$ 31,005,065</u>	<u>\$ 5,926,955</u>	<u>\$ 314,701,180</u>

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

	Balances 7-1-00	Additions	Deletions	Balances 6-30-01
Equipment	\$ 1,183,755	\$ 124,856	\$ 14,368	\$ 1,294,243
Less Accumulated Depreciation	<u>(723,083)</u>	<u>(50,000)</u>	<u>-</u>	<u>(773,083)</u>
TOTALS	<u>\$ 460,672</u>	<u>\$ 74,856</u>	<u>\$ 14,368</u>	<u>\$ 521,160</u>

NOTE 5: ACCRUED SALARIES AND BENEFITS

Salaries and benefits of certain contractually employed personnel are paid over a twelve month period from September to August, but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, as of June 30, 2001, were \$15,238,186. Accordingly, the accrued compensation is reflected as a liability in the accompanying financial statements of the General and Governmental Designated-Purpose Grant Funds.

BOULDER VALLEY SCHOOL DISTRICT RE-2

NOTES TO FINANCIAL STATEMENTS

June 30, 2001

NOTE 6: LONG-TERM DEBT

The following is a summary of long-term debt transactions of the District for the year ended June 30, 2001:

	Balances 7-1-00	Additions	Payments	Balances 6-30-01
GENERAL LONG-TERM DEBT ACCOUNT GROUP				
General Obligation Bonds	\$ 170,405,000	\$ -	\$ 5,335,000	\$ 165,070,000
Certificates of Participation	7,925,000	-	810,000	7,115,000
Compensated Absences	1,019,256	229,677	-	1,248,933
Early Retirement	8,356	-	8,356	-
Capital Lease Obligations	<u>404,185</u>	<u>-</u>	<u>132,263</u>	<u>271,922</u>
TOTAL	<u>\$ 179,761,797</u>	<u>\$ 229,677</u>	<u>\$ 6,285,619</u>	<u>\$ 173,705,855</u>

General Obligation Bonds

General Obligation Bonds payable at June 30, 2001 are comprised of the following issues:

\$63,655,000 General Obligation Bonds, Series 1999.

Issued to implement a District wide capital improvement program. Principal payments due on December 1 and interest payments due on December and June 1 through 2018. Interest accruing at rates ranging from 4% to 5.13%.

\$ 61,835,000

\$43,650,000 General Obligation Bonds, Series 1992A.

Issued to refund Series 1989A bonds. Principal payments due on October 15 and interest payments due on October and April 15 through 2015. Interest accruing at rates ranging from 2.9% to 6.25%.

26,850,000

\$77,170,000 General Obligation Bonds, Series 1994A.

Issued to implement a District capital improvement program. Principal payments due on December 1 and interest payments due on December 1 and June 1 through 2004. Interest accruing at rates ranging from 5.35% to 5.65%.

8,090,000

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

68,295,000

Total General Obligation Bonds

\$ 165,070,000

BOULDER VALLEY SCHOOL DISTRICT RE-2

NOTES TO FINANCIAL STATEMENTS

June 30, 2001

NOTE 6: LONG-TERM DEBT (Continued)**General Obligation Bonds** (Continued)

Bond payments, to maturity, are as follows:

Year Ended June 30,	Principal	Interest	Total
2002	\$ 5,625,000	\$ 8,301,286	\$ 13,926,286
2003	5,935,000	7,990,945	13,925,945
2004	6,265,000	7,659,425	13,924,425
2005	6,620,000	7,304,810	13,924,810
2006	7,115,000	6,921,054	13,921,054
Thereafter	<u>133,625,000</u>	<u>47,440,629</u>	<u>181,065,629</u>
Total	<u>\$ 165,070,000</u>	<u>\$ 85,618,149</u>	<u>\$ 250,688,149</u>

Certificates of Participation

The District issued certificates of participation in 1992 and 1995 for energy conservation projects and to refinance a telecommunication lease. The terms are 15 and 12 years with interest rates ranging from 5.9% to 6.22%. The District's obligation will terminate December 1, 2006.

Certificates of Participation maturities for future payments are as follows:

2002	\$ 1,257,773
2003	1,252,497
2004	1,252,927
2005	1,249,162
2006	1,251,407
Thereafter	2,364,474
Less Interest	<u>(1,513,240)</u>
Total	<u>\$ 7,115,000</u>

Amounts were appropriated in the General Fund to meet the payments of the Certificates of Participation due in the fiscal year ending June 30, 2001.

BOULDER VALLEY SCHOOL DISTRICT RE-2

NOTES TO FINANCIAL STATEMENTS

June 30, 2001

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

Lease obligations and transactions for the year ended June 30, 2001 are comprised of the following:

	<u>Balances</u> <u>07/01/00</u>	<u>Additions</u>	<u>Payments</u>	<u>Balances</u> <u>06/30/01</u>
Capital Lease, Kodak copier. Lease term of 5 years with an interest rate of 8.195%; monthly payments of \$751; terminating in 2001.	\$ 6,453	\$ -	\$ 6,453	\$ -
Capital Lease, SASI software. Lease term of 5 years with an interest rate of 4.92%; monthly payments of \$11,876; terminating in 2003.	<u>397,732</u>	<u>-</u>	<u>125,810</u>	<u>271,922</u>
Totals	<u>\$ 404,185</u>	<u>\$ -</u>	<u>\$ 132,263</u>	<u>\$ 271,922</u>

These leases provide for the following minimum annual lease payments:

2002	\$ 142,508
2003	142,508
Less Interest	<u>(13,094)</u>
Total	<u>\$ 271,922</u>

Refunded Bonds

The proceeds of the General Obligation Refunding Series 1997A have been placed in a special escrow account and have been invested in direct obligations of the U.S. government. The maturities of these investments coincide with the principal and interest payment dates of the refunded debt and are sufficient to pay all principal and interest on the bonds when due. Therefore, the refunded debt is not reported as a liability and the escrow account is not reported as an asset at year-end. The outstanding balance of District refunded general obligation debt at June 30, 2001 is \$62,295,000.

BOULDER VALLEY SCHOOL DISTRICT RE-2

NOTES TO FINANCIAL STATEMENTS

June 30, 2001

NOTE 7: NEGATIVE FUND BALANCE

The Governmental Designated Purpose Grants Fund had a negative fund balance at June 30, 2001, of \$574. The District expects to recover this deficit through future revenues.

NOTE 8: RISK MANAGEMENT

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

Joint School District Workers' Compensation Self-Insurance Pool

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

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

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

At June 30, 2001, the District had prepaid its premiums to the pool by \$754,236. This amount is recorded as a prepaid asset in the Insurance Reserve Internal Service Fund.

NOTES TO FINANCIAL STATEMENTS

June 30, 2001

NOTE 8: RISK MANAGEMENT (Continued)

Colorado School Districts Self-Insurance Pool

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

NOTE 9: DEFINED BENEFIT PENSION PLAN

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

CSSDTF provides retirement and disability, annual increases, and death benefits for members or their beneficiaries. All employees of the District are members of the CSSDTF. Title 24, Article 51 of the Colorado Revised Statutes (CRS), as amended, assigns the authority to establish benefit provisions to the State Legislature. PERA issues a publicly available annual financial report that includes financial statements and required supplementary information for CSSDTF. That report may be obtained by writing to PERA of Colorado, 1300 Logan Street, Denver, Colorado 80203 or by calling PERA at 303-832-9550 or 1-800-759-PERA (7372).

Funding Policy - Plan members and the District are required to contribute at a rate set by statute. The contribution requirements of plan members and the District are established under Title 24, Article 51, Part 4 of the CRS, as amended. The contribution rate for members is 8.0% and for the District is 10.4% of covered salary. Beginning with payroll periods ending after January 1, 2001, the employer contributions paid to the CSSDTF were reduced by an employer match on members' voluntary contribution to a defined contribution plan. The match, set by the Board of Trustees of PERA, is 100% of a member's eligible tax-deferred retirement program contributions limited by a per payroll whole percentage of PERA includable salary limit (percentage set for 2001 was 3.0%). Any unused DC match money is forwarded to the CSSDTF.

BOULDER VALLEY SCHOOL DISTRICT RE-2

NOTES TO FINANCIAL STATEMENTS

June 30, 2001

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

Also, a portion of the District's contribution (1.1% of covered salary July 1, 2000 through December 31, 2000, 1.42% of covered salary January 1, 2001 through June 30, 2001) is allocated for the Health Care Trust Fund (See Note 10). The District's contributions to CSSDTF for the years ending June 30, 2001, 2000, and 1999 were \$11,516,305, \$12,155,378, and \$12,174,054, respectively, equal to their 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 postemployment healthcare plan administered by the 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 HCF benefit provisions to the State Legislature. PERA issues a publicly available annual financial report that includes financial statements and required supplementary information for the HCF. That report may be obtained by writing to PERA of Colorado, 1300 Logan Street, Denver, Colorado 80203 or by calling PERA at 303-832-9550 or 1-800-759-PERA (7372).

Funding Policy - The District was required to contribute at a rate of 1.1% of covered salary from July 1, 2000 through December 31, 2000 and 1.42% from January 1, 2001 through June 30, 2001 for all PERA members as set by statute. No member contributions are required. The contribution requirements for the District are established under Title 24, Article 51, Part 4 of the CRS, as amended. The apportionment of the contributions of the health care fund is established under Title 24, Article 51, Section 208 of the Colorado Revised Statutes, as amended. The District's contributions to HCF for the years ending June 30, 2001, 2000, and 1999 were \$1,536,554, \$1,172,866, and \$854,393, respectively, equal to their required contributions for each year.

NOTE 11: COMMITMENTS AND CONTINGENCIES

Claims and Judgments -- The District participates in a number of federal, state, and county programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government.

As of June 30, 2001, 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 any of the individual governmental funds or the overall financial position of the District.

NOTES TO FINANCIAL STATEMENTS

June 30, 2001

NOTE 11: COMMITMENTS AND CONTINGENCIES (Continued)

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

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

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

The Tabor Amendment requires the District to establish a reserve for emergencies. At June 30, 2001, cash and retained earnings in the amount of \$5,167,938 and \$223,488 were restricted in the General Fund and Proprietary Funds, respectively, to satisfy this reserve requirement.

NOTE 12: SUBSEQUENT EVENTS

In September 2001, the District issued General Obligation Refunding Bonds in the amount of \$24,290,000. Proceeds from the sale of the bonds will be used to refund the District's General Obligation Refunding Bonds, Series 1992A, and to pay costs of issuance of the bonds.

In August 2001, the Peak to Peak Charter School issued Charter School Revenue Bonds through the Colorado Educational and Cultural Facilities Authority in the amount of \$18,320,000. Proceeds from the sale of the bonds will be used to construct and equip a new instructional facility.

COMBINING AND INDIVIDUAL FUND AND ACCOUNT GROUP STATEMENTS AND SCHEDULES

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

GENERAL FUND

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

BOULDER VALLEY SCHOOL DISTRICT RE-2

GENERAL FUND
COMPARATIVE BALANCE SHEETS

June 30, 2001

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash Investments	\$ 17,016,059	\$ 22,168,609
Restricted Cash in Escrow	62,766	142,563
Restricted Cash for Emergencies	5,167,938	-
Property Taxes Receivable, Net	2,781,020	4,966,399
Accounts Receivable	331,227	271,912
Inventories	462,161	485,142
Prepaid Assets	142,542	21,229
TOTAL ASSETS	<u>\$ 25,963,713</u>	<u>\$ 28,055,854</u>
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts Payable	\$ 1,539,496	\$ 1,172,851
Accrued Salaries and Benefits	19,627,477	19,259,464
Deferred Revenue		
Property Taxes	-	1,667,710
Other	111,680	109,096
TOTAL LIABILITIES	<u>21,278,653</u>	<u>22,209,121</u>
FUND BALANCES		
Reserved for Inventories	462,161	485,142
Reserved for Prepaid Assets	142,542	21,229
Reserved for Emergencies	-	4,815,740
Reserved for Multi-year Obligations	100,000	-
Unreserved	3,980,357	524,622
TOTAL FUND BALANCES	<u>4,685,060</u>	<u>5,846,733</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 25,963,713</u>	<u>\$ 28,055,854</u>

See the accompanying Independent Auditors' Report.

BOULDER VALLEY SCHOOL DISTRICT RE-2

GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
Year Ended June 30, 2001

	<u>2001</u>	<u>2000</u>
REVENUES		
Taxes	\$ 124,641,725	\$ 120,222,545
Tuition	3,110,424	2,653,920
Earnings on Investments	802,566	507,953
Other Local Revenue	2,013,252	1,845,232
State Equalization	31,174,893	29,110,241
State Reimbursement Programs	2,431,334	2,110,529
Special Education	3,252,727	3,171,964
English Language Proficiency Act	122,569	139,467
TOTAL REVENUES	<u>167,549,490</u>	<u>159,761,851</u>
EXPENDITURES		
Instruction - Regular Programs	78,415,452	76,848,929
Instruction - Special Programs	28,167,357	26,292,949
Student Support Services	4,371,645	3,891,422
Instructional Staff Services	6,686,168	6,802,862
General Administration	2,402,793	1,797,213
School Administration	13,105,900	12,857,578
Business Services	1,853,448	1,612,993
Operations and Maintenance	14,349,958	12,633,242
Pupil Transportation	5,531,612	5,391,969
Central Support Services	3,962,807	3,843,509
Other Support Service	82,198	283,697
Enterprise Operations	34,677	31,897
Facility Acquisition	62,772	-
Community Services	2,180,987	2,003,172
Adult Education	32,242	49,644
Debt Service	1,254,317	1,265,034
Insurance Reserve	1,632,998	1,672,969
TOTAL EXPENDITURES	<u>164,127,331</u>	<u>157,279,079</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>3,422,159</u>	<u>2,482,772</u>
OTHER FINANCING SOURCES (USES)		
Operating Transfers Out	<u>(4,583,832)</u>	<u>(4,276,108)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(4,583,832)</u>	<u>(4,276,108)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(1,161,673)	(1,793,336)
FUND BALANCE, BEGINNING	<u>5,846,733</u>	<u>7,640,069</u>
FUND BALANCE, ENDING	<u>\$ 4,685,060</u>	<u>\$ 5,846,733</u>

See the accompanying Independent Auditors' Report.

