



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2016
Boulder, Colorado ▪ Boulder ▪ Broomfield ▪ Gilpin Counties



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the fiscal year ended June 30, 2016 ■ Boulder, Colorado

PREPARED BY: BUSINESS SERVICES DIVISION

William A. Sutter, SFO
Chief Financial Officer

Justin A. Petrone, CPA
Director of Accounting Services

BOULDER VALLEY SCHOOL DISTRICT RE-2

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the fiscal year ended June 30, 2016

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Business Services Division

November 10, 2016

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

It is our pleasure to submit the Comprehensive Annual Financial Report of Boulder Valley School District RE-2 ("the district") for the fiscal year ended June 30, 2016.

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

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

CliftonLarsonAllen, LLP, Certified Public Accountants, have issued unmodified ("clean") opinions on the district's financial statements for the year ended June 30, 2016. The independent auditors' report is located at the front of the financial section of this report. The independent audit of the district's financial statements also included the federally mandated "Single Audit" designed to meet the specific needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the entity's internal controls and compliance with legal requirements, with special emphasis on internal control and legal compliance involving the administration of federal awards. The results of the district's Single Audit for the year ended June 30, 2016, provided no instances of material weaknesses in internal control or material violations of applicable laws, regulations, contracts or grant provisions. These reports are located in the Single Audit section of this report.

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

Profile of the Government

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

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

The district is located near the foothills of the Rocky Mountains approximately twenty miles northwest of Denver. The district is made up of approximately 500 square miles in the southern half of Boulder County, the northern part of Gilpin County and a significant portion of western Broomfield County. It covers one of the larger school regions in the metro-Denver area and encompasses the communities of Boulder, Broomfield, Erie, Gold Hill, Jamestown, Lafayette, Louisville, Nederland, Superior, and Ward. For the 2015-16 school year, the district's total enrollment and student funded full time equivalent was 30,875 and 29,702, respectively, including charter schools. The district owns over 750 acres of prime Boulder and Broomfield County property and maintains 56 buildings spanning over four million square feet.

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

Five charter schools are included as component units of the district for the 2016 CAFR: Boulder Preparatory High School, Horizons K-8 School, Peak to Peak K-12 Charter School, Summit Middle School and Justice High School.

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

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

Economic Conditions and Outlook

On December 7, 2015, the economic outlook for calendar year 2016 presented at the 51st annual Colorado Business Economic Outlook by the Business Research Division of the Colorado Leeds School of Business projected that all sectors of the state's economy will grow in 2016. After adding 70,200 jobs in 2015, Colorado is expected to gain 65,100 jobs in 2016, ranking it among the top 10 states in the country for job growth.

The July 2014 Colorado population is estimated by the State Demography Office (SDO) to be approximately 5,353,000, an increase of 1.6%, which is the fourth fastest state in percentage change. The population growth forecast for Colorado is an increase of 1.7% for 2015 and 2016 an increase of 1.8% for 2017.

Boulder County "has continued to outperform the state and national economies in many areas such as job growth, educational attainment, capital investment, and commercial real estate absorption," with local investments in infrastructure, business resources, and cultural amenities. Between August 2014 and August 2015, Boulder County employment increased 1.4%, creating

an additional 1,800 jobs. As of September 2015, the unemployment rate in Boulder County was 3.2%, compared to 4.2% for the state and 5.1% for the nation.

The entire 2016 Colorado Business Economic Outlook can be found at <http://www.colorado.edu/business/centers/business-research-division/research>.

The Denver-Boulder-Greeley CPI (Consumer Price Index) is the measure of inflation that is generally used for the state of Colorado. The rate increase used as a function of funding increases for the 2016-17 fiscal year is 1.2%. Colorado school districts face a significant challenge as an improvement in fiscal resources for K-12 education will typically lag an economic recovery.

Long-term Financial Planning

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

For the 2016-17 fiscal year, the legislature increased base per pupil funding by 1.2% for K-12 public education as well as provided additional dollars for statewide student growth. In addition, the district's student funded full-time equivalent is expected to increase 0.7% to 29,897, compared to 29,702 from the 2015-16 fiscal year. The "Negative Factor" reduction to statewide total program funding as calculated in the School Finance Act is projected to be \$830.1 million for the 2016-17 fiscal year, or 11.5%. For the district, the negative factor is expected to be \$28.6 million. While some expect this funding reduction should reflect a "new normal" for K-12 public education, many community leaders and advocacy groups are pushing to restore funding to pre-recession levels, necessary to provide adequate educational resources so that all students have the opportunity to reach their full potential.

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

Fund Balance Requirements

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

Following the requirements of this policy means the district will have to make annual budget adjustments so that new expenditures do not exceed new revenues and a moderate level of reserves is maintained. This policy allows the district to make smaller adjustments over time rather than making dramatic cuts when the cost of programs has outgrown revenue sources.

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

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

Spending Limitations:

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

Reserve Requirements:

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

At June 30, 2016, the district is in compliance with these fund balance requirements.

Major Initiatives

In 2013, the district's board of education approved updates to its Mission Statement, Vision Statement, and Goals.

Mission

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

Vision of the Boulder Valley School District

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

Value Statements

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

Goals

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

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

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

The following strategies will be used to attain these goals:

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

Strategic Planning

The Superintendent's Strategic Planning Committee, comprised of representation from educators, parents and community members, helps guide the implementation of the Success Effect through its three organizing principles - Learning, Talent and Partnerships. There are six priority action plans within the strategic plan, aligned with the three organizing principles:

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

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

Bond Program

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

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

In April 2014, the district issued \$250,000,000 General Obligation Bonds. Through June 30, 2016, the district has begun preliminary project planning, conceptual design work and construction on several capital projects. The district will issue additional debt in future years to fund the remaining scope of work, as defined in the Educational Facilities Master Plan and as allowed by voter approval.

Other Information

Awards

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting and the Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the district for its comprehensive annual financial report for the fiscal year ended June 30, 2015. In order to be awarded a Certificate of Achievement and the Certificate of Excellence, the district must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report satisfied both generally accepted accounting principles and applicable legal requirements. The Certificate of Achievement and the Certificate of Excellence are valid for a period of one year. We believe that our current Comprehensive Annual Financial Report continues to meet the program requirements for both Certificate of Achievement and Certificate of Excellence programs. This document will be submitted to GFOA and ASBO respectively to determine eligibility for another certificate.

Acknowledgments

The preparation of this report on a timely basis was made possible by the dedicated service of the entire staff of the Business Services Division. We would like to express our sincere appreciation to all members of the department for their contributions to this report. We also thank the district's independent auditors, CliftonLarsonAllen LLP, for the professional manner in which they accomplished the audit and for their work to publish this Comprehensive Annual Financial Report. We would also like to thank Dr. Bruce K. Messinger, Superintendent of Schools and the board of education for their interest in and support of the finance and accounting operations of the

Boulder Valley School District RE-2 and Heather Grooters, CPA, District Accountant, for her assistance in the preparation of this document.

Respectfully Submitted,

A handwritten signature in dark ink, appearing to read "William A. Sutter". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

William A. Sutter, SFO
Chief Financial Officer

A handwritten signature in dark ink, appearing to read "Justin A. Petrone". The signature is cursive and somewhat compact, with a distinct loop at the end.

Justin A. Petrone, CPA
Director of Accounting Services



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

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

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO



**ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**

**The Certificate of Excellence in Financial Reporting
Award is presented to**

**Boulder Valley School District RE-
2**

**for its Comprehensive Annual Financial Report
(CAFR) for the Fiscal Year Ended June 30,
2015.**

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



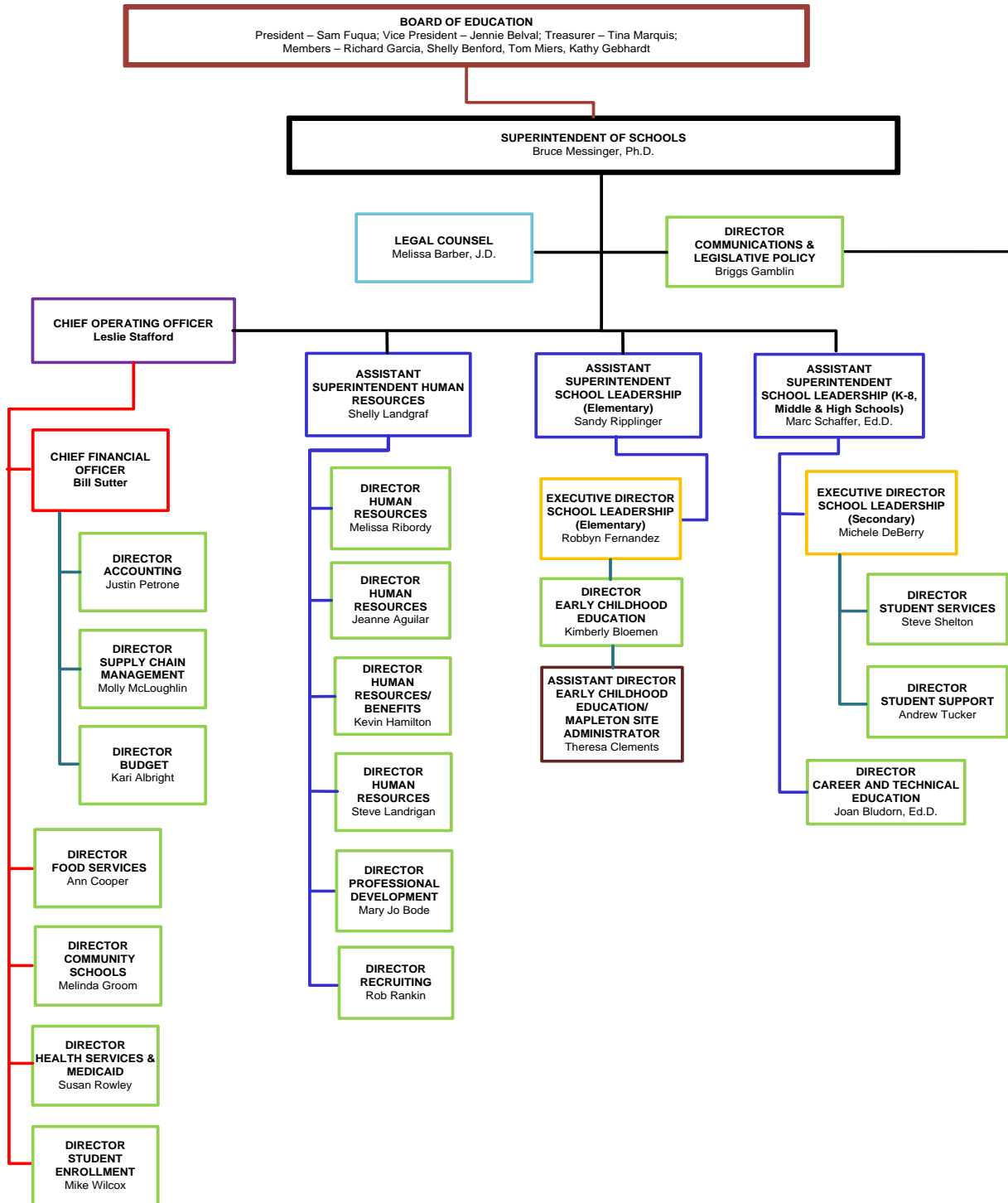
Brenda Burkett

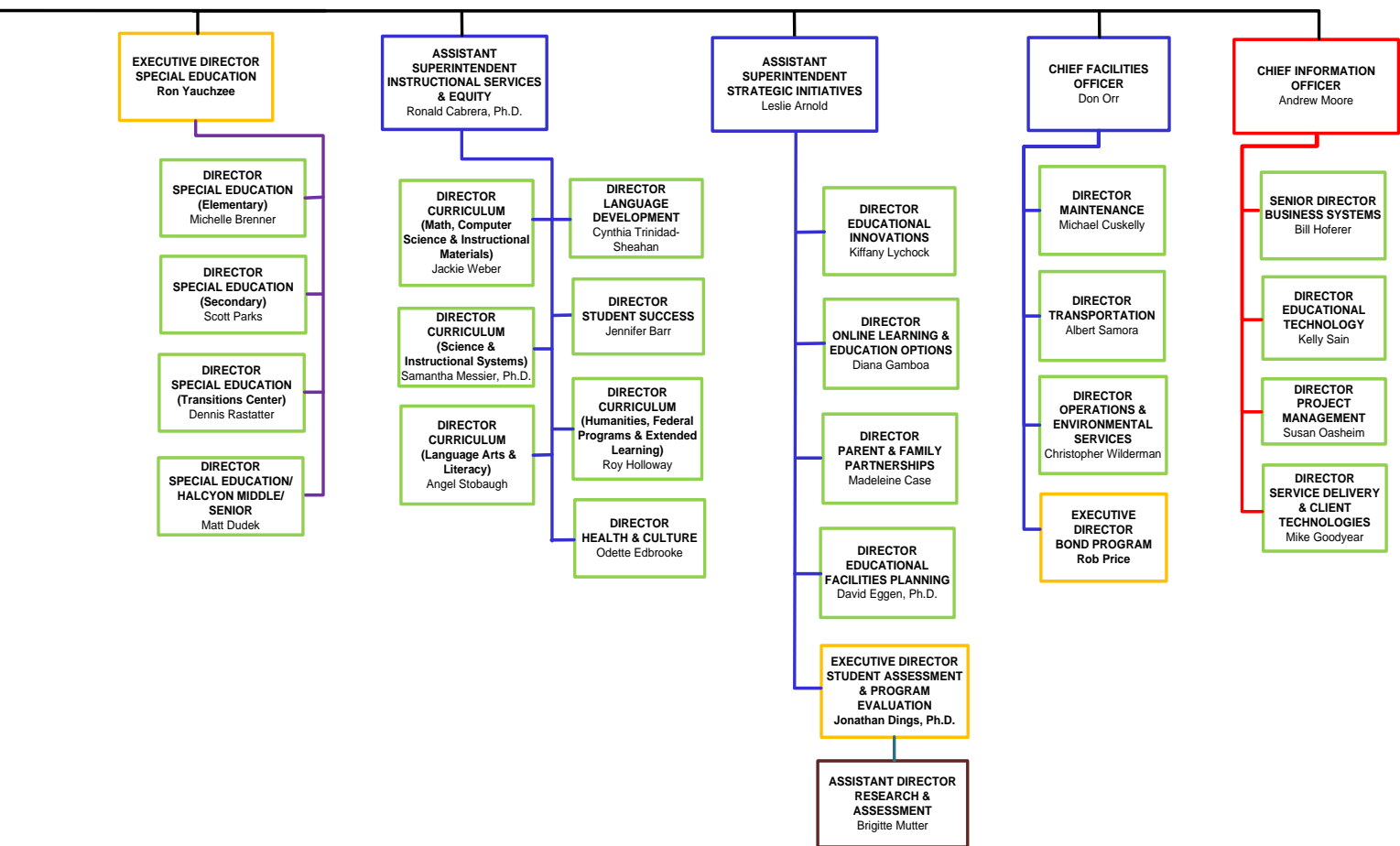
Brenda R. Burkett, CPA, CSBA, SFO
RSBA President
Director

John D. Musso

John D. Musso, CAE,
Executive

BOULDER VALLEY SCHOOL DISTRICT RE-2 ORGANIZATION CHART





BOULDER VALLEY SCHOOL DISTRICT RE-2

List of Elected and Appointed Officials

June 30, 2016

Board of Education



District G
Richard Garcia

District D
Sam Fuqua,
President

District A
Shelly Benford

District B
Tina Marquis,
Treasurer

District E
Tom Miers

District C
Kathy Gebhardt

District F
Jennie Belval,
Vice President



Superintendent's Cabinet

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

INDEPENDENT AUDITORS' REPORT

Board of Education
Boulder Valley School District
Boulder, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Boulder Valley School District, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Boulder Valley School District as of June 30, 2016, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Boulder Valley School District's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, the Colorado Department of Education Auditors Integrity Report, the schedule of expenditures of federal awards, and the budgetary comparison schedules for the Food Services Fund, Grants Fund, Transportation Fund, Bond Redemption Fund, 2014 Building Fund, Capital Reserve Fund, Health Insurance Fund, and Dental Insurance Fund are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Report on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 2016, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Broomfield, Colorado
November 10, 2016

Management's Discussion and Analysis

As management of the Boulder Valley School District RE-2 (the district), we offer readers of the district's Comprehensive Annual Financial Report this narrative and analysis of the financial activities of the district for the fiscal year ended June 30, 2016. We encourage readers to consider the information presented here in conjunction with additional information that can be found in the letter of transmittal on pages 1-7 of this report.