BOULDER VALLEY SCHOOL DISTRICT RE-2

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGET BASIS)
Year Ended June 30, 2001

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Taxes	\$ 124,351,300	\$ 124,641,725	\$ 290,425
Tuition	3,809,276	3,110,424	(698,852)
Earnings on Investments	600,000	802,566	202,566
Other Local Revenue	1,736,935	2,013,252	276,317
State Equalization	31,438,867	31,174,893	(263,974)
State Reimbursement Programs	2,398,852	2,431,334	32,482
Special Education	3,165,384	3,252,727	87,343
English Language Proficiency Act	150,000	122,569	(27,431)
TOTAL REVENUES	<u>167,650,614</u>	<u>167,549,490</u>	<u>(101,124)</u>
EXPENDITURES			
Instruction - Regular Programs	82,506,222	78,708,103	3,798,119
Instruction - Special Programs	28,343,833	27,978,306	365,527
Student Support Services	4,128,476	4,339,149	(210,673)
Instructional Staff Services	6,650,218	6,661,166	(10,948)
General Administration	1,894,852	2,019,079	(124,227)
School Administration	12,833,225	13,101,208	(267,983)
Business Services	1,958,357	1,853,448	104,909
Operations and Maintenance	13,916,693	14,349,958	(433,265)
Pupil Transportation	5,048,103	5,531,612	(483,509)
Central Support Services	4,099,757	3,962,351	137,406
Other Support Service	-	81,473	(81,473)
Enterprise Operations	4,941	34,677	(29,736)
Facility Acquisition	-	62,772	(62,772)
Community Services	2,806,763	2,180,987	625,776
Adult Education	32,077	32,242	(165)
Debt Service	1,269,215	1,254,317	14,898
Reserves	8,588,478	-	8,588,478
TOTAL EXPENDITURES	<u>174,081,210</u>	<u>162,150,848</u>	<u>11,930,362</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(6,430,596)	5,398,642	11,829,238
OTHER FINANCING SOURCES (USES)			
Operating Transfers Out	<u>(6,201,844)</u>	<u>(6,216,830)</u>	<u>(14,986)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(12,632,440)	(818,188)	11,814,252
Salaries and Benefits Earned but Unpaid:			
Beginning	-	14,351,221	14,351,221
Ending	-	(14,694,706)	(14,694,706)
FUND BALANCE, BEGINNING	<u>19,828,965</u>	<u>5,846,733</u>	<u>(13,982,232)</u>
FUND BALANCE, ENDING	\$ <u>7,196,525</u>	\$ <u>4,685,060</u>	\$ <u>(2,511,465)</u>

See the accompanying Independent Auditors' Report.

SPECIAL REVENUE FUNDS

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

The District has the following special revenue funds:

Governmental Designated-Purpose Grants Fund

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

Tuition Based Preschool

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

BOULDER VALLEY SCHOOL DISTRICT RE-2

SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEETS

June 30, 2001

	GOVERNMENTAL DESIGNATED- PURPOSE GRANTS FUND	TUITION BASED PRESCHOOL	TOTALS	
			2001	2000
ASSETS				
Cash and Investments	\$ 443,835	\$ 55,118	\$ 498,953	\$ 6,630
Accounts Receivable	1,357,686	-	1,357,686	1,179,521
Prepaid Assets	783	-	783	-
TOTAL ASSETS	\$ 1,802,304	\$ 55,118	\$ 1,857,422	\$ 1,186,151
LIABILITIES AND FUND BALANCES (DEFICITS)				
LIABILITIES				
Accounts Payable	\$ 73,238	\$ 716	\$ 73,954	\$ 127,632
Accrued Salaries and Benefits	591,653	678	592,331	630,177
Deferred Revenue	1,137,987	-	1,137,987	423,057
TOTAL LIABILITIES	1,802,878	1,394	1,804,272	1,180,866
FUND BALANCES (DEFICITS)				
Unreserved	(574)	53,724	53,150	5,285
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	\$ 1,802,304	\$ 55,118	\$ 1,857,422	\$ 1,186,151

See the accompanying Independent Auditors' Report.

BOULDER VALLEY SCHOOL DISTRICT RE-2

SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (DEFICITS)
Year Ended June 30, 2001

	GOVERNMENTAL DESIGNATED- PURPOSE GRANTS FUND	TUITION BASED PRESCHOOL	TOTALS	
			2001	2000
REVENUES				
Local Revenue	\$ 193,593	\$ 164,621	\$ 358,214	\$ 454,515
State Grants	356,145	-	356,145	186,802
Federal Grants	6,210,931	-	6,210,931	5,540,810
TOTAL REVENUES	6,760,669	164,621	6,925,290	6,182,127
EXPENDITURES				
Current				
Instruction - Regular Programs	2,213,660	-	2,213,660	2,111,123
Instruction - Special Programs	2,396,378	-	2,396,378	2,050,929
Student Support Services	659,790	-	659,790	752,218
Instruction Staff Services	842,429	-	842,429	508,254
General Administration	43,115	-	43,115	17,626
School Administration	399,516	-	399,516	454,955
Business Services	2,888	-	2,888	370
Operations and Maintenance	8,815	-	8,815	441
Student Transportation	-	-	-	2,090
Central Support Services	6,056	-	6,056	1,978
Community Services	156,676	148,102	304,778	334,180
TOTAL EXPENDITURES	6,729,323	148,102	6,877,425	6,234,164
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	31,346	16,519	47,865	(52,037)
FUND BALANCE (DEFICIT), BEGINNING	(31,920)	37,205	5,285	57,322
FUND BALANCE (DEFICIT), ENDING	\$ (574)	\$ 53,724	\$ 53,150	\$ 5,285

See the accompanying Independent Auditors' Report.

BOULDER VALLEY SCHOOL DISTRICT RE-2

SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (DEFICITS)
BUDGET AND ACTUAL (BUDGET BASIS)
Year Ended June 30, 2001

	GOVERNMENTAL DESIGNATED PURPOSE GRANTS		
	BUDGET	ACTUAL	VARIANCE- FAVORABLE (UNFAVORABLE)
REVENUES			
Local Revenue	\$ -	\$ 193,593	\$ 193,593
State Revenue	-	356,145	356,145
Federal Revenue	8,500,000	5,667,451	(2,832,549)
TOTAL REVENUES	<u>8,500,000</u>	<u>6,217,189</u>	<u>(2,282,811)</u>
EXPENDITURES			
Current			
Instruction - Regular Programs	-	2,216,145	(2,216,145)
Instruction - Special Programs	-	2,396,378	(2,396,378)
Student Support Services	-	659,790	(659,790)
Instruction Staff Services	-	842,429	(842,429)
General Administration	-	43,115	(43,115)
School Administration	-	399,516	(399,516)
Business Services	-	2,888	(2,888)
Operations and Maintenance	-	8,815	(8,815)
Central Support Services	-	6,056	(6,056)
Community Services	-	156,676	(156,676)
Reserve	8,500,000	-	8,500,000
TOTAL EXPENDITURES	<u>8,500,000</u>	<u>6,731,808</u>	<u>1,768,192</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(514,619)	(514,619)
Salaries and Benefits Earned but Unpaid:			
Beginning	-	545,965	545,965
Ending	-	(543,480)	(543,480)
Revenues Accrued Due to Salaries and Benefits Earned but Unpaid	-	543,480	543,480
FUND BALANCE (DEFICIT), BEGINNING	<u>-</u>	<u>(31,920)</u>	<u>(31,920)</u>
FUND BALANCE (DEFICIT), ENDING	<u>\$ -</u>	<u>\$ (574)</u>	<u>\$ (574)</u>

See the accompanying Independent Auditor's Report.

TUITION BASED PRESCHOOL			TOTAL		
BUDGET	ACTUAL	VARIANCE- FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE- FAVORABLE (UNFAVORABLE)
\$ 194,000	\$ 164,621	\$ (29,379)	\$ 194,000	\$ 358,214	\$ 164,214
-	-	-	-	356,145	356,145
-	-	-	8,500,000	5,667,451	(2,832,549)
194,000	164,621	(29,379)	8,694,000	6,381,810	(2,312,190)
-	-	-	-	2,216,145	(2,216,145)
-	-	-	-	2,396,378	(2,396,378)
-	-	-	-	659,790	(659,790)
-	-	-	-	842,429	(842,429)
-	-	-	-	43,115	(43,115)
-	-	-	-	399,516	(399,516)
-	-	-	-	2,888	(2,888)
-	-	-	-	8,815	(8,815)
-	-	-	-	6,056	(6,056)
231,205	148,102	83,103	231,205	304,778	(73,573)
-	-	-	8,500,000	-	8,500,000
231,205	148,102	83,103	8,731,205	6,879,910	1,851,295
(37,205)	16,519	53,724	(37,205)	(498,100)	(460,895)
-	-	-	-	545,965	545,965
-	-	-	-	(543,480)	(543,480)
-	-	-	-	543,480	543,480
37,205	37,205	-	37,205	5,285	(31,920)
\$ -	\$ 53,724	\$ 53,724	\$ -	\$ 53,150	\$ 53,150



DEBT SERVICE FUND

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

The District has one debt service fund as follows:

Bond Redemption Fund

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

BOULDER VALLEY SCHOOL DISTRICT RE-2**DEBT SERVICE BOND REDEMPTION FUND****COMPARATIVE BALANCE SHEETS****June 30, 2001**

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and Investments	\$ 14,739,233	\$ 14,080,772
Property Taxes Receivable, Net	<u>212,996</u>	<u>416,130</u>
TOTAL ASSETS	<u>\$ 14,952,229</u>	<u>\$ 14,496,902</u>
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts Payable	\$ -	\$ 1,801
Deferred Property Tax Revenue	<u>-</u>	<u>322,116</u>
TOTAL LIABILITIES	-	323,917
FUND BALANCES		
Reserved for Debt Service	<u>14,952,229</u>	<u>14,172,985</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 14,952,229</u>	<u>\$ 14,496,902</u>

See the accompanying Independent Auditors' Report.

BOULDER VALLEY SCHOOL DISTRICT RE-2

DEBT SERVICE BOND REDEMPTION FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
Year Ended June 30, 2001

	<u>2001</u>	<u>2000</u>
REVENUES		
Property Taxes	\$ 14,064,894	\$ 13,872,203
Delinquent Taxes	9,069	(26,189)
Earnings on Investments	641,531	611,459
	<u>14,715,494</u>	<u>14,457,473</u>
TOTAL REVENUES		
	<u>14,715,494</u>	<u>14,457,473</u>
EXPENDITURES		
Debt Service		
Principal Retirements	5,335,000	5,865,000
Interest on Debt	8,592,111	8,880,220
Other Expenses	9,139	6,383
	<u>13,936,250</u>	<u>14,751,603</u>
TOTAL EXPENDITURES		
	<u>13,936,250</u>	<u>14,751,603</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	779,244	(294,130)
FUND BALANCE, BEGINNING	<u>14,172,985</u>	<u>14,467,115</u>
FUND BALANCE, ENDING	<u>\$ 14,952,229</u>	<u>\$ 14,172,985</u>

See the accompanying Independent Auditors' Report.

BOULDER VALLEY SCHOOL DISTRICT RE-2

DEBT SERVICE BOND REDEMPTION FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
 Year Ended June 30, 2001

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Property Taxes	\$ 13,121,446	\$ 14,064,894	\$ 943,448
Delinquent Taxes	24,000	9,069	(14,931)
Earnings on Investments	582,399	641,531	59,132
	<u>13,727,845</u>	<u>14,715,494</u>	<u>987,649</u>
TOTAL REVENUES			
EXPENDITURES			
Debt Service			
Principal Retirements	5,335,000	5,335,000	-
Interest on Debt	8,592,611	8,592,111	500
Other Expenses	20,000	9,139	10,861
	<u>13,947,611</u>	<u>13,936,250</u>	<u>11,361</u>
TOTAL EXPENDITURES			
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(219,766)	779,244	999,010
FUND BALANCE, BEGINNING	<u>14,172,985</u>	<u>14,172,985</u>	<u>-</u>
FUND BALANCE, ENDING	\$ <u><u>13,953,219</u></u>	\$ <u><u>14,952,229</u></u>	\$ <u><u>999,010</u></u>

See the accompanying Independent Auditors' Report.

CAPITAL PROJECTS FUNDS

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

The District has the following capital projects funds:

Capital Reserve Fund

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

Energy Conservation Fund

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

Building Fund 1994

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

Building Fund 1999

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

BOULDER VALLEY SCHOOL DISTRICT RE-2

CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEETS
 June 30, 2001

	<u>CAPITAL RESERVE FUND</u>	<u>ENERGY CONSERVATION FUND</u>
ASSETS		
Cash and Investments	\$ 2,061,589	\$ -
Restricted Cash and Investments	-	1,320,956
Accounts Receivable	87,539	-
Accrued Interest Receivable	-	-
	<hr/>	<hr/>
TOTAL ASSETS	\$ <u>2,149,128</u>	\$ <u>1,320,956</u>
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts Payable	\$ 476,901	\$ 765
Accrued Salaries and Benefits	2,186	-
Arbitrage Payable	-	-
Retainage Payable	-	-
	<hr/>	<hr/>
TOTAL LIABILITIES	<u>479,087</u>	<u>765</u>
FUND BALANCES		
Reserved for Construction	-	-
Reserved for Emergencies	-	-
Unreserved	<u>1,670,041</u>	<u>1,320,191</u>
TOTAL FUND BALANCES	<u>1,670,041</u>	<u>1,320,191</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ <u>2,149,128</u>	\$ <u>1,320,956</u>

See the accompanying Independent Auditors' Report.