Financial Highlights

- At June 30, 2016, the liabilities and deferred inflows of resources of the district exceeded its assets and deferred outflows of resources by \$479.7 million (net position). The net position deficit is due primarily to a June 30, 2016 net pension liability of \$721.7 million, related deferred inflows of resources of \$10.2 million, offset by related deferred outflows of resources of \$97.9 million, as required by GASB No. 68, which established reporting requirements for governments that provide their employees with pension benefits. The district reports its proportionate share of participation in PERA, the State's cost-sharing multi-employer defined benefit pension plan.
- Total net position decreased \$34.2 million during fiscal year 2016, due primarily to additional pension related expenses, as required by GASB No. 68.
- At the end of the current fiscal year, the district's governmental funds reported combined fund balance of \$288.2 million, a decrease of \$55.6 million from the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund is \$21.7 million or 7.1% of total General Fund expenditures.
- The district's capital assets increased \$42.2 million during fiscal year 2016 to \$460.2 million at June 30, 2016. This increase is due to \$57.3 million of additions, primarily as a result of progress made on projects outlined in the Educational Facilities Master Plan, offset by \$15.1 million of depreciation expense.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

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

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

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

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

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

Fund Financial Statements

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

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

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

The district reports three governmental funds that are considered major funds: the General Fund (which combines the district's General Operating Fund, Risk Management Fund, Technology Fund, Athletics Fund, Community Schools Fund, Preschool Fund and the Colorado Preschool Program Fund), the Bond Redemption Fund and the 2014 Building Fund. They are presented separately in the fund financial statements with the remaining governmental funds combined into a single aggregated presentation labeled non-major governmental funds. Nonmajor funds include the Food Services Fund, the Grants Fund, the Transportation Fund and the Capital Reserve Fund. Individual fund information for the nonmajor funds is presented as combining and individual fund statements and schedules after the notes section of this report.

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

Proprietary Funds: Internal service funds are used to accumulate and allocate costs internally among the district's various functions. The district uses internal service funds to account for employee benefit programs for health and dental insurance.

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

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

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

Notes to the Basic Financial Statements: The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found on pages 43-68 of this report.

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

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

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The liabilities and deferred inflows of resources of the district exceeded its assets and deferred outflows of resources by \$479.7 million (net position) at June 30, 2016.

During fiscal year 2014-15, the district issued \$250,000,000 General Obligation Bonds, Series 2015, as approved by the voters November 2014 to complete capital projects defined in the district's Educational Facilities Master Plan. During fiscal year 2015-16, progress towards completion of those projects caused the following changes in district asset and liabilities:

- Current and other assets decreased \$26.4 million, due primarily to a \$36.7 million decrease in cash and investments (bond proceeds) restricted for capital projects, offset by a \$5.0 million increase in property tax receipts restricted to pay future debt service.
- Capital assets increased \$42.2 million, which includes \$57.3 million of additions, primarily as a result of progress made on projects outlined in the Educational Facilities Master Plan, offset by \$15.1 million of depreciation expense.
- Other liabilities increased \$26.4 million, due primarily to an increase in accounts and retainage payable for construction work completed in May and June of the current year.

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

	Governmental Activities	
	<u>2016</u>	<u>2015</u>
Assets		
Current and Other Assets	\$ 357,283,727	\$ 383,668,694
Capital Assets	460,189,239	418,012,220
Total Assets	<u>817,472,966</u>	<u>801,680,914</u>
Deferred Outflows of Resources	<u>98,314,476</u>	<u>38,218,258</u>
Liabilities		
Noncurrent Liabilities	603,542,468	618,278,109
Net Pension Liability	721,696,274	633,523,091
Other Liabilities	60,052,787	33,611,069
Total Liabilities	<u>1,385,291,529</u>	<u>1,285,412,269</u>
Deferred Inflows of Resources	<u>10,228,632</u>	<u>47,304</u>
Net Position		
Net Investment in Capital Assets	91,385,753	87,284,393
Restricted for:		
Debt Service	36,914,447	30,679,879
Multiple Year Obligations	120,000	120,000
Preschool Expenditures	252,147	81,818
Emergencies	9,431,397	8,950,405
Medicaid	1,531,924	1,141,311
Unrestricted	(619,368,387)	(573,818,207)
Total Net Position	<u>\$ (479,732,719)</u>	<u>\$ (445,560,401)</u>

Noncurrent liabilities decreased \$14.7 million due primarily to general principal payments on general obligation bonds of \$13.8 million, premium amortization of \$1.7 million and a \$0.1 million decrease in compensated absences from the prior year. In addition, the district entered into a capital lease agreement to finance the purchase of ten school buses (\$1.1 million).

Net pension liability increased \$88.2 million, in addition to increases in related deferred inflows of resources and deferred outflows of resources, due to the application of GASB No. 68, which requires the district to report its proportionate share of participation in PERA, the State's cost-sharing multi-employer defined benefit pension plan.

At June 30, 2016, \$91.4 million of the district's net position represents its investment in capital assets (e.g. land, land improvements, buildings, equipment, and vehicles), less the outstanding

debt used to acquire these assets. This balance increased \$4.1 million from the prior year, due primarily to the amount by which debt principal repayments and capital assets acquired without the use of bond proceeds exceeds depreciation expense. The district utilizes capital assets to provide services to its constituents; consequently these assets are not available for future spending. Although the district's investment in capital assets is reported net of related debt, the resources necessary to repay the debt must be provided from other sources since the capital assets cannot be liquidated to pay the debt.

In addition, \$48.2 million of the district's net position is subject to external restrictions on how the assets may be used. Restricted net position has increased \$7.3 million over the prior year, due primarily to an increase in property tax receipts restricted to pay future debt service, as a result of the current year debt issuance.

The remaining balance of net position is a deficit of \$619.4 million, which represents the portion that is unrestricted and would otherwise be available to meet the district's ongoing obligations. Unrestricted net position decreased \$45.6 from the prior year, due primarily to the application of GASB No. 68, the net impact of which caused the district to recognize \$38.1 million in pension related expenses during the current year. In addition, the district contributed \$9.8 million to a charter school related to the portion of construction in progress completed on the charter school's behalf.

Governmental Activities: Overall, the district's net position decreased \$34.2 million from the prior year. Factors contributing to this decrease include the following:

Capital Grants and Contributions: The \$1.5 million increase is due primarily to contributions towards capital construction projects.

Local Property Taxes: The \$34.6 million increase is due primarily to an 18.8% increase in the district's assessed valuation for the 2016 mill levy year, as well as an increase in the bond redemption mill levy necessary to account for general obligation debt issued in fiscal year 2014-15.

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

State Equalization: The \$12.7 million decrease is due to a reduction in State funding under the school finance act. While total program funding increased over the prior year, as determined by the State, increased property values and related local property taxes allowed the State to reduce the amount of State equalization revenue provided to the district.

Instruction Expenses: Of the \$14.2 million increase in instruction expense, \$9.5 million is due to net additional pension expense related to GASB No. 68. The remaining increase is due primarily to a 2.8% cost of living increase, scheduled step/grade pay increases and a 0.9% increase in required contributions to the state's retirement plan.

Supporting Services: Of the \$18.7 million increase in supporting services expense, \$5.5 million is due to net additional pension expense related to GASB No. 68. An additional \$9.4 million relates to the district's contribution to a charter school for the portion of construction in progress completed on the charter school's behalf. The remaining increase is due primarily to a 2.8% cost of living increase, scheduled step and grade pay increases and a 0.9% increase in required contributions to the state's retirement plan.

Interest Expense: The \$8.3 million increase is due to interest on \$250,000,000 General Obligation Bonds, Series 2015, issued in fiscal year 2014-15.

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

	Governmental Activities	
	<u>2016</u>	<u>2015</u>
Revenues:		
Program Revenues:		
Charges For Services	\$ 18,903,703	\$ 18,857,212
Operating Grants and Contributions	29,408,532	28,672,251
Capital Grants and Contributions	1,600,806	110,791
General Revenues:		
Local Property Taxes	266,761,506	232,169,602
Specific Ownership Taxes	13,604,213	12,575,734
State Equalization	61,227,625	73,935,111
All Other Revenues	3,184,864	1,947,283
Total Revenues	<u>394,691,249</u>	<u>368,267,984</u>
Expenses:		
Instruction	254,328,181	240,165,692
Supporting Services	150,229,150	131,540,473
Interest Expense	24,306,236	16,003,560
Total Expenses	<u>428,863,567</u>	<u>387,709,725</u>
Change in Net Position	(34,172,318)	(19,441,741)
Net Position, Beginning	<u>(445,560,401)</u>	<u>(426,118,660)</u>
Net Position, Ending	<u>\$ (479,732,719)</u>	<u>\$ (445,560,401)</u>

Financial Analysis of the Government's Funds

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

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

At June 30, 2016, the district's governmental funds reported combined fund balances of \$288.2 million, a decrease of \$55.6 million from the prior year. Approximately 7.5% of this amount (\$21.7 million) constitutes unassigned fund balance, which is available for spending at the district's discretion. Remaining fund balance is either nonspendable, restricted, or assigned to indicate that it is either not in a spendable form (\$2.0 million), restricted for particular purposes (\$263.7 million), or assigned for particular purposes (\$0.8 million).

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

General Fund: The General Fund is the chief operating fund of the district. For reporting purposes, the General Fund includes the General Operating Fund, Risk Management Fund, Technology Fund, Athletics Fund, Community Schools Fund, Preschool Fund, and Colorado Preschool Program Fund. A Combining Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances of the General Fund are shown on pages 78-81 of this report. As of June 30, 2016, the General Fund reports ending fund balance of \$34.3 million, an increase of \$3.3 million from the prior year.

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

	<u>2016</u>	<u>2015</u>	<u>Amount of Change</u>	<u>Percentage Change</u>
<u>Revenues</u>				
Property Taxes	\$212,628,855	\$188,717,321	\$ 23,911,534	12.7%
Specific Ownership Taxes	13,604,213	12,575,734	1,028,479	8.2%
State Equalization	61,227,625	73,935,111	(12,707,486)	-17.2%
State Reimbursement Programs	9,257,551	8,634,967	622,584	7.2%
Local Revenues	16,415,787	16,017,057	398,730	2.5%
Federal Grants	1,570,440	1,382,268	188,172	13.6%
Total	<u>\$314,704,471</u>	<u>\$301,262,458</u>	<u>\$ 13,442,013</u>	4.5%

Property Taxes: Property tax revenues were based upon a levy of 36.682 mills applied against an assessed valuation of \$5,852 million compared to 38.561 mills and an assessed valuation of \$4,927 million in the prior year. Because the district's property tax levy is based on a calendar year, property tax revenues include collections on both the 2015 and 2016 levies.

Specific Ownership Taxes: (SOT) is a personal property tax based upon the taxable value of vehicles registered in the portions of Boulder, Broomfield, and Gilpin counties that overlap with the district's boundaries. The ownership tax rate is based upon the age of the vehicle from the date of manufacture. The tax is collected at the county level and distributed to all local governments on a pro-rata basis relative to the local government's total mills. In the current fiscal year, specific ownership tax revenue increased by 8.2% due to increased automobile sales.

State Equalization: State equalization decreased by 17.2% in the current year as the district received less funding under the School Finance Act. While total program funding increased, as determined by the State, the increase in property tax receipts allows the State to reduce its portion of funding to the district.

State Reimbursement Programs: Funding for state reimbursement programs (Special Education, Vocational Education, English Language Proficiency Act, Colorado READ Act and Talented and Gifted) increased by 7.2%.

Local Revenues: Local revenues increased by 2.5% due primarily to increased tuition for online learning programs, preschool tuition, lifelong learning and school age care programs.

Federal grants: Federal grants include primarily Medicaid reimbursements and increased 13.6% from the prior year due to increased Medicaid-eligible costs and an increase in available federal funding.

The following table reflects expenditures by major program area. Overall, expenditures increased by 4.5% from the previous year.

	<u>2016</u>	<u>2015</u>	<u>Amount of Change</u>	<u>Percentage Change</u>
<u>Expenditures</u>				
Instruction - Regular Programs	\$158,927,310	\$151,160,899	\$ 7,766,411	5.1%
Instruction - Special Programs	49,863,998	48,296,293	1,567,705	3.2%
Student Support Services	11,468,178	11,343,892	124,286	1.1%
Instructional Staff Services	11,811,469	11,422,149	389,320	3.4%
General Administration	3,830,105	3,562,599	267,506	7.5%
School Administration	21,712,411	20,802,774	909,637	4.4%
Business Services	4,063,248	3,892,155	171,093	4.4%
Operations and Maintenance	23,183,127	22,746,641	436,486	1.9%
Central Support Services	14,349,428	13,410,329	939,099	7.0%
Community Services	6,072,087	5,634,975	437,112	7.8%
Total	<u>\$305,281,361</u>	<u>\$292,272,706</u>	<u>\$ 13,008,655</u>	4.5%

Approximately 90% of General Fund expenditures are for staff salaries and benefits. For fiscal year 2015-16, employees received a 2.8% cost of living increase and step increases for experience and education, in accordance with district approved salary schedules. The district was also required to make an additional 0.9% contribution to PERA, the State of Colorado's retirement plan.

Bond Redemption Fund: The Bond Redemption Fund reported fund balance of \$38.5 million, an increase of \$5.0 million over the prior year. Property tax revenues of \$45.7 million in the current year were based upon a 2016 levy of 7.885 mills applied to an assessed valuation of \$5,852 million, compared to 7.526 mills and an assessed valuation of \$4,927 million in the prior year. The mill levy was increased in the current year to account for general obligation debt issued in fiscal year 2014-15. The large ending fund balance is necessary to have sufficient cash on hand to make debt service payments as they become due. Property tax levies are based upon a calendar year cycle while debt service payments are made each fiscal year in December and June.

2014 Building Fund: The 2014 Building Fund accounts for the issuance of debt approved by voters November 2014 and activity related to completion of capital projects defined in the district's Educational Facilities Master Plan. June 30, 2016, fund balance of \$213.9 million is restricted for those capital projects.

General Operating Fund Highlights

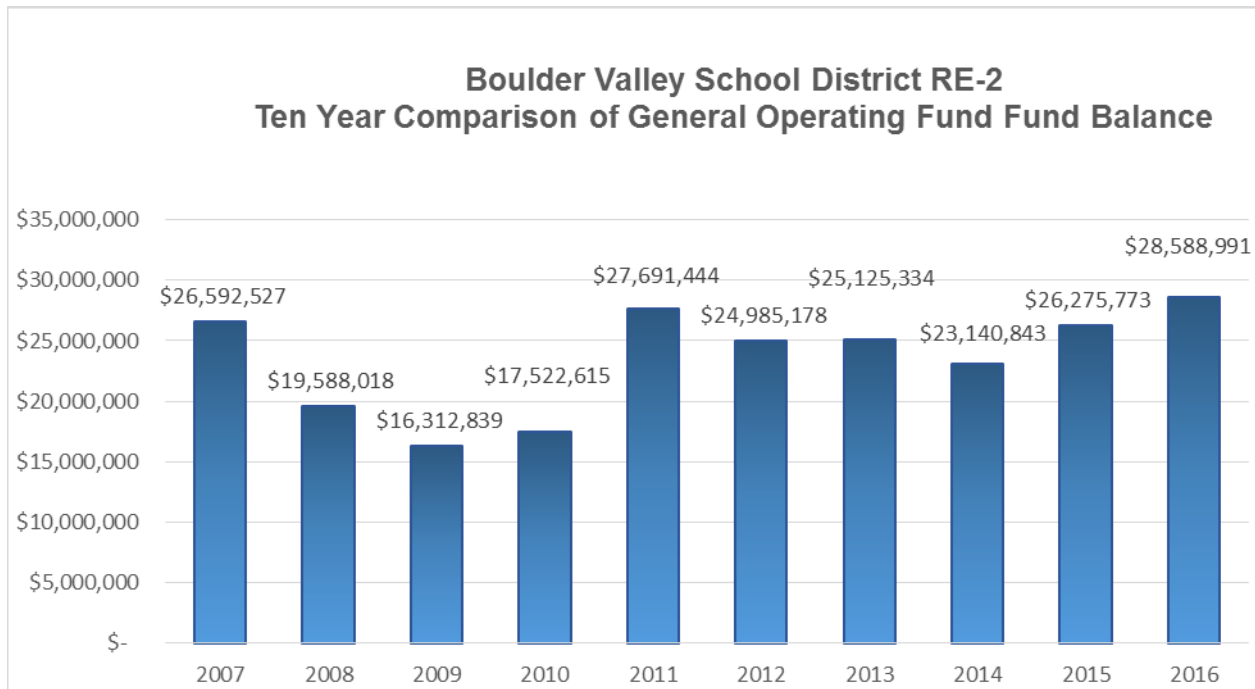
The General Operating Fund is the core operating fund of the district. For the year ended June 30, 2016, fund balance of the General Operating Fund increased \$2.3 million to \$28.6 million. Changes in revenues and expenditures of the General Operating Fund have been explained above as they represent the predominant activity of the General Fund.

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

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Regular Instruction	53.30%	54.57%	54.52%	54.06%	54.41%
Special Instruction	16.09%	15.89%	15.81%	16.24%	15.99%
Instructional Support	<u>7.04%</u>	<u>7.30%</u>	<u>7.93%</u>	<u>7.78%</u>	<u>7.59%</u>
Subtotal Instruction	76.43%	77.76%	78.26%	78.08%	77.99%
 School Administration and Operations	15.95%	16.19%	15.70%	15.75%	15.48%
District Wide/Community Services	<u>7.62%</u>	<u>6.05%</u>	<u>6.04%</u>	<u>6.17%</u>	<u>6.53%</u>
Subtotal Support	23.57%	22.24%	21.74%	21.92%	22.01%
 Total	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

An analysis of the district's General Operating Fund ending fund balance is shown in the following chart. Over the 10 year period from fiscal year 2006-07 to 2015-16, fund balance of the General Operating Fund has fluctuated from a low of \$16.3 million at June 30, 2009, to a high of \$28.6 million at June 30, 2016.



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

General Fund Budgetary Highlights

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

The board of education adopted the 2015-16 budget in June 2015, and approved the revised budget in January 2016. The total General Fund appropriation was increased \$5.5 million, due primarily to a surplus from fiscal year 2014-15, which caused beginning fund balance to come in higher than anticipated as part of the 2015-16 budget development process. The surplus was caused by a combination of carryover balances for schools and departments, in addition to revenues exceeding budgeted amounts.

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

Actual revenues exceeded budget by \$1.0 million (0.3%), related to increased tuition and fees, State equalization and state and federal reimbursement programs. These increases were offset by property taxes \$1.4 million less than budget, due to higher than anticipated abatements issued at the county level, which will be collected in fiscal year 2016-17.

Actual expenditures were \$11.6 million less than budget (3.6%), after deducting reserves. \$3.6 million of the savings is due to carryover from the previous year for schools, departments and the Medicaid program. Planned technology purchases of \$1.5 million will be completed in fiscal year 2016-17 and the district experienced a \$1.0 million savings in utility expenditures. The remaining balance relates to various personnel and other cost savings throughout the General Fund.

Capital Assets and Debt Administration

Capital Assets: The district's investment in capital assets as of June 30, 2016, and 2015, is summarized as follows:

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

	Governmental Activities	
	<u>2016</u>	<u>2015</u>
Land	\$ 4,726,468	\$ 4,726,468
Construction in Progress	54,231,211	1,559,174
Land Improvements	21,171,713	20,433,562
Buildings	373,999,393	385,954,913
Equipment	1,782,463	1,279,727
Vehicles	4,277,991	4,058,376
	<hr/>	<hr/>
Total Capital Assets	<u>\$ 460,189,239</u>	<u>\$ 418,012,220</u>

Changes in capital assets from the prior year include \$67.1 million of capital asset addition, offset by \$15.1 million of depreciation expense and a \$9.8 million contribution to a charter school for the portion of construction in progress completed on the charter's behalf as of June 30, 2016. The majority of current year capital additions are related to projects funded by the district's voter approved debt.

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

Debt Administration: The district's long term debt as of June 30, 2016 and 2015, is summarized as follows:

Boulder Valley School District RE-2
Long Term Debt

	Governmental Activities	
	<u>2016</u>	<u>2015</u>
General Obligation Bonds	\$ 560,290,000	\$ 574,125,000
Bond Premium	33,349,485	35,075,710
Capital Lease	951,368	-
Compensated Absences	<u>8,951,615</u>	<u>9,077,399</u>
 Total Long Term Debt	 <u><u>\$ 603,542,468</u></u>	 <u><u>\$ 618,278,109</u></u>

During fiscal year 2015-16 the district entered into a capital lease agreement to finance the acquisition of school buses with an initial value of \$1.1 million.

During the current fiscal year, the district also repaid \$13.8 million of principal on general obligation bonds and \$0.2 million of principal on capital leases.

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

State statute limits the amount of general obligation debt a government may issue to 20% of its total assessed valuation. At June 30, 2016, the district’s legal debt limit is \$1,170.5 million, which exceeds the district’s total outstanding debt by \$610.2 million.

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

Economic Factors and Next Year’s Budget

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

Nearly 75% of the district’s General Operating Fund revenues are a result of state level decisions. The Colorado State Legislature approved the 2016-17 SFA and increased the statewide per pupil base funding by inflation, or 1.2%. However, for the eighth consecutive year the Colorado State Legislature continued to lower the statewide total funding by applying a negative factor to reduce total program funding received by each school district. For Boulder Valley School District RE-2, this negative factor in the SFA is expected to equate to \$28.6 million in lost state revenues for 2016-17.

The district's projected state per pupil revenue (PPR) for 2016-17 is \$7,351 (slightly rounded). Total program funding, defined by the SFA, is projected to be \$219.7 million (this figure does not include the estimated uncollectable property taxes due to the timing of tax collections), an increase of \$5.6 million from the prior year.

The funded pupil count is the real driver of school funding. The SFA identifies a per-pupil funding amount, and the number of full-time students enrolled in a district determines the amount of total funding. The funded pupil count refers to the number of full-time students enrolled in a district. Not all students (kindergartners, for example) attend school on a full-time basis; the funded pupil count is different from the total enrollment, or district membership. The official pupil count occurs each October 1 and results in the funded pupil count numbers.

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

Requests for Information

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

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

BASIC FINANCIAL STATEMENTS



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Boulder Valley School District RE-2

STATEMENT OF NET POSITION

June 30, 2016

	PRIMARY GOVERNMENT GOVERNMENTAL ACTIVITIES	COMPONENT UNITS CHARTER SCHOOLS
ASSETS		
Cash and Investments	\$ 68,350,252	\$ 7,418,161
Restricted Cash and Investments	279,197,448	3,836,323
Accounts Receivable	347,554	1,594
Taxes Receivable, Net	6,174,960	-
Grants Receivable	921,683	20,000
Inventories	1,175,137	-
Prepaid Items and Other	1,116,693	22,996
Capital Assets, Not Being Depreciated	58,957,679	1,773,744
Capital Assets, Net of Accumulated Depreciation	401,231,560	25,979,112
TOTAL ASSETS	817,472,966	39,051,930
DEFERRED OUTFLOWS OF RESOURCES		
Loss on Debt Refunding, Net of Accumulated Amortization	452,376	3,423,426
Change in Experience	9,530,082	509,766
Change in Investment Earnings	61,260,534	3,281,705
Change in Proportionate Share	7,787,141	707,764
Contributions Subsequent to the Measurement Date	19,284,343	1,107,459
TOTAL DEFERRED OUTFLOWS OF RESOURCES	98,314,476	9,030,120
LIABILITIES		
Accounts and Retainage Payable	29,111,281	211,297
Accrued Liabilities	11,116,418	-
Accrued Compensation and Benefits	15,500,961	1,084,565
Unearned Revenues	1,050,985	37,520
Accrued Interest Payable	2,039,419	299,156
Claims Payable	1,233,723	-
Noncurrent Liabilities		
Due Within One Year	25,799,816	632,234
Due in More Than One Year	577,742,652	18,191,221
Net Pension Liability	721,696,274	38,603,640
TOTAL LIABILITIES	1,385,291,529	59,059,633
DEFERRED INFLOWS OF RESOURCES		
Change in Experience	29,784	1,607
Change in Assumptions or Other Inputs	10,198,848	545,539
Change in Proportionate Share	-	1,005,003
TOTAL DEFERRED INFLOWS OF RESOURCES	10,228,632	1,552,149
NET POSITION		
Net Investment in Capital Assets	91,385,753	12,422,621
Restricted for Advanced Placement Testing	-	9,823
Restricted for Scholarships	-	1,110,760
Restricted for Debt Service	36,914,447	2,116,571
Restricted for Repair and Maintenance	-	250,013
Restricted for Multiple Year Obligations	120,000	-
Restricted for Colorado Preschool Program	252,147	-
Restricted for Capital Renewal	-	65,000
Restricted for Emergencies	9,431,397	738,285
Restricted for Medicaid	1,531,924	-
Restricted for Donations	-	40,845
Unrestricted	(619,368,387)	(29,283,650)
TOTAL NET POSITION	\$ (479,732,719)	\$ (12,529,732)

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

Boulder Valley School District RE-2

STATEMENT OF ACTIVITIES

Year Ended June 30, 2016

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
PRIMARY GOVERNMENT				
Instruction	\$ 254,328,181	\$ 8,770,592	\$ 20,008,669	\$ 1,343,199
Supporting Services	150,229,150	10,133,111	9,399,863	257,607
Interest Expense	24,306,236	-	-	-
TOTAL PRIMARY GOVERNMENT	\$ 428,863,567	\$ 18,903,703	\$ 29,408,532	\$ 1,600,806
COMPONENT UNITS				
Charter Schools	27,780,670	1,715,128	1,119,846	10,334,429
TOTAL COMPONENT UNITS	\$ 27,780,670	\$ 1,715,128	\$ 1,119,846	\$ 10,334,429

GENERAL REVENUES

Local Property Taxes
 Specific Ownership Taxes
 State Equalization
 Grants and Contributions Not Restricted to Specific Programs
 Investment Earnings
 Insurance Proceeds
 Per Pupil Revenues
 Mill Levy Override
 Other

TOTAL GENERAL REVENUES

CHANGE IN NET POSITION

NET POSITION, Beginning

NET POSITION, Ending

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

NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION	
PRIMARY GOVERNMENT GOVERNMENTAL ACTIVITIES	COMPONENT UNITS CHARTER SCHOOLS
\$ (224,205,721)	\$ -
(130,438,569)	-
(24,306,236)	-
(378,950,526)	-
	(14,611,267)
	(14,611,267)
266,761,506	-
13,604,213	-
61,227,625	-
85,070	408,077
1,556,533	1,338
222,511	11,480
-	16,514,246
-	5,140,766
1,320,750	893,141
344,778,208	22,969,048
(34,172,318)	8,357,781
(445,560,401)	(20,887,513)
\$ (479,732,719)	\$ (12,529,732)