BUILDING FUND 1994	BUILDING FUND 1999	TOTALS	
		2001	2000
\$ 5,034,705	\$ 2,375,009	\$ 9,471,303	\$ 40,803,011
-	-	1,320,956	1,263,134
-	10,083	97,622	242,933
-	-	-	10,385
<u>\$ 5,034,705</u>	<u>\$ 2,385,092</u>	<u>\$ 10,889,881</u>	<u>\$ 42,319,463</u>
\$ 2,400	\$ 758,289	\$ 1,238,355	\$ 7,789,537
-	17	2,203	6,662
262,293	240,258	502,551	468,679
-	776,651	776,651	2,271,809
<u>264,693</u>	<u>1,775,215</u>	<u>2,519,760</u>	<u>10,536,687</u>
4,770,012	609,877	5,379,889	29,224,258
-	-	-	197,629
-	-	2,990,232	2,360,889
<u>4,770,012</u>	<u>609,877</u>	<u>8,370,121</u>	<u>31,782,776</u>
<u>\$ 5,034,705</u>	<u>\$ 2,385,092</u>	<u>\$ 10,889,881</u>	<u>\$ 42,319,463</u>

BOULDER VALLEY SCHOOL DISTRICT RE-2

CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
Year Ended June 30, 2001

	<u>CAPITAL RESERVE FUND</u>	<u>ENERGY CONSERVATION FUND</u>
REVENUES		
Earnings on Investments	\$ -	\$ 111,936
Other Local Sources	<u>33,566</u>	<u>-</u>
TOTAL REVENUES	<u>33,566</u>	<u>111,936</u>
EXPENDITURES		
Capital Outlay		
Facilities Acquisition	365,790	-
Building Improvements	905,371	-
Instructional Technology	26,403	-
Operating Departments	1,138,715	65,016
School Projects	<u>1,883,753</u>	<u>-</u>
TOTAL EXPENDITURES	<u>4,320,032</u>	<u>65,016</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(4,286,466)</u>	<u>46,920</u>
OTHER FINANCING SOURCES		
Proceeds from Sale of Fixed Assets	87,428	-
Operating Transfers In	<u>4,583,832</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES	<u>4,671,260</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	384,794	46,920
FUND BALANCES, BEGINNING	<u>1,285,247</u>	<u>1,273,271</u>
FUND BALANCES, ENDING	<u>\$ 1,670,041</u>	<u>\$ 1,320,191</u>

See the accompanying Independent Auditors' Report.

BUILDING FUND 1994	BUILDING FUND 1999	TOTALS	
		2001	2000
\$ 294,706	\$ 611,453	\$ 1,018,095	\$ 2,778,143
-	250,000	283,566	1,592,272
294,706	861,453	1,301,661	4,370,415
594,533	24,405,995	25,366,318	43,265,521
-	-	905,371	1,067,257
-	-	26,403	325,677
-	-	1,203,731	2,216,884
-	-	1,883,753	1,324,455
594,533	24,405,995	29,385,576	48,199,794
(299,827)	(23,544,542)	(28,083,915)	(43,829,379)
-	-	87,428	602,963
-	-	4,583,832	4,276,108
-	-	4,671,260	4,879,071
(299,827)	(23,544,542)	(23,412,655)	(38,950,308)
5,069,839	24,154,419	31,782,776	70,733,084
\$ 4,770,012	\$ 609,877	\$ 8,370,121	\$ 31,782,776

BOULDER VALLEY SCHOOL DISTRICT RE-2

CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
Year Ended June 30, 2001

	CAPITAL RESERVE FUND		
	BUDGET	ACTUAL	VARIANCE- FAVORABLE (UNFAVORABLE)
REVENUES			
Earnings on Investments	\$ -	\$ -	\$ -
Other Local Sources	610,000	33,566	(576,434)
TOTAL REVENUES	610,000	33,566	(576,434)
EXPENDITURES			
Capital Outlay			
Facilities Acquisition	371,146	365,790	5,356
Building Improvements	991,202	905,371	85,831
Instructional Technology	34,027	26,403	7,624
Operating Departments	2,566,417	1,138,715	1,427,702
School Projects	2,320,752	1,883,753	436,999
Reserves	265,550	-	265,550
TOTAL EXPENDITURES	6,549,094	4,320,032	2,229,062
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(5,939,094)	(4,286,466)	1,652,628
OTHER FINANCING SOURCES			
Proceeds from Sale of Fixed Assets	85,000	87,428	2,428
Operating Transfers In	4,568,846	4,583,832	14,986
TOTAL OTHER FINANCING SOURCES	4,653,846	4,671,260	17,414
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	(1,285,248)	384,794	1,670,042
FUND BALANCES, BEGINNING	1,285,248	1,285,247	(1)
FUND BALANCES, ENDING	\$ -	\$ 1,670,041	\$ 1,670,041

(Continued)

See the accompanying Independent Auditor's Report.

ENERGY CONSERVATION FUND			BUILDING FUNDS		
BUDGET	ACTUAL	VARIANCE- FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE- FAVORABLE (UNFAVORABLE)
\$ 85,793	\$ 111,936	\$ 26,143	\$ 696,575	\$ 906,159	\$ 209,584
-	-	-	1,351,000	250,000	(1,101,000)
85,793	111,936	26,143	2,047,575	1,156,159	(891,416)
-	-	-	29,678,524	25,000,528	4,677,996
-	-	-	-	-	-
-	-	-	-	-	-
125,074	65,016	60,058	-	-	-
-	-	-	-	-	-
3,752	-	3,752	-	-	-
128,826	65,016	63,810	29,678,524	25,000,528	4,677,996
(43,033)	46,920	89,953	(27,630,949)	(23,844,369)	3,786,580
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(43,033)	46,920	89,953	(27,630,949)	(23,844,369)	3,786,580
1,273,270	1,273,271	1	29,224,259	29,224,258	(1)
\$ 1,230,237	\$ 1,320,191	\$ 89,954	\$ 1,593,310	\$ 5,379,889	\$ 3,786,579

BOULDER VALLEY SCHOOL DISTRICT RE-2

CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (Continued)
Year Ended June 30, 2001

	TOTAL		VARIANCE- FAVORABLE (UNFAVORABLE)
	BUDGET	ACTUAL	
REVENUES			
Earnings on Investments	\$ 782,368	\$ 1,018,095	\$ 235,727
Other Local Sources	1,961,000	283,566	(1,677,434)
TOTAL REVENUES	2,743,368	1,301,661	(1,441,707)
EXPENDITURES			
Capital Outlay			
Facilities Acquisition	30,049,670	25,366,318	4,683,352
Building Improvements	991,202	905,371	85,831
Instructional Technology	34,027	26,403	7,624
Operating Departments	2,691,491	1,203,731	1,487,760
School Projects	2,320,752	1,883,753	436,999
Reserves	269,302	-	269,302
TOTAL EXPENDITURES	36,356,444	29,385,576	6,970,868
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(33,613,076)	(28,083,915)	5,529,161
OTHER FINANCING SOURCES			
Proceeds from Sale of Fixed Assets	85,000	87,428	2,428
Operating Transfers In	4,568,846	4,583,832	14,986
TOTAL OTHER FINANCING SOURCES	4,653,846	4,671,260	17,414
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	(28,959,230)	(23,412,655)	5,546,575
FUND BALANCES, BEGINNING	31,782,777	31,782,776	(1)
FUND BALANCES, ENDING	\$ 2,823,547	\$ 8,370,121	\$ 5,546,574

See the accompanying Independent Auditor's Report.

ENTERPRISE FUND

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

The District has one enterprise fund as follows:

Food Service Fund

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

BOULDER VALLEY SCHOOL DISTRICT RE-2

FOOD SERVICE ENTERPRISE FUNDCOMPARATIVE BALANCE SHEETS

June 30, 2001

	<u>2001</u>	<u>2000</u>
ASSETS		
CURRENT ASSETS		
Cash and Investments	\$ 563,587	\$ 606,529
Accounts Receivable	70,194	67,465
Inventories		
Purchased Food	65,876	62,696
USDA Donated Commodities	46,596	89,036
Supplies	26,121	33,978
	<hr/>	<hr/>
TOTAL CURRENT ASSETS	772,374	859,704
EQUIPMENT	1,294,243	1,183,755
Less Accumulated Depreciation	<u>(773,083)</u>	<u>(723,083)</u>
	<hr/>	<hr/>
TOTAL ASSETS	\$ <u>1,293,534</u>	\$ <u>1,320,376</u>
	<hr/>	<hr/>
LIABILITIES AND FUND EQUITY		
CURRENT LIABILITIES		
Accounts Payable	\$ 2,661	\$ 4,159
Accrued Salaries	83,482	81,191
Deferred Revenue	<u>46,596</u>	<u>89,036</u>
	<hr/>	<hr/>
TOTAL CURRENT LIABILITIES	132,739	174,386
	<hr/>	<hr/>
FUND EQUITY		
Contributed Capital	834,417	834,417
Retained Earnings		
Reserved for Emergencies	149,489	131,386
Unreserved	<u>176,889</u>	<u>180,187</u>
	<hr/>	<hr/>
TOTAL FUND EQUITY	1,160,795	1,145,990
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND EQUITY	\$ <u>1,293,534</u>	\$ <u>1,320,376</u>
	<hr/>	<hr/>

See the accompanying Independent Auditors' Report.

BOULDER VALLEY SCHOOL DISTRICT RE-2

FOOD SERVICE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
Year Ended June 30, 2001

	<u>2001</u>	<u>2000</u>
OPERATING REVENUES		
Regular School Lunch	\$ 1,781,838	\$ 1,535,107
Sandwich Line	1,739,939	1,608,801
Other Revenue	<u>65,795</u>	<u>74,514</u>
 TOTAL OPERATING REVENUES	 <u>3,587,572</u>	 <u>3,218,422</u>
 OPERATING EXPENSES		
Salaries	1,795,764	1,703,680
Benefits	414,596	384,362
Purchased Food	1,991,033	1,890,387
USDA Donated Commodities	165,480	164,155
Nonfood Supplies	111,319	103,164
Purchased Services	104,899	169,262
Depreciation	50,000	50,000
Other	<u>145,007</u>	<u>103,203</u>
 TOTAL OPERATING EXPENSES	 <u>4,778,098</u>	 <u>4,568,213</u>
 OPERATING INCOME (LOSS)	 <u>(1,190,526)</u>	 <u>(1,349,791)</u>
 NONOPERATING REVENUES		
USDA Donated Commodities	219,629	205,703
State Reimbursement	<u>985,702</u>	<u>971,234</u>
 TOTAL NONOPERATING REVENUES	 <u>1,205,331</u>	 <u>1,176,937</u>
 NET INCOME (LOSS)	 14,805	 (172,854)
 RETAINED EARNINGS, BEGINNING	 <u>311,573</u>	 <u>484,427</u>
 RETAINED EARNINGS, ENDING	 <u>\$ 326,378</u>	 <u>\$ 311,573</u>

See the accompanying Independent Auditors' Report.

BOULDER VALLEY SCHOOL DISTRICT RE-2

FOOD SERVICE ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
BUDGET AND ACTUAL
Year Ended June 30, 2001

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
OPERATING REVENUES			
Regular School Lunch	\$ 1,792,247	\$ 1,781,838	\$ (10,409)
Sandwich Line	1,769,956	1,739,939	(30,017)
Other Revenue	99,342	65,795	(33,547)
TOTAL OPERATING REVENUES	<u>3,661,545</u>	<u>3,587,572</u>	<u>(73,973)</u>
OPERATING EXPENSES			
Salaries	1,868,325	1,795,764	72,561
Benefits	433,041	414,596	18,445
Purchased Food	1,989,850	1,991,033	(1,183)
USDA Donated Commodities	195,090	165,480	29,610
Nonfood Supplies	110,784	111,319	(535)
Purchased Services	158,300	104,899	53,401
Depreciation	50,000	50,000	-
Other	177,460	145,007	32,453
Reserves	149,486	-	149,486
TOTAL OPERATING EXPENSES	<u>5,132,336</u>	<u>4,778,098</u>	<u>354,238</u>
OPERATING INCOME (LOSS)	<u>(1,470,791)</u>	<u>(1,190,526)</u>	<u>280,265</u>
NONOPERATING REVENUES			
USDA Donated Commodities	195,090	219,629	24,539
State Reimbursement	997,652	985,702	(11,950)
TOTAL NONOPERATING REVENUES	<u>1,192,742</u>	<u>1,205,331</u>	<u>12,589</u>
NET INCOME (LOSS)	<u>(278,049)</u>	<u>14,805</u>	<u>292,854</u>
RETAINED EARNINGS, BEGINNING	<u>311,573</u>	<u>311,573</u>	<u>-</u>
RETAINED EARNINGS, ENDING	<u>\$ 33,524</u>	<u>\$ 326,378</u>	<u>\$ 292,854</u>

See the accompanying Independent Auditors' Report.