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

Boulder Valley School District RE-2

BALANCE SHEET GOVERNMENTAL FUNDS June 30, 2016

	GENERAL	BOND REDEMPTION	2014 BUILDING	NONMAJOR GOVERNMENTAL FUNDS	TOTAL
ASSETS					
Cash and Investments	\$ 56,746,249	\$ -	\$ -	\$ 2,097,976	\$ 58,844,225
Restricted Cash and Investments	91,216	37,935,890	241,170,342	-	279,197,448
Accounts Receivable	275,613	-	-	71,941	347,554
Taxes Receivable, Net	4,989,340	1,017,976	-	167,644	6,174,960
Grants Receivable	-	-	-	921,683	921,683
Due from Other Funds	419,629	-	-	-	419,629
Inventories	822,963	-	-	352,174	1,175,137
Prepaid Items	1,097,793	-	-	18,900	1,116,693
TOTAL ASSETS	<u>\$ 64,442,803</u>	<u>\$ 38,953,866</u>	<u>\$ 241,170,342</u>	<u>\$ 3,630,318</u>	<u>\$ 348,197,329</u>
LIABILITIES					
Accounts and Retainage Payable	\$ 1,830,932	\$ -	\$ 27,280,349	\$ -	\$ 29,111,281
Accrued Liabilities	10,935,150	-	-	181,268	11,116,418
Accrued Compensation and Benefits	14,481,582	-	842	1,013,566	15,495,990
Due to Other Funds	-	-	-	419,629	419,629
Unearned Revenues	631,467	-	-	419,518	1,050,985
TOTAL LIABILITIES	<u>27,879,131</u>	<u>-</u>	<u>27,281,191</u>	<u>2,033,981</u>	<u>57,194,303</u>
DEFERRED INFLOWS OF RESOURCES					
Property Tax Revenue	<u>2,283,022</u>	<u>462,442</u>	<u>-</u>	<u>82,032</u>	<u>2,827,496</u>
FUND BALANCES					
Nonspendable	1,920,756	-	-	43,681	1,964,437
Restricted	10,682,635	38,491,424	213,889,151	652,833	263,716,043
Assigned	-	-	-	817,791	817,791
Unassigned	<u>21,677,259</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,677,259</u>
TOTAL FUND BALANCES	<u>34,280,650</u>	<u>38,491,424</u>	<u>213,889,151</u>	<u>1,514,305</u>	<u>288,175,530</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 64,442,803</u>	<u>\$ 38,953,866</u>	<u>\$ 241,170,342</u>	<u>\$ 3,630,318</u>	<u>\$ 348,197,329</u>

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

Boulder Valley School District RE-2
RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2016

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

Total Fund Balances	\$ 288,175,530
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.	460,189,239
Other long-term assets are not available to pay for current year expenditures and, therefore, are unavailable in the funds.	2,827,496
An internal service fund is used by management to charge the costs of employee health and dental insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.	8,267,333
Long-term liabilities and related items, including bonds payable (\$560,290,000), bond premium (\$33,349,485), capital lease (\$951,368), compensated absences (\$8,951,615), loss on refunding \$452,376 and accrued interest payable (\$2,039,419) are not due and payable in the current year and, therefore, are not reported in the funds.	(605,129,511)
Net pension liability is not due and payable in the current period and, therefore, is not reported in the funds.	(721,696,274)
Deferred outflows of resources used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Change in experience	9,530,082
Change in investment earnings	61,260,534
Change in proportionate share	7,787,141
Contributions subsequent to the measurement date	19,284,343
Deferred inflows of resources used in governmental activities are not due and payable in the current year and, therefore, are not reported in the funds.	
Change in experience	(29,784)
Change in assumptions or other inputs	(10,198,848)
Net Position of Governmental Activities	<u>\$ (479,732,719)</u>

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

Boulder Valley School District RE-2
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2016

	GENERAL	BOND REDEMPTION	2014 BUILDING	NONMAJOR GOVERNMENTAL FUNDS	TOTAL
REVENUES					
Local Sources	\$ 242,648,855	\$ 45,743,682	\$ 2,777,874	\$ 12,447,344	\$ 303,617,755
State Sources	70,485,176	-	-	4,820,397	75,305,573
Federal Sources	1,570,440	-	-	12,752,286	14,322,726
TOTAL REVENUES	314,704,471	45,743,682	2,777,874	30,020,027	393,246,054
EXPENDITURES					
Current					
Instruction	208,791,308	-	-	8,047,546	216,838,854
Supporting Services	96,490,053	-	-	26,084,946	122,574,999
Capital Outlay	-	-	66,044,316	3,778,082	69,822,398
Debt Service					
Principal	-	13,835,000	-	166,432	14,001,432
Interest and Fiscal Charges	-	26,949,772	-	-	26,949,772
TOTAL EXPENDITURES	305,281,361	40,784,772	66,044,316	38,077,006	450,187,455
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	9,423,110	4,958,910	(63,266,442)	(8,056,979)	(56,941,401)
OTHER FINANCING SOURCES (USES)					
Insurance Proceeds	222,511	-	-	-	222,511
Capital Lease Issuance	-	-	-	1,117,800	1,117,800
Transfers In	-	-	-	6,334,746	6,334,746
Transfers Out	(6,334,746)	-	-	-	(6,334,746)
TOTAL OTHER FINANCING SOURCES (USES)	(6,112,235)	-	-	7,452,546	1,340,311
NET CHANGE IN FUND BALANCES	3,310,875	4,958,910	(63,266,442)	(604,433)	(55,601,090)
FUND BALANCES, Beginning	30,969,775	33,532,514	277,155,593	2,118,738	343,776,620
FUND BALANCES, Ending	\$ 34,280,650	\$ 38,491,424	\$ 213,889,151	\$ 1,514,305	\$ 288,175,530

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

Boulder Valley School District RE-2
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2016

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

Net Change in Fund Balances	\$ (55,601,090)
Capital outlays to acquire capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are reported as assets in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount by which capital outlay \$67,110,117 exceeded depreciation expense (\$15,100,531) and the net book value of disposed assets (\$21,429) in the current year. In addition, the district contributed to a charter school the portion of construction in progress that was completed on the charter's behalf as of June 30, 2016 (\$9,811,138).	42,177,019
Revenues that do not provide current financial resources are unavailable in the governmental fund financial statements but are recognized in the government-wide financial statements. This amount represents the change in unavailable property tax revenue \$1,222,684.	1,222,684
Repayments of debt principal are expenditures in the governmental funds, but they reduce long-term liabilities in the statement of net position and do not affect the statement of activities.	14,001,432
Bond and lease proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position and does not affect the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt related items: capital lease proceeds (\$1,117,800), amortization of loss on refunding (\$135,715), and amortization of bond premium \$1,726,225.	472,710
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported expenditures in the governmental funds. This amount represents the change in accrued interest payable \$1,053,026 and compensated absences \$125,784.	1,178,810
An internal service fund is used by management to charge the costs of employee health and dental insurance to individual funds. The net revenue of the internal service fund is included in governmental activities in the statement of activities.	498,695
Some items reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. The (increases) decreases in these activities consist of:	
Change in contributions subsequent to the measurement date	1,652,808
Pension expense	(75,412,993)
Employer contribution expense	35,637,607
Change in Net Position of Governmental Activities	<u>\$ (34,172,318)</u>

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

Boulder Valley School District RE-2

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

June 30, 2016

**GOVERNMENTAL
ACTIVITIES**
**INTERNAL
SERVICE FUNDS**

ASSETS

Cash and Investments

\$ 9,506,027

TOTAL ASSETS

9,506,027

LIABILITIES

Claims Payable

1,233,723

Accrued Compensation and Benefits

4,971

TOTAL LIABILITIES

1,238,694

NET POSITION

Unrestricted

8,267,333

TOTAL NET POSITION

\$ 8,267,333

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

Boulder Valley School District RE-2
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
Year Ended June 30, 2016

	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
OPERATING REVENUES	
Premiums and Services	\$ 29,932,602
Other	685,830
TOTAL OPERATING REVENUES	30,618,432
OPERATING EXPENSES	
Personnel	213,031
Insurance Premiums and Claims	26,747,645
Administrative Fees	1,112,533
Other	2,046,528
TOTAL OPERATING EXPENSES	30,119,737
CHANGE IN NET POSITION	498,695
NET POSITION, Beginning	7,768,638
NET POSITION, Ending	\$ 8,267,333

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

Boulder Valley School District RE-2

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

Increase (Decrease) in Cash and Cash Equivalents

Year Ended June 30, 2016

GOVERNMENTAL ACTIVITIES

INTERNAL SERVICE FUNDS

Cash Flows From Operating Activities

Premiums Received and Other Receipts	\$ 30,618,432
Cash Payments for Premiums, Claims and Other Expenses	(30,035,498)
Cash Paid to Employees for Salaries and Benefits	(208,611)

Net Cash Provided (Used) by Operating Activities	374,323
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NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	374,323
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CASH AND CASH EQUIVALENTS, Beginning	9,131,704
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CASH AND CASH EQUIVALENTS, Ending	\$ 9,506,027
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RECONCILIATION OF CHANGE IN NET POSITION TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES

Change in Net Position	\$ 498,695
Adjustments to Reconcile Change in Net Position to Net Cash Provided (Used) by Operating Activities	
Changes in Assets and Liabilities Related to Operations	
Claims Payable	(128,792)
Accrued Compensation and Benefits	4,420

Net Cash Provided (Used) by Operating Activities	\$ 374,323
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The accompanying notes are an integral part of the financial statements.

Boulder Valley School District RE-2

STATEMENT OF NET POSITION

FIDUCIARY FUNDS

June 30, 2016

	PRIVATE PURPOSE TRUST FUNDS	AGENCY FUND
ASSETS		
Cash and Investments	\$ 1,411,687	\$ 4,833,336
TOTAL ASSETS	1,411,687	4,833,336
LIABILITIES		
Due to Student and School Groups	-	4,833,336
TOTAL LIABILITIES	-	4,833,336
NET POSITION		
Held in Trust for Scholarships	1,411,687	-
TOTAL NET POSITION	\$ 1,411,687	\$ -

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

Boulder Valley School District RE-2
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
Year Ended June 30, 2016

	PRIVATE PURPOSE TRUST FUNDS
ADDITIONS	
Contributions	\$ 120,246
DEDUCTIONS	
Scholarships and Awards	36,937
CHANGE IN HELD IN TRUST FOR SCHOLARSHIPS	83,309
HELD IN TRUST FOR SCHOLARSHIPS, Beginning	1,328,378
HELD IN TRUST FOR SCHOLARSHIPS, Ending	<u>\$ 1,411,687</u>

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

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

Based upon the application of this criteria, the district includes five charter schools within its reporting entity. The charter schools are public schools authorized by State statutes to provide alternatives for parents, pupils and teachers. The charter schools are fiscally dependent on the district and their exclusion would render the district's financial statements misleading. Since the charter schools have separately elected boards, the balances and transactions of the charter schools are discretely presented in the financial statements. Separate financial statements may be obtained by contacting the schools individually at the following addresses: Boulder Preparatory High School at 5075 Chaparral Court, Boulder, Colorado 80301; Horizons K-8 School at 4545 Sioux Drive, Boulder, Colorado 80303; Peak to Peak Charter School at 800 Merlin Drive, Lafayette, Colorado 80026; Summit Middle School at 4655 Hanover Avenue, Boulder, Colorado, 80305; and Justice High School at 805 Excalibur, Lafayette, Colorado 80026.

Government-Wide and Fund Financial Statements

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

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (Continued)

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

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

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

The district reports the following major governmental funds:

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

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

The *2014 Building Fund* reports bond proceeds and other revenues to be used for major building repairs and renovations.

Additionally, the district reports the following fund types:

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

The *Fiduciary Funds* account for the activities of various scholarship accounts, student activities and fundraising activities. The district holds all resources in a purely custodial capacity.

Assets, Liabilities and Fund Equity

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

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

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Fund Equity (Continued)

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

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

Inventories - Materials and supplies inventories are stated at average cost using the first-in/first-out (FIFO) method. Food Services Fund inventories consist of purchased and donated commodities. Donated commodities, received at no cost under a program supported by the federal government, are valued based upon the cost furnished by the federal government.

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

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

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

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

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

Land Improvements	15 to 20 years
Buildings	50 years
Equipment and Vehicles	5 to 20 years

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Fund Equity (Continued)

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

Accrued Compensation and Benefits - Salaries and benefits of certain contractually employed personnel are paid over a twelve month period from August to July, but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, at June 30, are reflected as a liability in the accompanying financial statements.

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

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

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

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

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

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

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

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

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Fund Equity (Continued)

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

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

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

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

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

Fund Balance Policy - The district's policy is to have a sufficient balance in the General Fund with sufficient working capital and a margin of safety to address local and regional emergencies without borrowing. The district shall strive to maintain a yearly fund balance in the General Operating Fund in which the total fund balance is 3% of the total operating expenditures in addition to any amounts required by statute. At June 30, 2016, unassigned fund balance of the General Operating Fund was sufficient to meet this policy.

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Fund Equity (Continued)

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

Revenues

Property Taxes - Property taxes for a calendar year are certified in arrears on December 10 and attached as a lien on the property the previous January 1. For example, property taxes owed in 2016 are certified to the county in December 2015 and are available for collection on the levy date, January 1. Property taxes are payable in full by April 30 or in two equal installments due February 28 and June 15. Property tax receipts collected by the county are generally remitted to the district in the subsequent month.

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

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

Current Year GASB Pronouncements

For the year ended June 30, 2016, the district adopted the provisions of GASB Statement No. 72, *Fair Value Measurements and Application*, which is effective for financial statement periods beginning after June 30, 2015. GASB Statement No. 72 requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. The district carried investments affected by the implementation described in Note 2.

NOTE 2: CASH AND INVESTMENTS

At June 30, 2016, the district had the following cash and investments:

Cash on Hand	\$ 115,263
Deposits	17,649,917
Investments	<u>338,213,748</u>
Total	<u><u>\$ 355,978,928</u></u>

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

Primary Government Cash and Investments	\$ 68,350,252
Primary Government Restricted Cash and Investments	279,197,448
Fiduciary Funds Cash and Investments	6,245,023
Charter School Cash Held by District	<u>2,186,205</u>
Total	<u><u>\$ 355,978,928</u></u>

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 2: CASH AND INVESTMENTS (Continued)

Deposits

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

Investments

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

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

The district had the following investments at June 30, 2016:

	Less than 1	1 to 5	Total	S&P Rating
US Agency Securities	\$ 81,136,989	\$ 23,138,720	\$ 104,275,709	AA+
US Government Securities	19,237,245	18,635,073	37,872,318	AA+
Local Government Investment Pool	182,540,937	-	182,540,937	AAAm
Money Market Mutual Funds	13,524,784	-	13,524,784	AAAm
	<u>\$ 296,439,955</u>	<u>\$ 41,773,793</u>	<u>\$ 338,213,748</u>	

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

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

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 2: CASH AND INVESTMENTS (Continued)

Investments (Continued)

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

Local Government Investment Pool - At June 30, 2016, the district had \$182,540,937 invested in the Colorado Local Government Liquid Asset Trust (Colotrust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces the requirements of creating and operating Colotrust. The pool operates in conformity with the Securities and Exchange Commission's Rule 2a-7 as promulgated under the Investment Company Act of 1940, as amended, which includes the maintenance of each share equal in value to \$1.00. Investments within Colotrust are limited to those allowed by state statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments. This district's investment in Colotrust is measured using net asset value.

Fair Value of Investments

The district categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices (unadjusted) in active markets for an identical asset or liability that a government can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1, that are observable for an asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3: Unobservable inputs for an asset or liability.

The following table presents the fair value of measurements of assets recognized in the accompanying statement of net position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30, 2016.

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 2: CASH AND INVESTMENTS (Continued)

Fair Value of Investments (Continued)

Investments by Fair Value Levels	Balance	Fair Value Measurement Using		
	June 30, 2016	Level 1	Level 2	Level 3
Governmental Activities				
US Agency Securities	\$ 104,275,709	\$ -	\$ 104,275,709	\$ -
US Government Securities	37,872,318	-	37,872,318	-
Money Market Mutual Funds	13,524,784	-	13,524,784	-
Total	<u>\$ 155,672,811</u>	<u>\$ -</u>	<u>\$ 155,672,811</u>	<u>\$ -</u>
Component Units				
Endowment	\$ 1,110,760	\$ -	\$ -	\$ 1,110,760
Common Stock	22,566	22,566	-	-
Total	<u>\$ 1,133,326</u>	<u>\$ 22,566</u>	<u>\$ -</u>	<u>\$ 1,110,760</u>

Component unit investments also include \$136,172 held in a money market fund valued at amortized cost.

Restricted Cash and Investments

Restricted cash and investments include \$91,216 in the General Fund for employee flexible spending balances, \$37,935,890 in the Bond Redemption Fund restricted for future debt service payments, and \$241,170,342 in the 2014 Building Fund for unspent bond proceeds restricted for capital projects.

NOTE 3: INTERFUND BALANCES AND TRANSFERS

<u>Due from Other Funds</u>	<u>Due to Other Funds</u>	<u>Balance</u>
General Fund	Grants Fund	<u>\$ 419,629</u>

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

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Balance</u>
Capital Reserve Fund	General Fund	\$ 1,619,724
Transportation Fund	General Fund	3,957,620
Food Services Fund	General Fund	<u>757,402</u>
Total		<u>\$ 6,334,746</u>

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

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 4: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2016, is summarized below.

	Balances 6/30/15	Additions	Deletions	Balances 6/30/16
Governmental Activities				
Capital Assets, Not Being Depreciated				
Land	\$ 4,726,468	\$ -	\$ -	\$ 4,726,468
Construction in Progress	1,559,174	64,671,953	(11,999,916)	54,231,211
Total Capital Assets, Not Being Depreciated	6,285,642	64,671,953	(11,999,916)	58,957,679
Capital Assets, Being Depreciated				
Land Improvements	27,193,969	2,344,462	-	29,538,431
Buildings	553,770,556	39,811	(13,190)	553,797,177
Equipment	11,343,779	973,148	(1,090,932)	11,225,995
Vehicles	22,378,513	1,269,521	(1,393,791)	22,254,243
Total Capital Assets, Being Depreciated	614,686,817	4,626,942	(2,497,913)	616,815,846
Less Accumulated Depreciation For				
Land Improvements	6,760,407	1,606,311	-	8,366,718
Buildings	167,815,643	11,995,331	(13,190)	179,797,784
Equipment	10,064,052	448,983	(1,069,503)	9,443,532
Vehicles	18,320,137	1,049,906	(1,393,791)	17,976,252
Total Accumulated Depreciation	202,960,239	15,100,531	(2,476,484)	215,584,286
Total Capital Assets, Being Depreciated, Net	411,726,578	(10,473,589)	(21,429)	401,231,560
Governmental Activities Capital Assets, Net	<u>\$ 418,012,220</u>	<u>\$ 54,198,364</u>	<u>\$ (12,021,345)</u>	<u>\$ 460,189,239</u>
Component Units				
Capital Assets, Not Being Depreciated				
Land	\$ 1,734,366	\$ -	\$ -	\$ 1,734,366
Construction in Progress	542,610	10,691,051	(11,194,283)	39,378
Total Capital Assets, Not Being Depreciated	2,276,976	10,691,051	(11,194,283)	1,773,744
Capital Assets, Being Depreciated				
Land Improvements	2,775,498	444,717	425,081	3,645,296
Buildings	17,877,584	-	10,706,878	28,584,462
Equipment	450,943	-	-	450,943
Total Capital Assets, Being Depreciated	21,104,025	444,717	11,131,959	32,680,701
Less Accumulated Depreciation For				
Land Improvements	1,114,060	137,591	-	1,251,651
Buildings	4,990,943	355,371	(43,502)	5,302,812
Equipment	104,140	42,986	-	147,126
Total Accumulated Depreciation	6,209,143	535,948	(43,502)	6,701,589
Total Capital Assets, Being Depreciated, Net	14,894,882	(91,231)	11,175,461	25,979,112
Component Units Capital Assets, Net	<u>\$ 17,171,858</u>	<u>\$ 10,599,820</u>	<u>\$ (18,822)</u>	<u>\$ 27,752,856</u>

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 4: CAPITAL ASSETS (Continued)

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

Governmental Activities	
Instruction	\$ 13,137,462
Supporting Services	<u>1,963,069</u>
Total	<u>\$ 15,100,531</u>

NOTE 5: SHORT-TERM DEBT

During the year ended June 30, 2016, the district borrowed \$121,373,640 from the state-sponsored interest-free loan program to provide cash flow throughout the fiscal year. The loan was paid in full by June 30, 2016, from property taxes received primarily from February through June. The schedule of changes is summarized below.

	Balances 6/30/15	Additions	Payments	Balances 6/30/16
State-sponsored interest-free loan	\$ -	\$ 121,373,640	\$ 121,373,640	\$ -
Total	<u>\$ -</u>	<u>\$ 121,373,640</u>	<u>\$ 121,373,640</u>	<u>\$ -</u>

NOTE 6: LONG-TERM DEBT

Following is a summary of long-term debt transactions of the district for the year ended June 30, 2016.

	Balances 6/30/15	Additions	Payments	Balances 6/30/16	Due Within One Year
Governmental Activities					
General Obligation Bonds	\$ 574,125,000	\$ -	\$ 13,835,000	\$ 560,290,000	\$ 19,225,000
Bond Premium	35,075,710	-	1,726,225	33,349,485	-
Capital Lease	-	1,117,800	166,432	951,368	153,094
Compensated Absences	<u>9,077,399</u>	<u>6,366,876</u>	<u>6,492,660</u>	<u>8,951,615</u>	<u>6,421,722</u>
Total	<u>\$ 618,278,109</u>	<u>\$ 7,484,676</u>	<u>\$ 22,220,317</u>	<u>\$ 603,542,468</u>	<u>\$ 25,799,816</u>

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

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 6: LONG-TERM DEBT (Continued)

General Obligation Bonds

General obligation bonds payable at June 30, 2016, are comprised of the following issues:

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

Issued to implement a district-wide capital construction and improvement program. Principal payments due on December 1 and interest payments due on December 1 and June 1, through 2044. Interest accrues at rates ranging from 4.00% to 5.00%.

\$ 250,000,000

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

Issued to refund the general obligation bonds, Series 1999. Principal payments due on December 1 and interest payments due on December 1 and June 1, through 2018. Interest accrues at rates ranging from 2.25% to 4.00%.

\$ 36,040,000

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

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

\$ 172,955,000

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

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

\$ 101,295,000

Total

\$ 560,290,000

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

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 19,225,000	\$ 25,381,943	\$ 44,606,943
2018	24,685,000	24,535,305	49,220,305
2019	15,165,000	23,742,305	38,907,305
2020	11,930,000	23,166,005	35,096,005
2021	12,355,000	22,605,190	34,960,190
2022 - 2026	69,720,000	103,656,900	173,376,900
2027 - 2031	86,875,000	85,482,269	172,357,269
2032 - 2036	104,020,000	63,104,856	167,124,856
2037 - 2041	108,400,000	37,241,875	145,641,875
2042 - 2045	107,915,000	9,120,262	117,035,262
Total	<u><u>\$ 560,290,000</u></u>	<u><u>\$ 418,036,910</u></u>	<u><u>\$ 978,326,910</u></u>

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 6: LONG-TERM DEBT (Continued)

General Obligation Bonds (Continued)

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

Capital Lease

This year, the district entered into a lease agreement as lessee for financing the acquisition of school buses valued at \$1,117,800. The buses have an 8-year estimated useful life. This year, \$11,644 was included in depreciation expense. This lease agreement qualifies as a capital lease and, therefore, has been recorded at the present value of future minimum lease payments as of the inception date.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2016, were as follows:

<u>Year Ended June 30,</u>	<u>Governmental Activities</u>
2017	\$ 166,432
2018	166,432
2019	166,432
2020	166,432
2021	166,432
2022	<u>166,432</u>
Total minimum lease payments	998,592
Less: amount representing interest	<u>(47,224)</u>
Present value of minimum lease payments	<u><u>\$ 951,368</u></u>

Operating Lease

The district leases the majority of its non-bus fleet of vehicles. Total costs for the lease was \$235,813 for the year ended June 30, 2016. Future minimum lease payments for the lease are as follows:

<u>Year Ended June 30,</u>	<u>Governmental Activities</u>
2017	\$ 257,959
2018	257,959
2019	257,959
2020	249,900
2021	<u>20,980</u>
Total	<u><u>1,044,757</u></u>

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 6: LONG-TERM DEBT (Continued)

Component Units

Changes in long-term debt of the Component Units for the year ended June 30, 2016, were as follows:

	Balances 6/30/15	Additions	Payments	Balances 6/30/16	Due Within One Year
Loan Payable	\$ 203,273	\$ -	\$ 10,888	\$ 192,385	\$ 9,629
Bonds Payable	17,880,000	-	470,000	17,410,000	620,000
Bond Premium	1,215,236	-	63,960	1,151,276	-
Compensated Absences	63,633	138,602	132,441	69,794	2,605
Total	<u>\$ 19,362,142</u>	<u>\$ 138,602</u>	<u>\$ 677,289</u>	<u>\$ 18,823,455</u>	<u>\$ 632,234</u>

Component unit loan and bonds payable consist of the following at June 30, 2016:

\$250,000 Loan Payable, August 2007.

Issued to purchase a building. Monthly payments are required through April 30, 2032. Interest accrues at a variable rate calculated from the 5-Year Treasury Rate plus 1.28 percentage points. At June 30, 2016, the interest rate was 2.97%.

\$ 192,385

\$17,880,000 Charter School Refunding Revenue Bonds, July 15, 2014.

Issued to refund the Series 2004 Charter School Revenue and Refunding Bonds. Due in annual installments ranging from \$470,000 to \$1,350,000 through August 2034; interest (ranging from 2.00% to 5.00%) payable semi-annually on August 15 and February 15. Revenue from the rental of the building has been pledged to pay principal and interest.

\$ 17,410,000

Total

\$ 17,602,385

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

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 9,629	\$ 5,584	\$ 15,213
2018	9,919	5,294	15,213
2019	10,218	4,995	15,213
2020	10,526	4,687	15,213
2021	10,842	4,371	15,213
2022 - 2026	59,310	16,754	76,064
2027 - 2031	68,792	7,272	76,064
2032	13,149	188	13,337
Total	<u>\$ 192,385</u>	<u>\$ 49,145</u>	<u>\$ 241,530</u>

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 6: LONG-TERM DEBT (Continued)

Component Units (Continued)

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

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 620,000	\$ 791,950	\$ 1,411,950
2018	640,000	773,050	1,413,050
2019	655,000	750,600	1,405,600
2020	680,000	724,150	1,404,150
2021	710,000	696,350	1,406,350
2022 - 2026	4,010,000	3,005,750	7,015,750
2027 - 2031	5,060,000	1,916,250	6,976,250
2032 - 2035	5,035,000	518,625	5,553,625
Total	<u>\$ 17,410,000</u>	<u>\$ 9,176,725</u>	<u>\$ 26,586,725</u>

NOTE 7: FUND BALANCES

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

	<u>GENERAL</u>	<u>BOND REDEMPTION</u>	<u>2014 BUILDING</u>	<u>NONMAJOR GOVERNMENTAL FUNDS</u>	<u>TOTAL</u>
FUND BALANCES					
Nonspendable:					
Inventories	\$ 822,963	\$ -	\$ -	\$ 43,681	\$ 866,644
Prepaid Items	1,097,793	-	-	-	1,097,793
Total Nonspendable	1,920,756	-	-	43,681	1,964,437
Restricted For:					
Debt Service	-	38,491,424	-	-	38,491,424
Capital Projects	-	-	213,889,151	-	213,889,151
Multiple Year Obligations	120,000	-	-	-	120,000
Colorado Preschool Program	252,147	-	-	-	252,147
Emergencies	8,778,564	-	-	652,833	9,431,397
Medicaid	1,531,924	-	-	-	1,531,924
Total Restricted	10,682,635	38,491,424	213,889,151	652,833	263,716,043
Assigned To:					
Capital Projects	-	-	-	817,791	817,791
Total Assigned	-	-	-	817,791	817,791
Unassigned, Reported In					
General Fund	21,677,259	-	-	-	21,677,259
Total Unassigned	21,677,259	-	-	-	21,677,259
Total Fund Balances	<u>\$ 34,280,650</u>	<u>\$ 38,491,424</u>	<u>\$ 213,889,151</u>	<u>\$ 1,514,305</u>	<u>\$ 288,175,530</u>

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 8: RISK MANAGEMENT

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

Joint School District Worker's Compensation Self-Insurance Pool

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

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

Each member of the JSD Pool is responsible for the first \$100,000 of each loss. Losses between \$100,000 and \$450,000 are pooled between the member districts, and losses in excess of \$450,000 are reinsured for up to statutory limits.