BOULDER VALLEY SCHOOL DISTRICT RE-2

FOOD SERVICE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS

Increase (Decrease) in Cash
Year Ended June 30, 2001

	<u>2001</u>	<u>2000</u>
Cash Flows From Operating Activities		
Cash Received from Operations	\$ 3,762,032	\$ 3,351,075
Cash Paid to Employees	(2,208,069)	(1,797,191)
Cash Paid to Suppliers	<u>(2,472,119)</u>	<u>(2,724,223)</u>
Net Cash Provided (Used) by Operating Activities	<u>(918,156)</u>	<u>(1,170,339)</u>
Cash Flows From Noncapital Financing Activities		
Cash Received from National School Lunch Program	<u>985,702</u>	<u>971,234</u>
Cash Flows From Capital Financing Activities		
Purchase of Equipment	<u>(110,488)</u>	<u>(119,405)</u>
NET INCREASE (DECREASE) IN CASH	(42,942)	(318,510)
CASH, BEGINNING	<u>606,529</u>	<u>925,039</u>
CASH, ENDING	\$ <u><u>563,587</u></u>	\$ <u><u>606,529</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income (Loss)	\$ <u>(1,190,526)</u>	\$ <u>(1,349,791)</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities		
Depreciation	50,000	50,000
Donated Commodities	219,629	205,703
Changes in Assets and Liabilities Related to Operations		
Accounts Receivable	(2,729)	(66,947)
Inventory	47,117	29,873
Accounts Payable	(1,498)	(44,889)
Accrued Salaries and Benefits	2,291	11,815
Deferred Revenue	<u>(42,440)</u>	<u>(6,103)</u>
Total Adjustments	<u>272,370</u>	<u>179,452</u>
Net Cash Provided (Used) by Operating Activities	\$ <u><u>(918,156)</u></u>	\$ <u><u>(1,170,339)</u></u>

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



INTERNAL SERVICE FUND

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

The District has the following Internal Service Fund:

Insurance Reserve Fund

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

BOULDER VALLEY SCHOOL DISTRICT RE-2

INSURANCE RESERVE INTERNAL SERVICE FUND

COMPARATIVE BALANCE SHEETS

June 30, 2001

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and Investments	\$ 71,507	\$ 334,104
Accounts Receivable	14	653
Prepaid Assets	<u>754,236</u>	<u>828,005</u>
TOTAL ASSETS	\$ <u>825,757</u>	\$ <u>1,162,762</u>
LIABILITIES AND FUND EQUITY		
LIABILITIES		
Accounts Payable	\$ 22,482	\$ 51,811
Accrued Salaries and Benefits	<u>19,002</u>	<u>15,889</u>
TOTAL LIABILITIES	<u>41,484</u>	<u>67,700</u>
FUND EQUITY		
Retained Earnings		
Reserved for Emergencies	73,999	52,618
Unreserved	<u>710,274</u>	<u>1,042,444</u>
TOTAL FUND EQUITY	<u>784,273</u>	<u>1,095,062</u>
TOTAL LIABILITIES AND FUND EQUITY	\$ <u>825,757</u>	\$ <u>1,162,762</u>

See the accompanying Independent Auditors' Report.

BOULDER VALLEY SCHOOL DISTRICT RE-2

INSURANCE RESERVE INTERNAL SERVICE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
Year Ended June 30, 2001

	<u>2001</u>	<u>2000</u>
OPERATING REVENUES		
Premiums and Services	\$ 1,632,998	\$ 1,672,969
Other Revenue	<u>326,162</u>	<u>35,143</u>
 TOTAL OPERATING REVENUES	 <u>1,959,160</u>	 <u>1,708,112</u>
 OPERATING EXPENSES		
Salaries	706,138	636,190
Benefits	158,988	143,017
Other Expenses	259,000	297,326
Insurance Premiums and Claims	568,895	283,221
Workers Compensation Insurance	576,928	183,034
Capital Outlay	<u>-</u>	<u>3,378</u>
 TOTAL OPERATING EXPENSES	 <u>2,269,949</u>	 <u>1,546,166</u>
 NET INCOME (LOSS)	 (310,789)	 161,946
 RETAINED EARNINGS, BEGINNING	 <u>1,095,062</u>	 <u>933,116</u>
 RETAINED EARNINGS, ENDING	 <u>\$ 784,273</u>	 <u>\$ 1,095,062</u>

See the accompanying Independent Auditors' Report.

BOULDER VALLEY SCHOOL DISTRICT RE-2

INSURANCE RESERVE INTERNAL SERVICE FUND
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
BUDGET AND ACTUAL (BUDGET BASIS)
Year Ended June 30, 2001

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
OPERATING REVENUES			
Other Revenue	\$ 449,898	\$ 326,162	\$ (123,736)
OPERATING EXPENSES			
Salaries	814,252	706,138	108,114
Benefits	192,014	158,988	33,026
Other Expenses	368,857	259,000	109,857
Insurance Premiums and Claims	590,000	568,895	21,105
Workers Compensation Insurance	500,000	576,928	(76,928)
Capital Outlay	1,500	-	1,500
Emergency Reserve	73,999	-	73,999
TOTAL OPERATING EXPENSES	<u>2,540,622</u>	<u>2,269,949</u>	<u>270,673</u>
OPERATING INCOME (LOSS)	(2,090,724)	(1,943,787)	146,937
OPERATING TRANSFER IN			
General Fund	<u>1,632,998</u>	<u>1,632,998</u>	<u>-</u>
NET INCOME (LOSS)	(457,726)	(310,789)	146,937
RETAINED EARNINGS, BEGINNING	<u>1,277,782</u>	<u>1,095,062</u>	<u>(182,720)</u>
RETAINED EARNINGS, ENDING	<u>\$ 820,056</u>	<u>\$ 784,273</u>	<u>\$ (35,783)</u>

See the accompanying Independent Auditors' Report.

BOULDER VALLEY SCHOOL DISTRICT RE-2

INSURANCE RESERVE INTERNAL SERVICE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS

Increase (Decrease) in Cash
Year Ended June 30, 2001

	<u>2001</u>	<u>2000</u>
Cash Flows From Operating Activities		
Receipts from Premiums and Services	\$ 1,633,637	\$ 1,672,316
Other Operating Receipts	326,162	35,143
Cash Payments for Premiums and Claims	(1,072,054)	(283,536)
Cash Paid to Employees	(288,329)	(436,960)
Cash Paid to Suppliers	<u>(862,013)</u>	<u>(652,859)</u>
Net Cash Provided (Used) by Operating Activities	<u>(262,597)</u>	<u>334,104</u>
NET INCREASE (DECREASE) IN CASH	<u>(262,597)</u>	<u>334,104</u>
CASH, BEGINNING	<u>334,104</u>	<u>-</u>
CASH, ENDING	\$ <u><u>71,507</u></u>	\$ <u><u>334,104</u></u>
 RECONCILIATION OF NET INCOME (LOSS)		
TO NET CASH PROVIDED (USED) BY		
OPERATING ACTIVITIES		
Net Income (Loss)	\$ <u>(310,789)</u>	\$ <u>161,946</u>
Adjustments to Reconcile Net Income (Loss)		
to Net Cash Provided (Used) by Operating Activities		
Changes in Assets and Liabilities		
Accounts Receivable	639	(653)
Prepaid Asset	73,769	182,719
Accounts Payable	(29,329)	46,119
Accrued Vacation Payable	3,113	5,358
Due to Other Funds	<u>-</u>	<u>(61,385)</u>
Total Adjustments	<u>48,192</u>	<u>172,158</u>
Net Cash Provided (Used) by Operating Activities	\$ <u><u>(262,597)</u></u>	\$ <u><u>334,104</u></u>

See the accompanying Independent Auditors' Report.



TRUST AND AGENCY FUNDS

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

The District has the following trust and agency funds:

Expendable Trust Funds

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

Nonexpendable Trust Funds

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

Agency Fund

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

BOULDER VALLEY SCHOOL DISTRICT RE-2

TRUST AND AGENCY FUNDS
COMBINING BALANCE SHEET
June 30, 2001

	TRUST FUNDS		AGENCY FUND
	<u>EXPENDABLE</u>	<u>NONEXPENDABLE</u>	
ASSETS			
Cash and Investments	\$ 35,383	\$ 154,073	\$ 2,372,457
Accounts Receivable	-	-	243,791
TOTAL ASSETS	\$ 35,383	\$ 154,073	\$ 2,616,248
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ -	\$ -	\$ 39,359
Due to Student Groups	-	-	2,576,889
TOTAL LIABILITIES	-	-	2,616,248
FUND BALANCES			
Reserved for Endowment	-	154,073	-
Unreserved - Undesignated	35,383	-	-
TOTAL FUND BALANCES	35,383	154,073	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 35,383	\$ 154,073	\$ 2,616,248

See the accompanying Independent Auditors' Report.

TOTALS

<u>2001</u>	<u>2000</u>
\$ 2,561,913	\$ 2,428,717
243,791	-
<u>\$ 2,805,704</u>	<u>\$ 2,428,717</u>
\$ 39,359	\$ 70,842
2,576,889	2,170,782
<u>2,616,248</u>	<u>2,241,624</u>
154,073	145,814
35,383	41,279
<u>189,456</u>	<u>187,093</u>
<u>\$ 2,805,704</u>	<u>\$ 2,428,717</u>

BOULDER VALLEY SCHOOL DISTRICT RE-2

EXPENDABLE TRUST FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended June 30, 2001

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Local Sources			
Earnings on Investments	\$ -	\$ 2,073	\$ 2,073
Gifts and Donations	25,000	1,845	(23,155)
Total Revenues	25,000	3,918	(21,082)
EXPENDITURES			
Scholarships and Awards	20,000	9,814	10,186
EXCESS OF REVENUE OVER EXPENDITURES	5,000	(5,896)	(10,896)
FUND BALANCE, BEGINNING	41,278	41,279	1
FUND BALANCE, ENDING	\$ 46,278	\$ 35,383	\$ (10,895)

See the accompanying Independent Auditors' Report.

BOULDER VALLEY SCHOOL DISTRICT RE-2

EXPENDABLE TRUST FUND
STATEMENT OF REVENUES, EXPENDITURES
AND FUND BALANCE
 Year Ended June 30, 2001

	Fund Balance July 1, 2000	Revenue	Expenditures	Fund Balance June 30, 2001
Metcalf Scholarship	\$ 49	\$ 3	\$ 500	\$ (448)
Parmelee Grant Scholarship	3,348	977	506	3,819
Hoelscher Scholarship	1,720	91	50	1,761
TEC Scholarships	2,519	34	900	1,653
CASB Scholarship Hilty Award	608	32	-	640
Cameron Memorial Fund	56	3	-	59
Lens Scholarship	31	1	32	-
Jerry Buck Scholarship	2,913	158	100	2,971
Armijo Memorial Fund	469	559	750	278
Hamilton Scholarship Fund	11,001	685	500	11,186
Banman Memorial Scholarship	5,004	130	5,004	130
Armstrong Tech Theater Award	5,015	792	-	5,807
Urquidez Scholarship	1,514	81	-	1,595
CASB Scholarship Sandstead Award	1,538	82	-	1,620
Baldwin Memorial Scholarship	1,252	67	1,284	35
Taylor Memorial Scholarship	4,011	213	100	4,124
CASB Scholarship Young Award	145	8	-	153
Friends of Hult Scholarship	86	2	88	-
TOTALS	\$ 41,279	\$ 3,918	\$ 9,814	\$ 35,383

See the accompanying Independent Auditors' Report.

BOULDER VALLEY SCHOOL DISTRICT RE-2

NONEXPENDABLE TRUST FUND
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended June 30, 2001

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
OPERATING REVENUES			
Local Sources			
Earnings on Investments	\$ 25,000	\$ 7,801	\$ (17,199)
Gifts and Donations	-	8,000	8,000
	<u>25,000</u>	<u>15,801</u>	<u>(9,199)</u>
Total Operating Revenues			
OPERATING EXPENSES			
Purchased Services	<u>20,000</u>	<u>7,542</u>	<u>12,458</u>
NET INCOME (LOSS)	5,000	8,259	3,259
FUND BALANCE, BEGINNING	<u>145,814</u>	<u>145,814</u>	<u>-</u>
FUND BALANCE, ENDING	\$ <u><u>150,814</u></u>	\$ <u><u>154,073</u></u>	\$ <u><u>3,259</u></u>

See the accompanying Independent Auditors' Report.

BOULDER VALLEY SCHOOL DISTRICT RE-2

NONEXPENDABLE TRUST FUND
COMPARATIVE STATEMENTS OF CASH FLOWS

Increase (Decrease) in Cash
Year Ended June 30, 2001

	<u>2001</u>	<u>2000</u>
Cash Flows From Operating Activities		
Cash Received from Contributions	\$ 8,000	\$ -
Cash Paid to Suppliers for Services	<u>(7,542)</u>	<u>(3,800)</u>
Net Cash Provided (Used) by Operating Activities	<u>458</u>	<u>(3,800)</u>
Cash Flows From Investing Activities		
Interest Received	<u>7,801</u>	<u>6,841</u>
NET INCREASE (DECREASE) IN CASH	8,259	3,041
CASH, BEGINNING	<u>145,814</u>	<u>142,773</u>
CASH, ENDING	\$ <u><u>154,073</u></u>	\$ <u><u>145,814</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income (Loss)	\$ <u>8,259</u>	\$ <u>3,041</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities		
Interest Reported as Operating Income	<u>(7,801)</u>	<u>(6,841)</u>
Total Adjustments	<u>(7,801)</u>	<u>(6,841)</u>
Net Cash Provided (Used) by Operating Activities	\$ <u><u>458</u></u>	\$ <u><u>(3,800)</u></u>

See the accompanying Independent Auditors' Report.

BOULDER VALLEY SCHOOL DISTRICT RE-2

AGENCY FUNDSTATEMENT OF CHANGES IN ASSETS AND LIABILITIES

Year Ended June 30, 2001

	<u>Balance July 1, 2000</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2001</u>
ASSETS				
Cash and Investments	\$ 2,241,024	\$ 7,360,150	\$ 7,228,717	\$ 2,372,457
Accounts Receivable	<u>-</u>	<u>243,791</u>	<u>-</u>	<u>243,791</u>
TOTAL ASSETS	<u>\$ 2,241,024</u>	<u>\$ 7,603,941</u>	<u>\$ 7,228,717</u>	<u>\$ 2,616,248</u>
LIABILITIES				
Accounts Payable	\$ 70,242	\$ 39,359	\$ 70,242	\$ 39,359
Due to Student Groups	<u>2,170,782</u>	<u>7,564,582</u>	<u>7,158,475</u>	<u>2,576,889</u>
TOTAL LIABILITIES	<u>\$ 2,241,024</u>	<u>\$ 7,603,941</u>	<u>\$ 7,228,717</u>	<u>\$ 2,616,248</u>

See the accompanying Independent Auditors' Report.