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

Colorado School Districts Self Insurance Pool

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

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 8: RISK MANAGEMENT (Continued)

Health and Dental Self-Insurance

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

	Health Insurance	Dental Insurance
Claims Payable, June 30, 2014	\$ 1,270,490	\$ 280,381
Claims Incurred and Adjustments	14,877,230	1,933,331
Payments	(14,930,428)	(2,068,489)
Claims Payable, June 30, 2015	1,217,292	145,223
Claims Incurred and Adjustments	16,328,908	2,082,438
Payments	(16,479,422)	(2,060,716)
Claims Payable, June 30, 2016	<u>\$ 1,066,778</u>	<u>\$ 166,945</u>

Claims payable at June 30, 2016 are expected to be liquidated within the next fiscal year.

NOTE 9: DEFINED BENEFIT PENSION PLAN

Summary of Significant Accounting Policies

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

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan

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

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

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

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

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

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

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

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

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

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

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

	For the Year Ended	
	12/31/2015	12/31/2016
Employer Contribution Rate ¹	10.15%	10.15%
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f) ¹	(1.02)%	(1.02)%
Amount Apportioned to the SCHDTF ¹	9.13%	9.13%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411 ¹	4.20%	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411 ¹	4.00%	4.50%
Total Employer Contribution Rate to the SCHDTF ¹	17.33%	18.13%

¹Rates are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the district is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the district were \$37,290,415 for the year ended June 30, 2016.

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

At June 30, 2016, the district reported a liability of \$721,696,274 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014. Standard update procedures were used to roll forward the total pension liability to December 31, 2015. The district's proportion of the net pension liability was based on the district's contributions to the SCHDTF for the calendar year 2015 relative to the total contributions of participating employers to the SCHDTF.

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

At December 31, 2015, the district's proportion was 4.71872892 percent, which was an increase of 0.04444050 from its proportion measured as of December 31, 2014. The district's proportion includes the primary government (approximately 97.95%) and four of the district's five charter schools (approximately 2.05%). Peak to Peak Charter School's proportion is calculated separately by PERA. The district allocates its proportion to the primary government and to each of the four charter schools based on contributions to the SCHDTF for the calendar year, which is the same methodology used by PERA in allocating to its members. Required footnote disclosures for each of the five charter schools are included in their respective separately issued financial statements.

For the year ended June 30, 2016, the district recognized pension expense of \$75,412,993. At June 30, 2016, the district reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 9,530,082	\$ 29,784
Changes of assumptions or other inputs	-	10,198,848
Net difference between projected and actual earnings on pension plan investments	61,260,534	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	7,787,141	-
Contributions subsequent to the measurement date	19,284,343	-
Total	<u>\$ 97,862,100</u>	<u>\$ 10,228,632</u>

\$19,284,343 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,

2017	\$ 19,620,562
2018	19,022,521
2019	17,122,589
2020	12,583,453
2021	-
Thereafter	-

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Actuarial assumptions. The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.80 percent
Real wage growth	1.10 percent
Wage inflation	3.90 percent
Salary increases, including wage inflation	3.90 – 10.10 percent
Long-term investment Rate of Return, net of pension plan investment expenses, including price inflation	7.50 percent
Future post-retirement benefit increases:	
PERA Benefit Structure hired prior to 1/1/07	2.00 percent
PERA Benefit Structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

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

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

Changes to assumptions or other inputs since the December 31, 2013 valuation are as follows:

The following programming changes were made:

- Valuation of the full survivor benefit without any reduction for possible remarriage.
- Reflection of the employer match on separation of benefits for all eligible years.
- Reflection of one year of service eligibility for survivor annuity benefit.
- Refinement of the 18 month annual increase timing.
- Refinements to directly value certain and life, modified cash refund and pop-up benefit forms.

The following methodology changes were made:

- Recognition of merit salary increases in the first projection year.
- Elimination of the assumption that 35% of future disabled members elect to receive a refund.
- Removal of the negative value adjustment for liabilities associated with refunds of future terminating members.
- Adjustments to the timing of the normal cost and unfunded actuarial accrued liability payment calculations to reflect contributions throughout the year.

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

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

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

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

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

Discount rate. The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.90%.
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law, including current and estimated future AED and SAED, until the Actuarial Value Funding Ratio reaches 103%, at which point, the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions included reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. As the ad hoc post-retirement benefit increases financed by the AIR are defined to have a present value at the long-term expected rate of return on plan investments equal to the amount transferred for their future payment, AIR transfers to the fiduciary net position and the subsequent AIR benefit payments have no impact on the Single Equivalent Interest Rate (SEIR) determination process when the timing of AIR cash flows is not a factor (i.e., the plan's fiduciary net position is not projected to be depleted). When AIR cash flow timing is a factor in the SEIR determination process (i.e., the plan's fiduciary net position is projected to be depleted), AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the end of the month.

Based on the above actuarial cost method and assumptions, the SCHDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the Municipal Bond Index Rate. There was no change in the discount rate from the prior measurement date.

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

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Proportionate share of the net pension liability	935,529,298	721,696,274	543,827,091

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

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

NOTE 10: OTHER POST-EMPLOYMENT BENEFITS

Health Care Trust Fund

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

Funding Policy - The district is required to contribute at a rate of 1.02% of PERA-includable salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the School are established under Title 24, Article 51, Part 4 of the C.R.S., as amended. The apportionment of the contributions to the HCTF is established under Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended. For the years ending June 30, 2016, 2015, and 2014, the School's contribution to the HCTF were \$2,145,303, \$2,045,954, and \$1,955,944, respectively, equal to their required contributions for each year.

NOTE 11: COMMITMENTS AND CONTINGENCIES

Claims and Judgments

The district participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the district may be required to reimburse the grantor government. At June 30, 2016, significant amounts of grant expenditures have not been audited by the grantor agency, but the district believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the district.

Litigation

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

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 11: COMMITMENTS AND CONTINGENCIES (Continued)

Construction Commitments

At June 30, 2016, the district had construction commitments totaling approximately \$83.7 million, primarily for facility construction contracts to be funded with bond proceeds. Subsequent to June 30, 2016, the district entered into additional construction commitments of approximately \$66.6 million for the same purpose.

Tabor Amendment

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

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

The Amendment requires all governments to establish a reserve for emergencies. At June 30, 2016, \$9,431,397 was restricted to satisfy the reserve requirement.

NOTE 12: SUBSEQUENT EVENT

Capital Lease

On October 26, 2016, and as authorized by Resolution No. 16-08, the district entered into a capital lease agreement to finance the acquisition of 17 buses, with a purchase price of \$1,855,550. Interest accrues at a fixed rate of 1.6%. Annual principal and interest payments are required through maturity, July 15, 2022.

Ballot Measure

On November 10, 2016, voters approved ballot measure 3A, which authorizes an operational mill levy to fund maintenance, custodial, security and technology expenditures. In accordance with the approved ballot language, the district will certify an operational mill levy in December 2016, sufficient to generate \$10,000,000 in property tax revenues in 2017. In subsequent years, the mill levy shall not increase by more than one mill per year, and shall not exceed four mills.

REQUIRED SUPPLEMENTARY INFORMATION



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Boulder Valley School District RE-2

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Year Ended June 30, 2016

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL Positive (Negative)
REVENUES				
Property Taxes	\$ 203,595,883	\$ 214,012,537	\$ 212,628,855	\$ (1,383,682)
Specific Ownership Taxes	11,583,505	13,400,000	13,604,213	204,213
Tuition and Fees	10,240,083	10,526,241	11,032,249	506,008
Other Local Revenue	4,740,307	5,315,361	5,383,538	68,177
State Equalization	71,670,965	60,614,978	61,227,625	612,647
State Reimbursement Programs	8,443,564	8,786,135	9,257,551	471,416
Federal Grants	1,075,000	1,075,000	1,570,440	495,440
TOTAL REVENUES	311,349,307	313,730,252	314,704,471	974,219
EXPENDITURES				
Current				
Instruction - Regular Programs	163,135,604	163,177,041	158,927,310	4,249,731
Instruction - Special Programs	51,143,879	50,812,782	49,863,998	948,784
Student Support Services	10,576,916	12,914,606	11,468,178	1,446,428
Instructional Staff Services	12,328,556	13,004,921	11,811,469	1,193,452
General Administration	3,955,323	4,041,545	3,830,105	211,440
School Administration	21,841,741	22,362,363	21,712,411	649,952
Business Services	3,684,848	4,438,359	4,063,248	375,111
Operations and Maintenance	24,355,040	24,239,726	23,183,127	1,056,599
Central Support Services	14,285,718	15,491,845	14,349,428	1,142,417
Community Services	6,201,455	6,373,302	6,072,087	301,215
Emergency Reserves	8,590,909	8,832,028	-	8,832,028
Reserves	8,861,902	8,812,589	-	8,812,589
TOTAL EXPENDITURES	328,961,891	334,501,107	305,281,361	29,219,746
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(17,612,584)	(20,770,855)	9,423,110	30,193,965
OTHER FINANCING SOURCES (USES)				
Insurance Proceeds	20,000	290,000	222,511	(67,489)
Transfers Out	(5,391,862)	(5,715,541)	(6,334,746)	(619,205)
TOTAL OTHER FINANCING SOURCES (USES)	(5,371,862)	(5,425,541)	(6,112,235)	(686,694)
NET CHANGE IN FUND BALANCE	(22,984,446)	(26,196,396)	3,310,875	29,507,271
FUND BALANCE, Beginning	24,919,683	30,969,775	30,969,775	-
FUND BALANCE, Ending	\$ 1,935,237	\$ 4,773,379	\$ 34,280,650	\$ 29,507,271

Boulder Valley School District RE-2
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
June 30, 2016

	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's proportion (percentage) of the collective net pension liability (asset)	4.71872892%	4.67428842%	4.61595307%
District's proportionate share of the collective pension liability (asset)	721,696,274	633,523,091	588,763,568
Covered-employee payroll	205,643,263	195,818,956	186,083,709
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	350.95%	323.52%	316.40%
Plan fiduciary net position as a percentage of the total pension liability	59.20%	62.80%	64.06%

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

Boulder Valley School District RE-2
SCHEDULE OF THE CONTRIBUTIONS AND RELATED RATIOS
June 30, 2016

As of June 30,	<u>2016</u>	<u>2015</u>	<u>2014</u>
Statutorily required contributions	\$ 37,290,415	\$ 33,858,535	\$ 30,643,126
Contributions in relation to the statutorily required contribution	<u>37,290,415</u>	<u>33,858,535</u>	<u>30,643,126</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	210,323,829	200,583,738	191,759,237
Contribution as a percentage of covered-employee payroll	17.73%	16.88%	15.98%

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

Boulder Valley School District RE-2
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2016

NOTE 1: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets

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

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

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

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES



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GENERAL FUND

Boulder Valley School District RE-2

COMBINING BALANCE SHEET

GENERAL FUND

June 30, 2016

	GENERAL OPERATING	RISK MANAGEMENT	TECHNOLOGY
ASSETS			
Cash and Investments	\$ 51,714,784	\$ 276,240	\$ 1,144,640
Restricted Cash and Investments	91,216	-	-
Accounts Receivable	-	-	215,784
Taxes Receivable, Net	4,989,340	-	-
Due from Other Funds	419,629	-	-
Inventories	750,709	-	72,254
Prepaid Items	225,873	-	871,920
TOTAL ASSETS	\$ 58,191,551	\$ 276,240	\$ 2,304,598
LIABILITIES			
Accounts Payable	\$ 1,830,932	\$ -	\$ -
Accrued Liabilities	10,935,150	-	-
Accrued Compensation and Benefits	14,449,041	-	413
Unearned Revenues	104,415	-	-
TOTAL LIABILITIES	27,319,538	-	413
DEFERRED INFLOWS OF RESOURCES			
Property Tax Revenue	2,283,022	-	-
FUND BALANCES			
Nonspendable	976,582	-	944,174
Restricted	9,794,513	112,600	87,923
Unassigned	17,817,896	163,640	1,272,088
TOTAL FUND BALANCES	28,588,991	276,240	2,304,185
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 58,191,551	\$ 276,240	\$ 2,304,598

ATHLETICS	COMMUNITY SCHOOLS	PRESCHOOL	COLORADO PRESCHOOL PROGRAM	TOTAL GENERAL FUND
\$ 263,473	\$ 2,479,346	\$ 611,215	\$ 256,551	\$ 56,746,249
-	-	-	-	91,216
3,664	56,165	-	-	275,613
-	-	-	-	4,989,340
-	-	-	-	419,629
-	-	-	-	822,963
-	-	-	-	1,097,793
<u>\$ 267,137</u>	<u>\$ 2,535,511</u>	<u>\$ 611,215</u>	<u>\$ 256,551</u>	<u>\$ 64,442,803</u>
\$ -	\$ -	\$ -	\$ -	\$ 1,830,932
-	-	-	-	10,935,150
-	12,565	15,159	4,404	14,481,582
-	378,342	148,710	-	631,467
-	390,907	163,869	4,404	27,879,131
-	-	-	-	2,283,022
-	-	-	-	1,920,756
96,618	183,868	154,966	252,147	10,682,635
170,519	1,960,736	292,380	-	21,677,259
267,137	2,144,604	447,346	252,147	34,280,650
<u>\$ 267,137</u>	<u>\$ 2,535,511</u>	<u>\$ 611,215</u>	<u>\$ 256,551</u>	<u>\$ 64,442,803</u>

Boulder Valley School District RE-2
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GENERAL FUND
Year Ended June 30, 2016

	GENERAL OPERATING	RISK MANAGEMENT	TECHNOLOGY
REVENUES			
Local Sources	\$ 231,984,949	\$ 7,310	\$ 344,537
State Sources	70,485,176	-	-
Federal Sources	1,570,440	-	-
TOTAL REVENUES	304,040,565	7,310	344,537
EXPENDITURES			
Current			
Instruction - Regular Programs	154,824,475	-	817,264
Instruction - Special Programs	45,488,182	-	-
Student Support Services	10,601,309	-	-
Instructional Staff Services	10,993,351	-	231,491
General Administration	3,734,580	-	-
School Administration	21,578,123	-	-
Business Services	4,049,969	13,279	-
Operations and Maintenance	22,467,694	657,807	-
Central Support Services	10,804,294	3,115,612	429,522
Community Services	-	-	-
TOTAL EXPENDITURES	284,541,977	3,786,698	1,478,277
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	19,498,588	(3,779,388)	(1,133,740)
OTHER FINANCING SOURCES (USES)			
Insurance Proceeds	-	222,511	-
Transfers In	1,598,555	3,395,075	1,638,795
Transfers Out	(18,783,925)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(17,185,370)	3,617,586	1,638,795
NET CHANGE IN FUND BALANCES	2,313,218	(161,802)	505,055
FUND BALANCES, Beginning	26,275,773	438,042	1,799,130
FUND BALANCES, Ending	\$ 28,588,991	\$ 276,240	\$ 2,304,185