BOULDER VALLEY SCHOOL DISTRICT RE-2

AGENCY FUND
STATEMENT OF ADDITIONS, DEDUCTIONS,
AND CHANGES IN AVAILABLE BALANCE
BUDGET AND ACTUAL
 Year Ended June 30, 2001

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
ADDITIONS	\$ 5,977,728	\$ 7,564,582	\$ 1,586,854
DEDUCTIONS	<u>5,511,583</u>	<u>7,158,475</u>	<u>(1,646,892)</u>
Excess of Additions Over Deductions	466,145	406,107	(60,038)
BALANCE AVAILABLE TO STUDENT GROUPS, BEGINNING	<u>1,727,985</u>	<u>2,170,782</u>	<u>442,797</u>
BALANCE AVAILABLE TO STUDENT GROUPS, ENDING	\$ <u><u>2,194,130</u></u>	\$ <u><u>2,576,889</u></u>	\$ <u><u>382,759</u></u>

See the accompanying Independent Auditors' Report.

BOULDER VALLEY SCHOOL DISTRICT RE-2

AGENCY FUND

SCHEDULE OF ADDITIONS, DEDUCTIONS AND BALANCE DUE TO STUDENT GROUPS

Year Ended June 30, 2001

	Available Balance July 1, 2000	Additions	Deductions	Available Balance June 30, 2001
Base Line Middle Student Activities	\$ 44,702	\$ 159,038	\$ 161,820	\$ 41,920
Boulder High Student Activities	226,725	786,609	827,767	185,567
Boulder Tec Student Activities	5,071	48,532	39,720	13,883
Broomfield Heights Student Activities	39,318	123,075	128,748	33,645
Broomfield High Student Activities	46,614	625,871	611,615	60,870
Burbank Middle Student Activities	31,166	65,059	72,594	23,631
Casey Middle Student Activities	47,595	108,687	111,017	45,265
Centaurus High Student Activities	159,249	574,345	534,044	199,550
Centennial Middle Student Activities	33,416	213,330	211,609	35,137
Fairview High Student Activities	349,071	1,159,660	1,094,347	414,384
Angevine Middle Student Activities	33,281	133,309	128,630	37,960
Nederland Middle/Sr. Student Activities	47,368	204,003	216,115	35,256
Louisville Middle Student Activities	77,199	172,981	153,947	96,233
Nevin Platt Middle Student Activities	57,763	138,217	164,275	31,705
Monarch K-8 Student Activities	59,494	268,062	285,069	42,487
Monarch High School Student Activities	102,070	856,706	792,643	166,133
Southern Hills Middle Student Activities	11,954	106,231	100,001	18,184
Mesa Elementary Student Activities	50,692	84,042	88,555	46,179
New Vista High School Student Activities	21,945	200,267	182,303	39,909
Arapahoe Ridge High School Student Activities	3,139	31,090	24,390	9,839
Aspen Creek K-8 Student Activities	-	51,919	36,443	15,476
Eldorado K-8 Student Activities	-	67,041	49,050	17,991
Boulder High School	(63)	54,216	41,197	12,956
Broomfield Heights Middle School	(665)	2,008	1,557	(214)
Broomfield High School	(4,483)	37,942	23,071	10,388
Centaurus High School	72	16,285	19,485	(3,128)
Casey Middle School	(1,519)	12,939	10,134	1,286
Centennial Middle School	1,189	13,327	14,315	201
Angevine Middle School	(447)	5,717	6,401	(1,131)
Fairview High School	4,064	758	1,063	3,759
Louisville Middle School	892	12,391	13,704	(421)
Southern Hills Middle School	(1)	-	(1)	-
Sojourner Charter School	10,092	10,296	18,849	1,539
Summit Charter School	18,403	13,561	24,897	7,067
New Vista High School	7,221	14,340	6,357	15,204
Bear Creek Elementary School	5,183	2,748	2,352	5,579
Boulder Community School of Integrated Studies	16,579	1,971	13,859	4,691
Birch Elementary School	820	12,879	13,100	599
Columbine Elementary School	3,157	24,417	15,681	11,893

See the accompanying Independent Auditor's Report.

	Available Balance July 1, 2000	Additions	Deductions	Available Balance June 30, 2001
	-	28,778	14,549	14,229
Crest View Elementary School	(3,163)	20,009	13,385	3,461
Nevin Platt Middle School	3,281	9,162	4,128	8,315
Douglass Elementary School	(5,952)	74,074	64,905	3,217
Sanchez Elementary School	13,942	11,984	10,151	15,775
Eisenhower Elementary School	6,349	27,891	13,166	21,074
Emerald Elementary School	11,475	26,809	26,991	11,293
Fireside Elementary School	10,525	38,731	35,852	13,404
Flatirons Elementary School	11,067	48,988	55,575	4,480
Foothill Elementary School	3,476	1,564	540	4,500
Heatherwood Elementary School	29,327	42,207	64,014	7,520
Jamestown Elementary School	300	-	-	300
Kohl Elementary School	9,801	39,643	23,889	25,555
Lafayette Elementary School	19,964	30,310	16,606	33,668
Ryan Elementary School	(113)	14,568	25,928	(11,473)
Louisville Elementary School	2,810	4,663	5,284	2,189
Coal Creek Elementary School	11,684	15,355	16,662	10,377
Arapahoe Ridge High School	5,433	5,876	9,319	1,990
Mapleton Elementary School	1,142	19,700	12,413	8,429
Creekside at Martin Park Elementary School	10,759	22,187	18,107	14,839
Mesa Elementary School	(4,358)	6,207	2,497	(648)
Nederland Elementary School	12,407	3,993	6,765	9,635
Pioneer Elementary School	2,079	298	954	1,423
Superior Elementary School	16,354	61,708	58,119	19,943
University Hill Elementary School	11,413	19,611	10,659	20,365
Washington Elementary School	8,114	10,284	11,797	6,601
Whittier Elementary School	14,466	22,078	19,587	16,957
Monarch K-8 School	873	2,000	1,750	1,123
Monarch High School	449	-	199	250
High Peaks Elementary School	5,382	-	267	5,115
Baseline Middle School	(7,566)	13,634	5,364	704
Community Montessori School	24,313	31,207	31,572	23,948
Horizons Charter School	(6,086)	15,297	27,299	(18,088)
Halcyon	596	887	1,336	147
Burbank Elementary School	(57)	-	(57)	-
Eldorado K-8 School	662	11,838	2,297	10,203
Peak to Peak Charter School	(240)	9,500	9,141	119
Other Departments	441,548	459,672	296,742	604,478
TOTALS	\$ 2,170,782	\$ 7,564,582	\$ 7,158,475	\$ 2,576,889



GENERAL FIXED ASSETS ACCOUNT GROUP

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

BOULDER VALLEY SCHOOL DISTRICT RE-2

COMPARATIVE SCHEDULES OF GENERAL FIXED ASSETS BY SOURCE

June 30, 2001

	<u>2001</u>	<u>2000</u>
Land	\$ 4,559,168	\$ 4,559,168
Buildings	196,845,647	195,596,507
Equipment	38,881,336	34,887,559
Construction in Progress	<u>74,415,029</u>	<u>54,579,836</u>
TOTAL GENERAL FIXED ASSETS	\$ <u>314,701,180</u>	\$ <u>289,623,070</u>
INVESTMENT IN GENERAL FIXED ASSETS	\$ <u>314,701,180</u>	\$ <u>289,623,070</u>

See the accompanying Independent Auditor's Report.

BOULDER VALLEY SCHOOL DISTRICT RE-2

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

June 30, 2001

	Land	Buildings	Equipment	Construction in Progress	Total
Elementary Schools					
Bear Creek	\$ 80,000	\$ 1,103,302	\$ 324,395	\$ 100,425	\$ 1,608,122
Birch	9,172	725,244	357,550	640,897	1,732,863
Columbine	20,000	1,099,841	314,986	162,573	1,597,400
Crestview	38,616	2,246,626	436,006	305,179	3,026,427
Douglas	12,500	482,520	416,084	1,586,546	2,497,650
Sanchez	285,586	3,004,735	302,479	9,669	3,602,469
Eisenhower	45,000	2,024,047	499,358	709,662	3,278,067
Emerald	7,250	1,067,489	419,773	284,949	1,779,461
Flatirons	7,795	1,540,847	331,901	21,554	1,902,097
Foothill	12,565	2,225,709	426,000	12,601	2,676,875
Gold Hill	36	120,417	54,750	8,909	184,112
Heatherwood	21,375	1,532,536	355,344	657,766	2,567,021
Jamestown	252	211,267	35,097	18,242	264,858
Kohl	9,383	1,252,557	362,047	523,458	2,147,445
Lafayette	29,780	758,566	313,523	1,692,168	2,794,037
Ryan	-	3,521,658	488,671	6,683	4,017,012
Fireside	80,000	4,819,497	279,517	14,365	5,193,379
Louisville	25,000	521,812	545,147	2,112,837	3,204,796
Coal Creek	5,000	2,875,169	518,787	97,746	3,496,702
B.C.S.I.S	-	-	54,989	-	54,989
Mapleton	49	935,076	151,323	493,967	1,580,415
Creekside at Martin Park	26,724	614,914	364,042	713,232	1,718,912
Mesa	40,000	939,508	331,760	259,324	1,570,592
Nederland	-	5,724,592	297,229	-	6,021,821
Pioneer	2,286	3,760,183	328,710	-	4,091,179
Superior	-	6,809,449	632,213	-	7,441,662
University Hill	376	953,941	244,696	1,307,848	2,506,861
High Peaks	60,815	815,285	215,983	288,415	1,380,498
Community Montessori	-	53,934	105,537	191,495	350,966
Washington	186	806,835	170,808	497,486	1,475,315
Whittier	48	1,052,604	228,281	323,723	1,604,656
Total Elementary Schools	819,794	53,600,160	9,906,986	13,041,719	77,368,659
Middle Schools					
Baseline	144,445	2,308,001	414,053	-	2,866,499
Broomfield Heights	71,376	5,862,268	663,222	277,378	6,874,244
Burbank	80,000	1,694,767	392,327	194,667	2,361,761
Casey	1,374	2,006,741	354,564	601,491	2,964,170
Centennial	60,000	6,531,805	528,317	-	7,120,122
Angevine	425,000	9,214,771	478,256	-	10,118,027
Louisville	4,524	5,325,210	690,028	837,204	6,856,966
Platt	59,377	1,230,388	523,351	225,927	2,039,043
Southern Hills	40,000	937,288	513,080	715,131	2,205,499
Total Middle Schools	886,096	35,111,239	4,557,198	2,851,798	43,406,331
High Schools					
Arapahoe Ridge	-	-	301,730	1,479,223	1,780,953
Boulder	514,357	12,529,646	1,078,427	1,076,115	15,198,545
Broomfield	33,334	10,244,121	892,470	1,747,055	12,916,980
Centaurus	38,000	10,902,359	1,014,754	1,449,547	13,404,660
Fairview	188,000	13,085,438	1,277,809	1,865,334	16,416,581
New Vista	-	235,816	229,628	-	465,444
Monarch	1,292,416	29,795,025	1,478,737	4,683	32,570,861
Total High Schools	2,066,107	76,792,405	6,273,555	7,621,957	92,754,024
Other Facilities/Combination Schools					
Boulder Technical Ed Center	25,000	4,550,570	975,539	401,819	5,952,928
Monarch K-8	323,104	13,979,432	690,191	2,929	14,995,656
Nederland Middle/Senior High	25,000	7,553,524	549,497	-	8,128,021
Aspen Creek	-	-	514,879	14,554,098	15,068,977
Eldorado	-	-	278,872	14,861,233	15,140,105
Halcyon	7,500	103,906	45,715	30,076	187,197
Charter Schools	-	709,640	428,839	24,731	1,163,210
Other Facilities	406,567	4,444,771	14,660,065	21,024,669	40,536,072
Total Other Facilities	787,171	31,341,843	18,143,597	50,899,555	101,172,166
TOTAL GENERAL FIXED ASSETS	\$ 4,559,168	\$ 196,845,647	\$ 38,881,336	\$ 74,415,029	\$ 314,701,180

See the accompanying Independent Auditor's Report.