ATHLETICS	COMMUNITY SCHOOLS	PRESCHOOL	COLORADO PRESCHOOL PROGRAM	TOTAL GENERAL FUND
\$ 1,251,273	\$ 7,544,975	\$ 1,515,811	\$ -	\$ 242,648,855
-	-	-	-	70,485,176
-	-	-	-	1,570,440
1,251,273	7,544,975	1,515,811	-	314,704,471
-	-	3,285,571	-	158,927,310
3,005,131	-	11,557	1,359,128	49,863,998
-	-	866,869	-	11,468,178
-	-	457,028	129,599	11,811,469
95,525	-	-	-	3,830,105
2,436	-	121,004	10,848	21,712,411
-	-	-	-	4,063,248
39	-	57,587	-	23,183,127
-	-	-	-	14,349,428
-	5,832,357	147,870	91,860	6,072,087
3,103,131	5,832,357	4,947,486	1,591,435	305,281,361
(1,851,858)	1,712,618	(3,431,675)	(1,591,435)	9,423,110
-	-	-	-	222,511
2,004,320	-	3,649,225	1,801,018	14,086,988
-	(1,598,555)	-	(39,254)	(20,421,734)
2,004,320	(1,598,555)	3,649,225	1,761,764	(6,112,235)
152,462	114,063	217,550	170,329	3,310,875
114,675	2,030,541	229,796	81,818	30,969,775
\$ 267,137	\$ 2,144,604	\$ 447,346	\$ 252,147	\$ 34,280,650



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NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

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

Capital Projects Funds

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.

Boulder Valley School District RE-2

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS

June 30, 2016

	SPECIAL REVENUE		
	FOOD SERVICES	GRANTS	TRANSPORTATION
ASSETS			
Cash and Investments	\$ 96,026	\$ -	\$ 1,150,809
Accounts Receivable	71,941	-	-
Taxes Receivable, Net	-	-	167,644
Grants Receivable	-	858,603	-
Inventories	352,174	-	-
Prepaid Items	-	18,900	-
TOTAL ASSETS	<u>\$ 520,141</u>	<u>\$ 877,503</u>	<u>\$ 1,318,453</u>
LIABILITIES			
Accrued Liabilities	\$ 181,268	\$ -	\$ -
Accrued Compensation and Benefits	170,306	43,856	799,404
Due to Other Funds	-	419,629	-
Unearned Revenues	5,500	414,018	-
TOTAL LIABILITIES	<u>357,074</u>	<u>877,503</u>	<u>799,404</u>
DEFERRED INFLOWS OF RESOURCES			
Property Tax Revenue	-	-	82,032
FUND BALANCES			
Nonspendable	43,681	-	-
Restricted	119,386	-	437,017
Assigned	-	-	-
TOTAL FUND BALANCES	<u>163,067</u>	<u>-</u>	<u>437,017</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 520,141</u>	<u>\$ 877,503</u>	<u>\$ 1,318,453</u>

CAPITAL PROJECTS

<u>CAPITAL RESERVE</u>	<u>TOTAL</u>
\$ 851,141	\$ 2,097,976
-	71,941
-	167,644
63,080	921,683
-	352,174
-	18,900
<u>\$ 914,221</u>	<u>\$ 3,630,318</u>
\$ -	\$ 181,268
-	1,013,566
-	419,629
-	419,518
<u>-</u>	<u>2,033,981</u>
<u>-</u>	<u>82,032</u>
-	43,681
96,430	652,833
<u>817,791</u>	<u>817,791</u>
<u>914,221</u>	<u>1,514,305</u>
<u>\$ 914,221</u>	<u>\$ 3,630,318</u>

Boulder Valley School District RE-2
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2016

	SPECIAL REVENUE		
	FOOD SERVICES	GRANTS	TRANSPORTATION
REVENUES			
Local Sources	\$ 4,001,405	\$ 906,614	\$ 7,426,386
State Sources	96,771	1,350,313	3,373,313
Federal Sources	3,399,479	9,289,727	-
TOTAL REVENUES	7,497,655	11,546,654	10,799,699
EXPENDITURES			
Current			
Instruction - Regular Programs	-	2,313,154	-
Instruction - Special Programs	-	4,236,797	1,497,595
Student Support Services	-	1,520,418	-
Instructional Staff Services	-	1,862,139	-
School Administration	-	778,068	-
Operations and Maintenance	-	3,008	175,923
Student Transportation	-	14,210	13,062,062
Central Support Services	-	28,322	-
Food Services Operations	8,205,910	118,770	-
Community Services	-	55,664	-
Adult Education	-	260,452	-
Capital Outlay	-	355,652	-
Debt Service Principal	-	-	-
TOTAL EXPENDITURES	8,205,910	11,546,654	14,735,580
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(708,255)	-	(3,935,881)
OTHER FINANCING SOURCES			
Capital Lease Issuance	-	-	-
Transfers In	757,402	-	3,957,620
TOTAL OTHER FINANCING SOURCES	757,402	-	3,957,620
NET CHANGE IN FUND BALANCE	49,147	-	21,739
FUND BALANCE, Beginning	113,920	-	415,278
FUND BALANCE, Ending	\$ 163,067	\$ -	\$ 437,017

CAPITAL PROJECTS

<u>CAPITAL RESERVE</u>	<u>TOTAL</u>
\$ 112,939	\$ 12,447,344
-	4,820,397
63,080	12,752,286
176,019	30,020,027
-	2,313,154
-	5,734,392
-	1,520,418
-	1,862,139
-	778,068
-	178,931
-	13,076,272
-	28,322
-	8,324,680
-	55,664
-	260,452
3,422,430	3,778,082
166,432	166,432
3,588,862	38,077,006
(3,412,843)	(8,056,979)
1,117,800	1,117,800
1,619,724	6,334,746
2,737,524	7,452,546
(675,319)	(604,433)
1,589,540	2,118,738
\$ 914,221	\$ 1,514,305

Boulder Valley School District RE-2

BUDGETARY COMPARISON SCHEDULE

FOOD SERVICES FUND

Year Ended June 30, 2016

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Regular School Lunch	\$ 2,843,140	\$ 2,843,140	\$ 2,866,566	\$ 23,426
State Sources	75,000	75,000	96,771	21,771
Federal Reimbursements	3,363,936	3,434,944	3,399,479	(35,465)
Breakfast Revenue	84,879	84,879	75,000	(9,879)
A La Carte	550,000	550,000	487,380	(62,620)
Other	569,106	569,106	572,459	3,353
TOTAL REVENUES	<u>7,486,061</u>	<u>7,557,069</u>	<u>7,497,655</u>	<u>(59,414)</u>
EXPENDITURES				
Current				
Food Services Operations	7,876,895	8,197,903	8,205,910	(8,007)
Reserves	119,386	119,386	-	119,386
TOTAL EXPENDITURES	<u>7,996,281</u>	<u>8,317,289</u>	<u>8,205,910</u>	<u>111,379</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(510,220)</u>	<u>(760,220)</u>	<u>(708,255)</u>	<u>51,965</u>
OTHER FINANCING SOURCES				
Transfers In	396,300	646,300	757,402	111,102
NET CHANGE IN FUND BALANCE	<u>(113,920)</u>	<u>(113,920)</u>	<u>49,147</u>	<u>163,067</u>
FUND BALANCE, Beginning	<u>113,920</u>	<u>113,920</u>	<u>113,920</u>	<u>-</u>
FUND BALANCE, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 163,067</u>	<u>\$ 163,067</u>

Boulder Valley School District RE-2

BUDGETARY COMPARISON SCHEDULE

GRANTS FUND

Year Ended June 30, 2016

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Local Sources	\$ 9,443,103	\$ 9,008,726	\$ 906,614	\$ (8,102,112)
State Sources	969,319	1,355,422	1,350,313	(5,109)
Federal Sources	9,087,578	9,135,852	9,289,727	153,875
TOTAL REVENUES	19,500,000	19,500,000	11,546,654	(7,953,346)
EXPENDITURES				
Current				
Instruction and Supporting Services-Unallocated	19,500,000	6,488,615	-	6,488,615
Instruction - Regular Programs	-	2,594,036	2,313,154	280,882
Instruction - Special Programs	-	5,476,793	4,236,797	1,239,996
Student Support Services	-	1,427,343	1,520,418	(93,075)
Instructional Staff Services	-	1,783,827	1,862,139	(78,312)
School Administration	-	813,085	778,068	35,017
Operations and Maintenance	-	3,008	3,008	-
Student Transportation	-	95,753	14,210	81,543
Central Support Services	-	21,671	28,322	(6,651)
Food Services Operations	-	148,389	118,770	29,619
Community Services	-	65,500	55,664	9,836
Adult Education	-	258,360	260,452	(2,092)
Capital Outlay	-	323,620	355,652	(32,032)
TOTAL EXPENDITURES	19,500,000	19,500,000	11,546,654	7,953,346
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE, Beginning	-	-	-	-
FUND BALANCE, Ending	\$ -	\$ -	\$ -	\$ -

Boulder Valley School District RE-2

BUDGETARY COMPARISON SCHEDULE

TRANSPORTATION FUND

Year Ended June 30, 2016

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Property Taxes	\$ 7,263,500	\$ 7,263,500	\$ 7,234,968	\$ (28,532)
State Transportation Reimbursement	3,480,255	3,320,959	3,373,313	52,354
Other Local Revenue	305,000	305,000	191,418	(113,582)
TOTAL REVENUES	11,048,755	10,889,459	10,799,699	(89,760)
EXPENDITURES				
Current				
Instruction - Special Programs	1,510,985	1,534,916	1,497,595	37,321
Operations and Maintenance	266,574	263,841	175,923	87,918
Student Transportation	12,939,147	12,768,480	13,062,062	(293,582)
Emergency Reserves	441,501	437,017	-	437,017
TOTAL EXPENDITURES	15,158,207	15,004,254	14,735,580	268,674
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(4,109,452)	(4,114,795)	(3,935,881)	178,914
OTHER FINANCING SOURCES				
Transfers In	3,693,684	3,699,517	3,957,620	258,103
NET CHANGE IN FUND BALANCE	(415,768)	(415,278)	21,739	437,017
FUND BALANCE, Beginning	415,768	415,278	415,278	-
FUND BALANCE, Ending	\$ -	\$ -	\$ 437,017	\$ 437,017

Boulder Valley School District RE-2

BUDGETARY COMPARISON SCHEDULE

BOND REDEMPTION FUND

Year Ended June 30, 2016

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Property Taxes	\$ 40,562,436	\$ 45,898,039	\$ 45,674,999	\$ (223,040)
Investment Earnings	25,000	25,000	68,683	43,683
TOTAL REVENUES	<u>40,587,436</u>	<u>45,923,039</u>	<u>45,743,682</u>	<u>(179,357)</u>
EXPENDITURES				
Debt Service				
Principal	13,835,000	13,835,000	13,835,000	-
Interest and Fiscal Charges	26,958,722	26,958,722	26,949,772	8,950
TOTAL EXPENDITURES	<u>40,793,722</u>	<u>40,793,722</u>	<u>40,784,772</u>	<u>8,950</u>
NET CHANGE IN FUND BALANCE	(206,286)	5,129,317	4,958,910	(170,407)
FUND BALANCE, Beginning	<u>33,567,992</u>	<u>33,532,514</u>	<u>33,532,514</u>	<u>-</u>
FUND BALANCE, Ending	<u>\$ 33,361,706</u>	<u>\$ 38,661,831</u>	<u>\$ 38,491,424</u>	<u>\$ (170,407)</u>

Boulder Valley School District RE-2

BUDGETARY COMPARISON SCHEDULE

2014 BUILDING FUND

Year Ended June 30, 2016

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Local Sources				
Investment Earnings, Net	\$ 1,800,000	\$ 1,325,000	\$ 1,434,675	\$ 109,675
Capital Contribution	-	1,300,000	1,322,099	22,099
Other	-	10,000	21,100	11,100
TOTAL REVENUES	<u>1,800,000</u>	<u>2,635,000</u>	<u>2,777,874</u>	<u>11,100</u>
EXPENDITURES				
Capital Outlay	<u>126,363,886</u>	<u>120,912,846</u>	<u>66,044,316</u>	<u>54,868,530</u>
TOTAL EXPENDITURES	<u>126,363,886</u>	<u>120,912,846</u>	<u>66,044,316</u>	<u>54,868,530</u>
NET CHANGE IN FUND BALANCE	(124,563,886)	(118,277,846)	(63,266,442)	55,011,404
FUND BALANCE, Beginning	<u>256,519,446</u>	<u>277,155,593</u>	<u>277,155,593</u>	<u>-</u>
FUND BALANCE, Ending	<u>\$ 131,955,560</u>	<u>\$ 158,877,747</u>	<u>\$ 213,889,151</u>	<u>\$ 55,011,404</u>

Boulder Valley School District RE-2

BUDGETARY COMPARISON SCHEDULE

CAPITAL RESERVE FUND

Year Ended June 30, 2016

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Local Sources	\$ 74,000	\$ 101,500	\$ 112,939	\$ 11,439
Federal Sources	-	-	63,080	63,080
TOTAL REVENUES	74,000	101,500	176,019	74,519
EXPENDITURES				
Capital Outlay				
Salaries and Benefits	-	1,715	1,713	2
Building Improvements	707,122	495,940	468,359	27,581
Operating Departments	1,554,794	2,619,906	2,084,126	535,780
School Projects	1,018,503	907,744	868,232	39,512
Debt Service Principal	-	274,272	166,432	107,840
Reserves	98,413	128,987	-	128,987
TOTAL EXPENDITURES	3,378,832	4,428,564	3,588,862	839,702
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(3,304,832)	(4,327,064)	(3,412,843)	914,221
OTHER FINANCING SOURCES				
Capital Lease Issuance	-	1,117,800	1,117,800	-
Transfers In	1,301,878	1,619,724	1,619,724	-
TOTAL OTHER FINANCING SOURCES	1,301,878	2,737,524	2,737,524	-
NET CHANGE IN FUND BALANCE	(2,002,954)	(1,589,540)	(675,319)	914,221
FUND BALANCE, Beginning	2,002,954	1,589,540	1,589,540	-
FUND BALANCE, Ending	\$ -	\$ -	\$ 914,221	\$ 914,221