BOULDER VALLEY SCHOOL DISTRICT RE-2

SCHEDULE OF CHANGES IN FIXED ASSETS
BY ORGANIZATIONAL RESPONSIBILITY
 Year Ended June 30, 2001

	Balance July 1, 2000	Additions	Deductions	Balance June 30, 2001
Elementary Schools				
Aurora 7	\$ 1,176,120	\$ -	1,176,120	\$ -
Bear Creek	1,445,928	162,194	-	1,608,122
Birch	1,224,200	509,518	855	1,732,863
Columbine	1,463,323	134,502	425	1,597,400
Crestview	2,490,044	536,383	-	3,026,427
Douglas	1,925,760	571,890	-	2,497,650
Sanchez	3,476,676	125,793	-	3,602,469
Eisenhower	2,682,369	595,798	100	3,278,067
Emerald	1,459,285	320,176	-	1,779,461
Flatirons	1,712,223	194,106	4,232	1,902,097
Foothill	2,507,889	170,686	1,700	2,676,875
Gold Hill	162,005	22,107	-	184,112
Heatherwood	2,192,081	375,640	700	2,567,021
Jamestown	261,459	10,199	6,800	264,858
Kohl	1,607,804	539,641	-	2,147,445
Lafayette	2,097,229	696,808	-	2,794,037
Ryan	3,814,901	202,111	-	4,017,012
Fireside	5,183,945	42,441	33,007	5,193,379
Louisville	2,296,017	908,779	-	3,204,796
Coal Creek	3,189,760	306,942	-	3,496,702
Majestic Heights	665,170	-	665,170	-
B.C.S.I.S	-	54,989	-	54,989
Mapleton	1,226,237	355,256	1,078	1,580,415
Martin Park	1,121,372	-	1,121,372	-
Creekside at Martin Park	-	1,719,812	900	1,718,912
Mesa	1,446,555	125,227	1,190	1,570,592
Nederland	5,933,492	98,079	9,750	6,021,821
Pioneer	3,989,240	244,042	142,103	4,091,179
Superior	6,982,814	458,848	-	7,441,662
University Hill	1,889,163	617,698	-	2,506,861
High Peaks	77,532	1,308,566	5,600	1,380,498
Community Montessori	133,200	217,766	-	350,966
Washington	1,392,250	83,065	-	1,475,315
Whittier	1,431,510	173,146	-	1,604,656
Total Elementary Schools	<u>68,657,553</u>	<u>11,882,208</u>	<u>3,171,102</u>	<u>77,368,659</u>
Middle Schools				
Baseline	2,607,793	863,503	604,797	2,866,499
Broomfield Heights	6,757,243	138,144	21,142	6,874,245
Burbank	2,273,138	89,166	543	2,361,761
Casey	2,809,990	166,480	12,300	2,964,170
Centennial	7,104,755	28,327	12,960	7,120,122
Angevine	10,110,417	36,501	28,891	10,118,027
Louisville	6,633,284	345,251	121,569	6,856,966
Platt	1,961,104	87,211	9,273	2,039,042
Southern Hills	1,727,803	478,964	1,268	2,205,499
Total Middle Schools	<u>41,985,527</u>	<u>2,233,547</u>	<u>812,743</u>	<u>43,406,331</u>
High Schools				
Arapahoe Ridge	901,797	881,456	2,300	1,780,953
Boulder	13,920,705	1,334,410	56,570	15,198,545
Broomfield	11,261,164	1,769,020	113,204	12,916,980
Centaurus	12,962,164	448,546	6,050	13,404,660
Fairview	14,570,707	1,976,581	130,707	16,416,581
New Vista	455,700	105,548	95,804	465,444
Monarch	32,564,230	12,285	5,654	32,570,861
Total High Schools	<u>86,636,467</u>	<u>6,527,846</u>	<u>410,289</u>	<u>92,754,024</u>
Other Facilities/Combination Schools				
Boulder Technical Ed Center	6,858,444	95,396	1,000,912	5,952,928
Monarch K-8	14,989,864	8,904	3,112	14,995,656
Nederland Middle/Senior High	8,092,664	54,958	19,601	8,128,021
Aspen Creek	12,096,722	2,972,255	-	15,068,977
Eldorado	12,376,887	2,764,328	1,110	15,140,105
Halcyon	169,911	17,286	-	187,197
Charter Schools	585,340	738,367	160,497	1,163,210
Other Facilities	37,173,691	3,709,970	347,589	40,536,072
Total Other Facilities	<u>92,343,523</u>	<u>10,361,464</u>	<u>1,532,821</u>	<u>101,172,166</u>
TOTAL GENERAL FIXED ASSETS	<u>\$ 289,623,070</u>	<u>\$ 31,005,065</u>	<u>\$ 5,926,955</u>	<u>\$ 314,701,180</u>

See the accompanying Independent Auditor's Report.

LONG-TERM DEBT ACCOUNT GROUP

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

BOULDER VALLEY SCHOOL DISTRICT RE-2

COMPARATIVE STATEMENTS OF GENERAL LONG-TERM DEBT

June 30, 2001

	<u>2001</u>	<u>2000</u>
AMOUNTS AVAILABLE AND TO BE PROVIDED FOR THE PAYMENT OF GENERAL LONG-TERM DEBT		
Amount Available in the Debt Service Fund	\$ 14,952,229	\$ 14,172,985
Amount to be Provided for General Obligation Bonds	150,117,771	156,232,015
Amount to be Provided for Capital Lease Obligations	271,922	404,185
Amount to be Provided for Certificates of Participation	7,115,000	7,925,000
Amount to be Provided for Compensated Absences	1,248,933	1,019,256
Amount to be Provided for Early Retirement	-	8,356
TOTALS	<u>\$ 173,705,855</u>	<u>\$ 179,761,797</u>
GENERAL LONG-TERM DEBT PAYABLE		
General Obligation Bonds		
1999	\$ 61,835,000	\$ 62,355,000
Refunding - 1997A	68,295,000	68,320,000
Refunding - 1992A	26,850,000	29,375,000
1994A	8,090,000	8,090,000
1994B	-	2,265,000
	<u>165,070,000</u>	<u>170,405,000</u>
Capital Leases		
School Copiers	-	6,454
Computer Software	271,922	397,731
	<u>271,922</u>	<u>404,185</u>
Certificates of Participation	<u>7,115,000</u>	<u>7,925,000</u>
Compensated Absences	<u>1,248,933</u>	<u>1,019,256</u>
Early Retirement	<u>-</u>	<u>8,356</u>
TOTALS	<u>\$ 173,705,855</u>	<u>\$ 179,761,797</u>

See the accompanying Independent Auditor's Report.



STATE COMPLIANCE

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

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

**INDEPENDENT AUDITORS' REPORT ON ELECTRONIC FINANCIAL
DATA INTEGRITY CHECK FIGURES**

We have audited the general purpose financial statements of the Boulder Valley School District RE-2, as of and for the year ended June 30, 2001, and have issued our report thereon dated October 3, 2001. These general purpose financial statements are the responsibility of the Boulder Valley School District RE-2 management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

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

Swanhouse, Dragon & Cutler LLC

October 3, 2001

10/30/2001
VALLEY RE 2
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Colorado Department of Education

BOULDER BOULDER

Fiscal Year 2000-2001

District

Auditor's Electronic Financial Data Integrity Check Figures
Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beginning Fund Balance +	Total Revenues & Other Sources -	Total Expenditures & Other Uses -	Ending Fund Balance
Governmental				
10 General Fund	5,846,733	161,332,660	162,494,333	4,685,060
20 Special Revenue Fund	37,205	164,621	148,102	53,724
21 Capital Reserve Spec Revenue Fund	0	0	0	0
22 Govt Designated-Purpose Grants Fund	-31,918	6,760,667	6,729,323	-574
23 Pupil Activity Special Revenue Fund	0	0	0	0
24 Insurance Reserve Spec Revenue Fund	0	0	0	0
25 Transportation Fund	0	0	0	0
30 Debt Service Fund	0	0	0	0
31 Bond Redemption Fund	14,172,985	14,715,494	13,936,250	14,952,229
41 Building Fund	30,497,529	1,268,095	25,065,544	6,700,080
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	1,285,248	4,704,825	4,320,032	1,670,041
TOTALS	51,807,782	188,946,362	212,693,584	28,060,560
Proprietary				
51 Food Service Fund	1,145,990	4,792,903	4,778,098	1,160,795
50 Other Enterprise Funds	0	0	0	0
64 Risk-Related Activity Fund	1,095,062	1,959,160	2,269,948	784,273
60,65-69 Other Internal Service Funds	0	0	0	0
TOTALS	2,241,052	6,752,062	7,048,046	1,945,068
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
71 Expendable Trust Fund	41,279	3,918	9,814	35,383
72 Non-Expendable Trust Fund	145,814	15,801	7,542	154,073
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	2,170,782	7,564,582	7,158,474	2,576,890
TOTALS	2,357,875	7,584,301	7,175,830	2,766,346





BOULDER VALLEY SCHOOL DISTRICT RE-2

GENERAL FUND EXPENDITURES BY OBJECT

Last Ten Years

(Unaudited)

	<u>Actual 1992 (b)</u>	<u>Actual 1992/93</u>	<u>Actual 1993/94</u>	<u>Actual 1994/95</u>
Salaries	\$ 39,481,843	\$ 77,677,522	\$ 82,011,642	\$ 82,682,838
Percent Change From Prior Year	(42.52)	96.74	5.58	0.82
Employee Benefits	7,100,607	14,195,940	15,061,303	15,847,341
Percent Change From Prior Year	(45.16)	99.93	6.10	5.22
Purchased Services	3,739,613	7,829,225	7,870,194	7,773,026
Percent Change From Prior Year	(45.43)	109.36	0.52	(1.23)
Supplies and Materials	2,156,997	3,746,061	3,781,714	5,206,476
Percent Change From Prior Year	(31.85)	73.67	0.95	37.67
Capital Outlay	614,465	500,052	610,205	261,044
Percent Change From Prior Year	(37.07)	(18.62)	22.00	(57.22)
Other	1,119,007	193,236	827,920	466,230
Percent Change From Prior Year	51.14	(82.73)	328.50	(43.69)
Pre-PERA Retirement	20,733	32,724	33,480	21,962
Percent Change From Prior Year	(49.69)	57.84	2.31	(34.40)
County Fees for Tax Collection	337,773	351,984	389,888	400,367
Percent Change From Prior Year	13.69	4.21	9.92	2.69
Retirement Payoffs	659,992	711,587	749,010	686,798
Percent Change From Prior Year	(64.84)	7.81	5.26	(8.31)
TOTAL GENERAL FUND EXPENDITURES	<u>\$ 55,231,030</u>	<u>\$ 105,238,331</u>	<u>\$ 111,335,356</u>	<u>\$ 113,346,082</u>
PERCENT CHANGE FROM PRIOR YEAR	<u>6.49</u>	<u>(42.22)</u>	<u>90.54</u>	<u>5.79</u>

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

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

Source: Boulder Valley School District RE-2 Audited Financial Statements 1992-2000/01.

TABLE I

<u>Actual 1995/96</u>	<u>Actual 1996/97 (a)</u>	<u>Actual 1997/98</u>	<u>Actual 1998/99</u>	<u>Actual 1999/00</u>	<u>Actual 2000/01</u>
\$ 81,531,594 (1.39)	\$ 91,353,222 12.05	\$ 97,385,100 6.60	\$ 104,732,608 7.54	\$ 114,512,943 9.34	\$ 119,789,541 4.61
14,702,980 (7.22)	16,030,722 9.03	16,642,275 3.81	17,843,964 7.22	20,286,097 13.69	21,410,503 5.54
11,695,375 50.46	11,057,256 (5.46)	7,187,545 (35.00)	8,955,449 24.60	7,468,825 (16.60)	7,568,103 1.33
2,660,743 (48.90)	4,817,209 81.05	7,277,785 51.08	8,054,703 10.68	9,209,969 14.34	9,846,458 6.91
362,504 38.87	496,083 36.85	435,089 (12.30)	628,495 44.45	1,432,177 127.87	1,452,045 1.39
376,343 (19.28)	1,579,599 319.72	802,476 (49.20)	1,244,665 55.10	3,177,706 155.31	2,754,619 (13.31)
11,436 (47.93)	12,238 7.01	13,000 6.23	3,281 (74.76)	- (100.00)	- -
420,420 5.01	432,080 2.77	466,996 8.08	525,629 12.56	276,694 (47.36)	281,337 1.68
762,836 11.70	406,504 (46.71)	849,607 109.00	764,660 (10.00)	914,668 19.62	1,024,725 12.03
<u>\$ 112,524,231</u>	<u>\$ 126,184,913</u>	<u>\$ 131,059,873</u>	<u>\$ 142,753,454</u>	<u>\$ 157,279,079</u>	<u>\$ 164,127,331</u>
<u>1.81</u>	<u>12.14</u>	<u>3.86</u>	<u>8.92</u>	<u>10.18</u>	<u>4.35</u>

BOULDER VALLEY SCHOOL DISTRICT RE-2

GENERAL FUND REVENUE BY SOURCE

Last Ten Years

(Unaudited)

	<u>Actual 1992 (b)</u>	<u>Actual 1992/93</u>	<u>Actual 1993/94</u>	<u>Actual 1994/95</u>
Local Revenue				
Current Property Taxes	\$ 52,634,323	\$ 87,296,892	\$ 77,855,009	\$ 80,001,057
Specific Ownership Taxes	2,414,369	5,278,523	5,893,608	6,363,965
Delinquent Taxes and Penalties	917,185	567,366	280,631	201,426
Tuition	160,044	197,737	268,831	226,105
Interest Income	326,079	735,668	378,071	282,185
Miscellaneous	230,183	439,141	2,266,256	504,741
Total Local Revenue	<u>56,682,183</u>	<u>94,515,327</u>	<u>86,942,406</u>	<u>87,579,479</u>
State Revenue				
State Equalization	-	11,659,745	21,402,261	21,714,750
Special Education	1,193,819	1,920,349	2,229,552	2,714,409
Transportation	-	1,482,458	1,457,390	1,544,589
Vocational Education	383,388	639,560	867,108	843,431
Miscellaneous	894,470	1,811,773	751,572	196,045
Total State Revenue	<u>2,471,677</u>	<u>17,513,885</u>	<u>26,707,883</u>	<u>27,013,224</u>
Federal Revenue	<u>36,655</u>	<u>93,538</u>	<u>107,194</u>	<u>28,149</u>
TOTAL GENERAL FUND REVENUE	<u>\$ 59,190,515</u>	<u>\$ 112,122,750</u>	<u>\$ 113,757,483</u>	<u>\$ 114,620,852</u>
PERCENT CHANGE FROM PRIOR YEAR	<u>(38.35)</u>	<u>89.43</u>	<u>1.46</u>	<u>0.76</u>

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

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

Source: Boulder Valley School District RE-2 Audited Financial Statements 1992-2000/01.

TABLE II

<u>Actual 1995/96</u>	<u>Actual 1996/97 (a)</u>	<u>Actual 1997/98</u>	<u>Actual 1998/99</u>	<u>Actual 1999/00</u>	<u>Actual 2000/01</u>
\$ 83,979,637	\$ 85,885,284	\$ 92,650,365	\$ 105,206,316	\$ 108,575,064	\$ 111,867,694
6,776,864	7,205,038	7,746,082	9,961,118	11,324,836	11,936,063
167,769	117,529	194,816	93,653	322,645	837,968
191,701	2,499,455	3,304,518	3,408,518	3,191,887	3,110,424
478,482	421,706	418,924	499,766	507,953	802,566
1,923,444	2,157,342	1,149,519	3,780,598	1,310,833	2,013,252
<u>93,517,897</u>	<u>98,286,354</u>	<u>105,464,224</u>	<u>122,949,969</u>	<u>125,233,218</u>	<u>130,567,967</u>
21,199,877	23,664,149	24,506,373	27,821,878	29,110,241	31,174,893
2,772,541	2,771,485	2,939,892	2,956,640	3,005,528	3,076,734
1,613,185	1,562,182	1,448,265	1,353,305	1,534,018	1,605,018
805,146	782,306	927,638	697,546	729,487	997,821
149,950	251,213	330,697	340,482	149,359	127,057
<u>26,540,699</u>	<u>29,031,335</u>	<u>30,152,865</u>	<u>33,169,851</u>	<u>34,528,633</u>	<u>36,981,523</u>
<u>24,273</u>	<u>-</u>	<u>6,075</u>	<u>17,086</u>	<u>-</u>	<u>-</u>
\$ <u>120,082,869</u>	\$ <u>127,317,689</u>	\$ <u>135,623,164</u>	\$ <u>156,136,906</u>	\$ <u>159,761,851</u>	\$ <u>167,549,490</u>
<u>4.74</u>	<u>3.66</u>	<u>6.52</u>	<u>15.13</u>	<u>2.32</u>	<u>4.87</u>

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

Last Ten Years

(Unaudited)

Levy Year	Collection Year	Total Tax Levied	Total Current Tax Collections	Total Current Tax Collections as a Percentage of Total Tax Levied	Delinquent Tax Collections	Delinquent Tax Collections as a Percentage of Total Tax Levied
1990	1991	\$ 68,025,686	\$ 67,104,659	98.65	\$ 226,058	0.33
1991	1992	79,106,167	78,262,678	98.43	370,322	0.47
1992	1993	84,498,380	84,264,160	99.72	419,277	0.50
1993	1994	86,388,187	86,049,635	99.60	225,966	0.26
1994	1995	91,670,259	92,168,033	99.45	187,108	0.20
1995	1996	95,233,893	94,791,270	99.54	171,986	0.18
1996	1997	101,016,769	100,124,058	99.12	194,816	0.19
1997	1998	106,247,007	103,162,683	97.10	93,653	0.09
1998	1999	120,618,953	119,967,464	99.46	142,920	0.12
1999	2000	123,278,175	123,084,710	99.84	356,068	0.29

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

BOULDER VALLEY SCHOOL DISTRICT RE-2

ASSESSED AND ESTIMATED ACTUAL VALUE
OF TAXABLE PROPERTY

Last Ten Years

(Unaudited)

Levy Year	Property Values			
	Amount Assessed in Boulder County	Amount Assessed in Gilpin County	Total Assessed Valuation Amount	Estimated Actual Value
1991	\$ 1,564,200,680	\$ 14,725,410	\$ 1,578,926,090	\$ 8,363,249,332
1992	1,622,634,150	14,772,700	1,637,406,850	866,111,292
1993	1,749,967,840	15,939,500	1,765,907,340	10,110,335,788
1994	1,804,103,330	16,593,400	1,820,696,730	10,491,766,469
1995	2,070,225,420	16,406,770	2,086,632,190	13,416,773,470
1996	2,143,943,580	17,166,510	2,161,110,090	14,815,570,254
1997	2,281,778,250	19,381,190	2,301,159,440	15,207,498,800
1998	2,375,324,790	19,999,560	2,395,324,350	15,879,878,955
1999	2,776,736,100	25,040,610	2,801,776,710	18,407,178,810
2000	2,937,953,310	25,582,000	2,963,535,310	20,616,439,773

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

BOULDER VALLEY SCHOOL DISTRICT RE-2

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

Last Ten Years

(Unaudited)

	<u>June 1992</u>	<u>June 1993</u>	<u>June 1994</u>	<u>June 1995</u>
Gross Bonded Debt	\$ 54,390,000	\$ 50,600,000	\$ 44,375,000	\$ 128,960,000
Debt Service Moneys Available	8,997,541	7,651,345	7,738,553	10,150,420
Net Bonded Debt Outstanding	45,392,459	42,602,163	36,398,062	118,809,580
District's Estimated Population	167,272	170,758	Not available	Not available
Boulder County Per Capita Income	22,169	23,567	Not available	Not available
District's Total Assessed Valuation*	1,578,926,090	1,637,406,850	1,765,907,340	1,820,696,730
Net Bonded Debt Per Capita	271.37	249.49	Not available	Not available
Net Bonded Debt as a Percent of Assessed Valuation	2.86	2.54	2.06	6.53
Total Per Capital Income as a Percent of Net Bonded Debt	0.04	0.06	Not available	Not available

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

Source: Boulder Valley District RE-2 Audited Financial Statements 1992 to 2000/01.

TABLE V

	<u>June 1996</u>	<u>June 1997</u>	<u>June 1998</u>	<u>June 1999</u>	<u>June 2000</u>	<u>June 2001</u>
\$	124,795,000	\$ 119,515,000	\$ 119,015,000	\$ 176,270,000	\$ 170,405,000	\$ 165,070,000
	10,223,940	12,464,494	13,211,548	14,467,115	14,172,985	14,952,229
	114,571,060	107,050,506	105,803,452	161,802,885	156,232,015	150,117,771
	Not available	Not available	Not available	Not available	Not available	189,000
	Not available	Not available	Not available	Not available	Not available	37,523
	2,086,632,190	2,161,110,090	2,301,159,440	2,395,324,350	2,801,776,710	2,963,535,310
	Not available	Not available	Not available	Not available	Not available	794.27
	5.49	4.95	4.60	6.75	5.58	5.07
	Not available	Not available	Not available	Not available	Not available	0.02

BOULDER VALLEY SCHOOL DISTRICT RE-2

COMPUTATION OF LEGAL DEBT MARGIN

(Unaudited)

2000 Taxable Assessed Valuation	\$ 2,963,535,310
Debt Limit Percentage (1)	<u>20%</u>
Legal Debt Limit	592,707,062
Amount of Debt Applicable to Debt Limit - Total Bonded Debt as of June 30, 2001	<u>165,070,000</u>
LEGAL DEBT MARGIN	\$ <u>427,637,062</u>

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

Source: Boulder Valley District RE-2 Audited Financial Statements 2000/01.

BOULDER VALLEY SCHOOL DISTRICT RE-2

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

Last Ten Years

(Unaudited)

Fiscal Year	Principal	Interest and Other Expenditures	Total Debt Service	Total General Fund Expenditures (b)	Ratio of Debt Service to Total General Fund Expenditures
1992	\$ 42,920,000 (a)	\$ 1,069,682	\$ 43,989,682	\$ 55,231,030	79.65
1992/93	6,715,000	3,726,930	10,441,930	105,238,331	9.45
1993/94	6,225,000	2,979,356	9,204,356	111,335,356	8.27
1994/95	4,415,000	5,754,887	10,169,887	113,346,082	8.97
1995/96	4,165,000	7,589,905	11,754,905	112,524,231	10.46
1996/97	5,280,000	7,310,668	12,590,668	126,184,193	9.98
1997/98	69,310,000 (a)	11,206,571	80,516,571	131,059,823	61.43
1998/99	6,400,000	7,065,854	13,465,854	142,753,454	9.43
1999/00	5,865,000	8,886,603	14,751,603	157,279,079	9.38
2000/01	5,335,000	8,601,250	13,936,250	164,127,331	8.49

(a) Refunding of debt occurred.

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

Source: Boulder Valley District RE-2 Audited Financial Statements 1992 to 2000/01.

BOULDER VALLEY SCHOOL DISTRICT RE-2

DISTRICT MILL LEVY HISTORY

Last Ten Years

(Unaudited)

Levy Year Collection Year	1991 1992	1992 1993	1993 1994	1994 1995	1995 1996	1996 1997	1997 1998	1998 1999	1999 2000	2000 2001
General Fund	45.101	46.605	44.149	44.049	40.640	40.437	40.525	44.356	38.978	38.191
Bond Redemption Fund	5.000	5.000	4.771	6.300	5.000	6.306	4.819	6.000	5.022	4.699
TOTAL LEVY	<u>50.101</u>	<u>51.605</u>	<u>48.920</u>	<u>50.349</u>	<u>45.640</u>	<u>46.743</u>	<u>45.344</u>	<u>50.356</u>	<u>44.000</u>	<u>42.890</u>

Source: Boulder and Gilpin Counties Abstracts of Assessment and Summary of Tax Levies, 1991-2000

BOULDER VALLEY SCHOOL DISTRICT RE-2

PROPERTY TAX RATES (MILLS)*
DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Years

(Unaudited)

	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
Boulder Valley School District RE-2	50.101	51.605	48.920	50.349	45.640	46.743	46.743	45.344	44.000	42.890
Boulder County	22.245	22.245	22.245	22.245	22.245	21.447	21.143	21.762	19.382	19.835
City of Boulder	9.981	9.981	9.981	9.981	9.981	9.981	11.428	11.438	10.502	10.908
Northern Colorado Water Conservancy District	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Urban Drainage and Flood Control District	<u>0.696</u>	<u>0.696</u>	<u>0.696</u>	<u>0.696</u>	<u>0.696</u>	<u>0.696</u>	<u>0.668</u>	<u>0.676</u>	<u>0.583</u>	<u>0.594</u>
TOTAL	<u><u>84.023</u></u>	<u><u>85.527</u></u>	<u><u>82.842</u></u>	<u><u>84.271</u></u>	<u><u>79.562</u></u>	<u><u>79.867</u></u>	<u><u>80.982</u></u>	<u><u>80.220</u></u>	<u><u>75.467</u></u>	<u><u>75.227</u></u>

* Does not include all Special Districts.

Source: Boulder County Abstract of Assessment and Summary of Tax Levies, 1991-2000.

BOULDER VALLEY SCHOOL DISTRICT RE-2

COMPUTATION OF OVERLAPPING BONDED
GENERAL OBLIGATION DEBT

June 30, 2001

(Unaudited)

	Gross Outstanding General Obligation Debt (1)	Net Outstanding General Obligation Debt (1)	Net Outstanding General Obligation Debt Chargeable to Properties Within the District	
			Percent	Amount
Baseline Water District	\$ 9,371	\$ 1,178	100.00 %	\$ 1,178
Boulder Central General Improvement District	20,868,000	-	100.00	-
Boulder Rural Fire Protection District	-	-	100.00	-
Brownsville Water & Sanitation District	-	-	34.90	-
Cherryvale Fire Protection District	83,560	83,560	100.00	83,560
City of Boulder	84,045,000	82,695,000	74.80	61,855,860
City of Broomfield	22,388,786 (2)	5,695,000	100.00	5,695,000
City of Lafayette	22,480,833	15,555,833	100.00	15,555,833
City of Louisville	2,925,000	2,925,000	100.00	2,925,000
Coal Creek Canyon Fire Protection District	-	-	10.80	-
Colorado Tech Center Metropolitan District	5,993,916	5,993,916	87.20	5,226,695
Four Mile Canyon Fire District	30,274	30,274	100.00	30,274
Gilpin County Library District	-	-	100.00	-
Gold Hill Fire Protection District	-	-	100.00	-
Gunbarrel Improvement District	1,885,000	1,885,000	100.00	1,885,000
High Country Fire Protection District	-	-	88.80	-
Interlocken Consolidated Metropolitan District	72,215,869	72,215,869	100.00	72,215,869
Louisville Fire Protection District	-	-	100.00	-
Mountain View Fire Protection District	1,685,000	1,685,000	6.50	109,525
Northern Colorado Water Conservancy District	1,125,775 (3)	-	100.00	-
Pine Brook Water District	785,000	-	42.20	-
Pine Brook Hills Fire District	-	-	100.00	-
Superior Metropolitan District No. 1	-	-	100.00	-
Superior Metropolitan District No. 2	8,825,000	8,825,000	100.00	8,825,000
Superior Metropolitan District No. 3	6,500,000	6,500,000	100.00	6,500,000
Town of Nederland	142,699	139,033	100.00	139,033
University Hills General Improvement District	-	-	100.00	-
West Adams County Fire District No. 1	655,000	655,000	42.70	279,685
Total				\$ 181,327,512

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

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

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

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

BOULDER VALLEY SCHOOL DISTRICT RE-2

BOULDER COUNTY POPULATION ESTIMATES

(Unaudited)

	1960	1970	1980	1990	2000	Percent Increase (Decrease)	
						1980- 1990	1990- 2000
Boulder	37,718	66,870	76,685	83,312	94,673	8.64 %	13.64 %
Broomfield (1)	-	7,261	14,514	16,458	21,474	13.39	30.48
Erie (1)	-	7	23	21	4,282	(4.50)	20,290.48
Longmont	11,489	23,209	42,942	51,555	71,069	20.05	37.85
Louisville	2,073	2,409	5,593	12,361	18,937	121.01	53.20
Lafayette	2,612	3,498	8,985	14,548	23,197	61.91	59.45
Lyons	706	958	1,137	1,227	1,585	7.92	29.18
Nederland	272	492	1,212	1,099	1,394	(9.32)	25.02
Jamestown	107	185	223	251	205	12.56	(18.33)
Superior	173	171	208	255	9,008	22.59	3,432.55
Ward	9	32	129	159	169	23.25	6.29
Unincorporated							
Boulder County	17,900	26,797	37,974	34,676	45,295	(8.68)	30.62
Estimated Boulder County Total (2)	74,254	131,889	189,625	215,922	291,288	13.87	34.90

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

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

Source: Colorado Department of Local Affairs; United States Bureau of the Census. 1960, 1970 and 1980 are Census figures; 1990 and 2000 figures are estimates from the Colorado Department of Local Affairs.

BOULDER VALLEY SCHOOL DISTRICT RE-2

CHARACTERISTICS OF EMPLOYMENT IN BOULDER COUNTY

(Unaudited)

<u>Industry</u>	<u>As of December 31, 1999</u>		<u>As of December 31, 2000</u>	
	<u>Estimated Average Monthly Employment</u>	<u>Percent of Total Employment</u>	<u>Estimated Average Monthly Employment</u>	<u>Percent of Total Employment</u>
Mining and Construction	8,019	4.67 %	9,179	5.09 %
Manufacturing	32,745	19.07	31,700	17.59
Transportation and Utilities	4,883	2.84	7,316	4.06
Wholesale and Retail Trade	38,658	22.51	40,575	22.51
Finance, Insurance and Real Estate	6,410	3.73	6,719	3.73
Services	54,912	31.97	62,324	34.58
Government	26,109	15.20	22,418	12.44
TOTAL	<u>171,736</u>	<u>100.00 %</u>	<u>180,231</u>	<u>100.00 %</u>

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

BOULDER VALLEY SCHOOL DISTRICT RE-2

MAJOR EMPLOYERS IN BOULDER COUNTY

(Unaudited)

<u>Company</u>	<u>Activity</u>	<u>Estimated Number of Employees</u>
University of Colorado	Four-year college and graduate school	6,400
International Business Machines	Software development, custom information systems	5,000
Boulder Valley School District	One of two public school districts in Boulder County	3,815
Sun Microsystems, Inc.	Software development and custom information systems	3,250
Storage Technology Corporation	Manufacturer of tape-based computer storage devices	3,000
Boulder Community Hospital	Medical facility	2,102
Level 3 Communications, Inc.	Communications and information services	2,350
Centrobe	Subscription services	2,000
Ball Aerospace	Electronic space exploration systems and defense products	1,925
Longmont Foods	Poultry Processing	1,200
Maxtor	Information Storage	1,200

Source: Boulder County Business Report, April 20-May 3, 2001

BOULDER VALLEY SCHOOL DISTRICT RE-2

PROPERTY VALUES, CONSTRUCTION AND BANK DEPOSITS

Last Ten Years

(Unaudited)

Tax Year	Property Values		Construction	
	Assessed Valuation	Estimated Actual Value	Residential Permits	Value
1991	\$ 1,578,926,090	\$ 8,363,249,332	3,206	\$ 151,811,569
1992	1,637,406,850	8,666,111,292	3,297	166,415,474
1993	1,765,907,340	10,110,335,788 (2)	3,688	210,062,993
1994	1,820,696,730	10,491,766,469	3,453	161,227,873
1995	2,086,632,190	13,416,773,470	3,247	250,505,183
1996	2,161,110,090	14,815,570,254	3,237	133,160,668
1997	2,301,159,440	15,207,498,800	3,030	154,316,806
1998	2,395,324,350	15,879,878,955	n/a	n/a
1999	2,801,776,710	18,407,178,810	3,965	193,159,717
2000	2,963,535,310	20,616,439,773	3,602	166,897,609

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

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

Source: Boulder County Assessor's Office.

TABLE XIV

Construction				Bank Deposits in Thousands (1)
Nonresidential Permits	Value	Total Permits	Total Value	
239	\$ 22,420,300	2,736	\$ 174,231,869	\$ 2,123,044
226	25,845,191	3,432	192,260,665	Not Available
173	25,899,023	3,470	235,962,016	Not Available
256	23,973,619	3,944	185,201,492	Not Available
395	56,317,925	3,848	306,823,108	Not Available
472	77,131,744	3,709	210,292,412	Not Available
450	77,360,518	3,480	231,677,324	Not Available
n/a	n/a	n/a	n/a	Not Available
316	84,328,680	4,281	277,488,397	Not Available
212	87,399,041	3,814	254,296,650	Not Available

BOULDER VALLEY SCHOOL DISTRICT RE-2

PRINCIPAL TAXPAYERS OVER A SPECIFIED
AMOUNT OF ASSESSED VALUATION

December 31, 2000

(Unaudited)

<u>Name</u>	<u>Type of Business</u>	<u>2000 Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
Xcel Energy	Supplier of electricity and natural gas to consumers	\$ 54,036,010	1.82 %
Storage Technology Corporation	Manufacturer of peripheral equipment	50,169,810	1.69
QWest Communications	Communication services	36,686,000	1.24
International Business Machines Corporation	Manufacturer of Computer software and hardware	30,336,340	1.02
Sun Microsystems Inc.	Manufacturer of computer software and hardware	45,383,510	1.53
Roche Colorado Corporation	Processing of pharmaceuticals	13,685,630	0.46
Macerich Partnership	Shopping center rental	12,648,430	0.43
Level 3 Communications	Communications & information service	27,078,150	0.91
Tana Oil & Gas, LLC	Oil and gas	11,186,390	0.38
Valley Lab Inc.	Medical equipment manufacturing	9,491,780	0.32
		<u>290,702,050</u>	<u>9.80</u>
Taxpayers under \$9,491,780		<u>2,672,833,260</u>	<u>90.20</u>
TOTAL		<u><u>\$ 2,963,535,310</u></u>	<u><u>100.00 %</u></u>

Source: Boulder County Assessor's Office.



BOULDER VALLEY SCHOOL DISTRICT RE-2
INSURANCE IN FORCE
June 30, 2001

(Unaudited)

As of June 30, 2001, the District maintained the types and amounts of insurance coverage summarized below. Moneys for payment of the District's insurance are accounted for in the Insurance Reserve Internal Service Fund. Funding is provided for the Insurance Reserve Internal Service Fund primarily from the General Fund. In addition to the insurance coverage described below, the Colorado Governmental Immunity Act provides the District with substantial protection from liability.

<u>Type</u>	<u>Coverage</u>
Property Damage	\$329,576,574 annual limit for buildings and \$59,358,712 annual limit for building contents; \$100,000 deductible per occurrence.
Equipment Breakdown	\$759,000 annual limit for musical instruments and band uniforms; \$8,427,276 annual limit for library books; \$344,645 annual limit for mobile equipment; \$3,850,000 annual limit for data processing equipment. Limit of \$52,500,000, \$10,000 deductible/occurrence.
General Liability	\$600,000 limit per occurrence; \$1,000,000 annual aggregate limit; \$50,000 annual limit for tenant's legal liability; \$10,000 for medical payments per accident; and \$1,000 for medical payments per person. Liability for asbestos, trampoline accidents, and all pollution other than sudden and accidental pollution is excluded. \$10,000 deductible per occurrence.
Automobile Liability	Covers bodily injury and property damage caused by the District's vehicles, including \$1,000,000 limit per occurrence; \$1,000,000 combined single limit for bodily injury caused by an uninsured/underinsured motorist; and per statute on basic Personal Injury Protection
Garagekeepers Physical Damage	\$45,000 annual limit on collision and comprehensive, \$500 deductible.
Terminal Coverage	Catastrophic Coverage - Specified Perils; \$1,000 per vehicle deductible with a \$10,000 maximum deductible per loss.
Crime	\$5,000 loss inside; \$5,000 loss outside; \$100 deductible per occurrence.

BOULDER VALLEY SCHOOL DISTRICT RE-2
INSURANCE IN FORCE
June 30, 2001

(Unaudited)

<u>Type</u>	<u>Coverage</u>
Public Employee's Blanket Bond	\$100,000 - Chief Operations Officer; \$100,000 - Chief Financial Officer; \$100,000 - Director of Finance and Accounting; \$25,000 - All other employees. \$100 - Deductible
School Entity Liability	\$2,000,000 per occurrence; \$5,000,000 aggregate; \$10,000 deductible.

Source: Boulder Valley School District RE-2.

BOULDER VALLEY SCHOOL DISTRICT RE-2

DISTRICT ENROLLMENT

June 30, 2001

(Unaudited)

Boulder Valley School District RE-2's total enrollment for the school years 1991-92 through 2000-01 is as follows:

<u>School Year</u> *	<u>Enrollment</u>
1991-92	22,539
1992-93	23,761
1993-94	24,303
1994-95	24,871
1995-96	25,359
1996-97	25,695
1997-98	26,210
1998-99	26,918
1999-00	27,040
2000-01	27,531

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

Source: Boulder Valley School District RE-2.

SINGLE AUDIT
SECTION



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

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

We have audited the general purpose financial statements of the Boulder Valley School District RE-2 as of and for the year ended June 30, 2001, and have issued our report thereon dated October 3, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Boulder Valley School District RE-2's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of the Boulder Valley School District RE-2 in a separate letter dated October 3, 2001.

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.

Swanhorst, Dragon & Cutler LLC

October 3, 2001

Journal of the American Academy of Religion





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

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

Compliance

We have audited the compliance of the Boulder Valley School District RE-2 with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2001. 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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Boulder Valley School District RE-2's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. In our opinion, the Boulder Valley School District RE-2 complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2001.

Internal Control Over Compliance

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

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

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

Swankhouse, Dragon & Cutler LLC

October 3, 2001

BOULDER VALLEY SCHOOL DISTRICT RE-2

Schedule of Findings and Questioned Costs June 30, 2001

Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: unqualified

Internal control over financial reporting:

• Material weaknesses identified? _____ yes x no

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

Noncompliance material to financial statements noted? _____ yes x no

Federal Awards

Internal control over major programs:

• Material weaknesses identified? _____ yes x no

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

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

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? _____ yes x no

Identification of major programs:

84.010	Title I	84.282	Charter School Grants
84.340	Title VI-D - Class Size Reduction	10.555	National School Lunch

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

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

Findings Related to Financial Statements

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

Findings and Questioned Costs for Federal Awards

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



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

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

We have audited the general purpose financial statements of the Boulder Valley School District RE-2, as of and for the year ended June 30, 2001, and have issued our report thereon dated October 3, 2001. These general purpose financial statements are the responsibility of the Boulder Valley School District RE-2's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

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

Swanhorst, Dragon & Cutler LLC

October 3, 2001

BOULDER VALLEY SCHOOL DISTRICT RE-2

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2001

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Accrued (Deferred) Revenue 6/30/00	Receipts	Disburse- ments	Accrued (Deferred) Revenue 6/30/01
U.S. Department of Education					
Direct Programs:					
Title IX	84.060A	\$ 1,885	\$ 13,572	\$ 16,789	\$ 5,102
Title VII	84.290	5,963	226,165	265,132	44,930
Gear Up	84.334A	-	65,334	65,336	2
Passed Through State Department of Education:					
Title I	84.010	322,687	1,329,656	1,433,256	426,287
IDEA Part C	84.181	(154)	5,000	5,056	(98)
Title I Part D	84.013	6,051	-	30	6,081
IDEA Part B	84.027	322,001	1,829,252	1,932,231	424,980
Emergency Immigrant Education	84.162	(51,575)	28,055	158,931	79,301
Special Education-Preschool	84.173	20,928	117,620	138,921	42,229
Drug Free Schools	84.186	14,322	111,817	112,700	15,205
Education for Homeless Children	84.270	-	3,227	-	(3,227)
Goals 2000	84.276	(21,117)	20,000	39,606	(1,511)
Title II Eisenhower	84.281	39,958	123,191	112,103	28,870
Charter Schools Grant	84.282	(28,749)	488,575	490,047	(27,277)
Title VI	84.298	48,324	182,900	163,841	29,265
Title III Literacy	84.318	(30,000)	10,000	40,000	-
Comprehensive School Reform	84.332	4,399	33,088	46,095	17,406
Title VI-D Class Size Reduction	84.340	42,961	369,050	395,157	69,068
Reading Excellence Act	84.338	-	14,850	15,083	233
Child Care	84.575	(4,000)	-	4,000	-
Passed Through State Department of Human Services:					
School to Work Alliance Program	84.126A	20,960	272,103	274,077	22,934
Passed Through State Community Colleges & Occupational Education System:					
Carl Perkins	84.048A	28,880	123,190	129,957	35,647
TOTAL U.S. DEPARTMENT OF EDUCATION		<u>743,724</u>	<u>5,366,645</u>	<u>5,838,348</u>	<u>1,215,427</u>
U.S. Department of Agriculture					
Direct Program:					
Food Distribution	10.550	(89,036)	178,873	221,313	(46,596)
Passed Through State Department of Education:					
National School Lunch	10.555	58,659	934,414	941,444	65,689
School Breakfast Program	10.553	3,031	51,288	51,991	3,734
TOTAL U.S. DEPARTMENT OF AGRICULTURE		<u>(27,346)</u>	<u>1,164,575</u>	<u>1,214,748</u>	<u>22,827</u>
U.S. Department of Labor					
Passed Through Colorado Office of the Governor:					
School-to-Career	17.249	61,664	92,450	39,280	8,494
TOTAL U.S. DEPARTMENT OF LABOR		<u>61,664</u>	<u>92,450</u>	<u>39,280</u>	<u>8,494</u>
U.S. Department of Health and Human Services					
Passed Through State Department of Education:					
Refugee Impact	93.576	9,612	22,724	23,659	10,547
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		<u>9,612</u>	<u>22,724</u>	<u>23,659</u>	<u>10,547</u>
Corporation for National and Community Service					
Passed Through State Department of Education:					
Learn & Serve	94.004	(19,883)	4,000	17,074	(6,809)
Passed Through State Community Colleges & Occupational Education System:					
Colorado Literacy Corps	94.006	73,372	156,616	132,917	49,673
TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE		<u>53,489</u>	<u>160,616</u>	<u>149,991</u>	<u>42,864</u>
National Endowment for the Humanities					
Passed Through Central Colorado Library System:					
Library Grant	45.310	(268)	5,113	6,365	984
TOTAL NATIONAL ENDOWMENT FOR THE HUMANITIES		<u>(268)</u>	<u>5,113</u>	<u>6,365</u>	<u>984</u>
National Science Foundation					
Direct Program:					
Education and Human Resources	47.076	27,175	47,190	18,158	(1,857)
TOTAL NATIONAL SCIENCE FOUNDATION		<u>27,175</u>	<u>47,190</u>	<u>18,158</u>	<u>(1,857)</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE		<u>\$ 868,050</u>	<u>\$ 6,859,313</u>	<u>\$ 7,290,549</u>	<u>\$ 1,299,286</u>

See the accompanying Independent Auditors' Report.