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INTERNAL SERVICE FUNDS

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

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

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



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Boulder Valley School District RE-2

COMBINING STATEMENT OF NET POSITION

INTERNAL SERVICE FUNDS

June 30, 2016

	HEALTH INSURANCE FUND	DENTAL INSURANCE FUND	TOTAL
ASSETS			
Cash and Investments	\$ 8,649,062	\$ 856,965	\$ 9,506,027
TOTAL ASSETS	8,649,062	856,965	9,506,027
LIABILITIES			
Claims Payable	1,066,778	166,945	1,233,723
Accrued Compensation and Benefits	4,971	-	4,971
TOTAL LIABILITIES	1,071,749	166,945	1,238,694
NET POSITION			
Unrestricted	7,577,313	690,020	8,267,333
TOTAL NET POSITION	\$ 7,577,313	\$ 690,020	\$ 8,267,333

Boulder Valley School District RE-2
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
Year Ended June 30, 2016

	HEALTH INSURANCE FUND	DENTAL INSURANCE FUND	TOTAL
OPERATING REVENUES			
Premiums and Services	\$ 27,603,780	\$ 2,328,822	\$ 29,932,602
Other	683,355	2,475	685,830
	<hr/>	<hr/>	<hr/>
TOTAL OPERATING REVENUES	28,287,135	2,331,297	30,618,432
	<hr/>	<hr/>	<hr/>
OPERATING EXPENSES			
Personnel	173,760	39,271	213,031
Insurance Premiums and Claims	24,665,207	2,082,438	26,747,645
Administrative Fees	951,765	160,768	1,112,533
Other	2,037,429	9,099	2,046,528
	<hr/>	<hr/>	<hr/>
TOTAL OPERATING EXPENSES	27,828,161	2,291,576	30,119,737
	<hr/>	<hr/>	<hr/>
CHANGE IN NET POSITION	458,974	39,721	498,695
	<hr/>	<hr/>	<hr/>
NET POSITION, Beginning	7,118,339	650,299	7,768,638
	<hr/>	<hr/>	<hr/>
NET POSITION, Ending	\$ 7,577,313	\$ 690,020	\$ 8,267,333
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Boulder Valley School District RE-2

COMBINING STATEMENT OF CASH FLOWS

INTERNAL SERVICE FUNDS

Increase (Decrease) in Cash and Cash Equivalents

Year Ended June 30, 2016

	HEALTH INSURANCE FUND	DENTAL INSURANCE FUND	TOTAL
Cash Flows From Operating Activities			
Premiums Received and Other Receipts	\$ 28,287,135	\$ 2,331,297	\$ 30,618,432
Cash Payments for Premiums, Claims and Other Expenses	(27,804,915)	(2,230,583)	(30,035,498)
Cash Paid to Employees for Salaries and Benefits	(169,340)	(39,271)	(208,611)
	<u>312,880</u>	<u>61,443</u>	<u>374,323</u>
Net Cash Provided (Used) by Operating Activities	312,880	61,443	374,323
Net Change in Cash and Cash Equivalents	312,880	61,443	374,323
CASH AND CASH EQUIVALENTS, Beginning	<u>8,336,182</u>	<u>795,522</u>	<u>9,131,704</u>
CASH AND CASH EQUIVALENTS, Ending	<u><u>\$ 8,649,062</u></u>	<u><u>\$ 856,965</u></u>	<u><u>\$ 9,506,027</u></u>
RECONCILIATION OF CHANGE IN NET POSITION TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Change in Net Position	\$ 458,974	\$ 39,721	\$ 498,695
Adjustments to Reconcile Change in Net Position to Net Cash Provided (Used) by Operating Activities			
Changes in Assets and Liabilities Related to Operations			
Claims Payable	(150,514)	21,722	(128,792)
Accrued Compensation and Benefits	4,420	-	4,420
	<u>312,880</u>	<u>61,443</u>	<u>374,323</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ 312,880</u></u>	<u><u>\$ 61,443</u></u>	<u><u>\$ 374,323</u></u>

Boulder Valley School District RE-2

BUDGETARY COMPARISON SCHEDULE

HEALTH INSURANCE FUND

Year Ended June 30, 2016

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
OPERATING REVENUES				
Premiums and Services	\$ 27,984,122	\$ 27,984,122	\$ 27,603,780	\$ (380,342)
Other	309,000	309,000	683,355	374,355
TOTAL OPERATING REVENUES	28,293,122	28,293,122	28,287,135	(5,987)
OPERATING EXPENSES				
Personnel	215,120	197,120	173,760	23,360
Insurance Premiums and Claims	26,393,845	26,393,845	24,665,207	1,728,638
Administrative Fees	1,000,000	1,000,000	951,765	48,235
Other	764,000	764,000	2,037,429	(1,273,429)
Reserves	4,606,900	7,056,496	-	7,056,496
TOTAL OPERATING EXPENSES	32,979,865	35,411,461	27,828,161	7,583,300
CHANGE IN NET POSITION	(4,686,743)	(7,118,339)	458,974	7,577,313
NET POSITION, Beginning	4,686,743	7,118,339	7,118,339	-
NET POSITION, Ending	\$ -	\$ -	\$ 7,577,313	\$ 7,577,313

Boulder Valley School District RE-2

BUDGETARY COMPARISON SCHEDULE

DENTAL INSURANCE FUND

Year Ended June 30, 2016

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
OPERATING REVENUES				
Premiums and Services	\$ 2,456,032	\$ 2,343,249	\$ 2,328,822	\$ (14,427)
Other	600	600	2,475	1,875
TOTAL OPERATING REVENUES	<u>2,456,632</u>	<u>2,343,849</u>	<u>2,331,297</u>	<u>(12,552)</u>
OPERATING EXPENSES				
Personnel	49,224	44,224	39,271	4,953
Insurance Premiums and Claims	2,192,181	2,192,181	2,082,438	109,743
Administrative Fees	170,820	170,820	160,768	10,052
Other	21,000	21,000	9,099	11,901
Reserves	389,203	565,923	-	565,923
TOTAL OPERATING EXPENSES	<u>2,822,428</u>	<u>2,994,148</u>	<u>2,291,576</u>	<u>702,572</u>
CHANGE IN NET POSITION	(365,796)	(650,299)	39,721	690,020
NET POSITION, Beginning	<u>365,796</u>	<u>650,299</u>	<u>650,299</u>	<u>-</u>
NET POSITION, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 690,020</u>	<u>\$ 690,020</u>



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FIDUCIARY FUNDS

Private Purpose Trust Funds

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

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

Agency Fund

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



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Boulder Valley School District RE-2
COMBINING STATEMENT OF FIDUCIARY NET POSITION
PRIVATE PURPOSE TRUST FUNDS
June 30, 2016

	<u>SCHOLARSHIP</u>	<u>TRUST</u>	<u>TOTAL</u>
ASSETS			
Cash and Investments	<u>\$ 1,193,037</u>	<u>\$ 218,650</u>	<u>\$ 1,411,687</u>
TOTAL ASSETS	<u>1,193,037</u>	<u>218,650</u>	<u>1,411,687</u>
NET POSITION			
Held in Trust for Scholarships	<u><u>\$ 1,193,037</u></u>	<u><u>\$ 218,650</u></u>	<u><u>\$ 1,411,687</u></u>

Boulder Valley School District RE-2
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PRIVATE PURPOSE TRUST FUNDS
Year Ended June 30, 2016

	<u>SCHOLARSHIP</u>	<u>TRUST</u>	<u>TOTAL</u>
ADDITIONS			
Contributions	<u>\$ 108,466</u>	<u>\$ 11,780</u>	<u>\$ 120,246</u>
TOTAL ADDITIONS	<u>108,466</u>	<u>11,780</u>	<u>120,246</u>
DEDUCTIONS			
Scholarships and Awards	<u>36,187</u>	<u>750</u>	<u>36,937</u>
CHANGE IN HELD IN TRUST FOR SCHOLARSHIPS	72,279	11,030	83,309
HELD IN TRUST FOR SCHOLARSHIPS, Beginning	<u>1,120,758</u>	<u>207,620</u>	<u>1,328,378</u>
HELD IN TRUST FOR SCHOLARSHIPS, Ending	<u><u>\$ 1,193,037</u></u>	<u><u>\$ 218,650</u></u>	<u><u>\$ 1,411,687</u></u>

Boulder Valley School District RE-2
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
Year Ended June 30, 2016

	Balances 6/30/15	Additions	Deductions	Balances 6/30/16
ASSETS				
Cash and Investments - Student Groups	\$ 2,918,618	\$ 9,782,223	\$ 9,181,285	\$ 3,519,556
Cash and Investments - School Groups	1,068,574	4,180,198	3,934,992	1,313,780
TOTAL ASSETS	\$ 3,987,192	\$ 13,962,421	\$ 13,116,277	\$ 4,833,336
LIABILITIES				
Due to Student Groups	\$ 2,918,618	\$ 9,782,223	\$ 9,181,285	\$ 3,519,556
Due to School Groups	1,068,574	4,180,198	3,934,992	1,313,780
TOTAL LIABILITIES	\$ 3,987,192	\$ 13,962,421	\$ 13,116,277	\$ 4,833,336



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COMPONENT UNITS

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

Boulder Valley School District RE-2
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
June 30, 2016

	BOULDER PREP	HORIZONS	PEAK TO PEAK
ASSETS			
Cash and Investments	\$ 323,538	\$ 1,283,715	\$ 4,467,943
Restricted Cash and Investments	-	-	3,786,323
Accounts Receivable	-	-	1,594
Grants Receivable	-	20,000	-
Prepaid Items and Other	-	505	7,808
Capital Assets, Not Being Depreciated	90,600	25,178	1,657,966
Capital Assets, Net of Accumulated Depreciation	405,854	167,429	25,405,829
TOTAL ASSETS	819,992	1,496,827	35,327,463
DEFERRED OUTFLOWS OF RESOURCES			
Loss on Debt Refunding, Net of Accumulated Amortization	-	-	3,423,426
Change in Experience	27,853	83,555	310,662
Change in Investment Earnings	179,487	543,070	1,989,794
Change in Proportionate Share	-	-	444,312
Contributions Subsequent to the Measurement Date	56,362	169,074	704,568
TOTAL DEFERRED OUTFLOWS OF RESOURCES	263,702	795,699	6,872,762
LIABILITIES			
Accounts Payable	1,581	8,665	197,649
Accrued Compensation and Benefits	265	145,073	786,550
Unearned Revenues	-	-	37,520
Accrued Interest Payable	-	-	299,156
Noncurrent Liabilities			
Due Within One Year	9,629	-	622,605
Due in More Than One Year	182,756	-	18,008,465
Net Pension Liability	2,109,271	6,327,423	23,525,888
TOTAL LIABILITIES	2,303,502	6,481,161	43,477,833
DEFERRED INFLOWS OF RESOURCES			
Change in Experience	88	278	951
Change in Assumptions or Other Inputs	29,808	89,418	332,463
Change in Proportionate Share	110,459	143,622	302,475
TOTAL DEFERRED INFLOWS OF RESOURCES	140,355	233,318	635,889
NET POSITION			
Net Investment in Capital Assets	304,069	192,607	11,925,945
Restricted for Advanced Placement Testing	-	-	9,823
Restricted for Scholarships	-	-	1,110,760
Restricted for Debt Service	-	-	2,116,571
Restricted for Repair and Maintenance	-	-	250,013
Restricted for Capital Renewal	-	15,000	-
Restricted for Emergencies	35,182	105,647	470,766
Restricted for Donations	-	-	-
Unrestricted	(1,699,414)	(4,735,207)	(17,797,375)
TOTAL NET POSITION	\$ (1,360,163)	\$ (4,421,953)	\$ (1,913,497)

SUMMIT	JUSTICE HIGH	TOTAL
\$ 1,166,223	\$ 176,742	\$ 7,418,161
-	50,000	3,836,323
-	-	1,594
-	-	20,000
6,183	8,500	22,996
-	-	1,773,744
-	-	25,979,112
<u>1,172,406</u>	<u>235,242</u>	<u>39,051,930</u>
-	-	3,423,426
74,044	13,652	509,766
474,214	95,140	3,281,705
263,452	-	707,764
<u>149,829</u>	<u>27,626</u>	<u>1,107,459</u>
<u>961,539</u>	<u>136,418</u>	<u>9,030,120</u>
1,041	2,361	211,297
152,677	-	1,084,565
-	-	37,520
-	-	299,156
-	-	632,234
-	-	18,191,221
<u>5,607,198</u>	<u>1,033,860</u>	<u>38,603,640</u>
<u>5,760,916</u>	<u>1,036,221</u>	<u>59,059,633</u>
227	63	1,607
79,240	14,610	545,539
-	448,447	1,005,003
<u>79,467</u>	<u>463,120</u>	<u>1,552,149</u>
-	-	12,422,621
-	-	9,823
-	-	1,110,760
-	-	2,116,571
-	-	250,013
-	50,000	65,000
105,759	20,931	738,285
40,650	195	40,845
<u>(3,852,847)</u>	<u>(1,198,807)</u>	<u>(29,283,650)</u>
<u>\$ (3,706,438)</u>	<u>\$ (1,127,681)</u>	<u>\$ (12,529,732)</u>

Boulder Valley School District RE-2

COMBINING STATEMENT OF ACTIVITIES

COMPONENT UNITS

Year Ended June 30, 2016

	BOULDER PREP	HORIZONS	PEAK TO PEAK
EXPENSES			
Instruction	\$ 736,930	\$ 2,722,133	\$ 9,376,981
Supporting Services	530,228	1,212,852	6,432,313
Interest and Fiscal Charges	4,388	-	927,342
Component Unit	-	-	-
TOTAL EXPENSES	<u>1,271,546</u>	<u>3,934,985</u>	<u>16,736,636</u>
PROGRAM REVENUES			
Charges for Services	-	219,141	1,393,260
Operating Grants and Contributions	241,540	109,706	465,357
Capital Grants and Contributions	28,175	63,103	10,176,848
TOTAL PROGRAM REVENUES	<u>269,715</u>	<u>391,950</u>	<u>12,035,465</u>
NET EXPENSE (REVENUE)	<u>(1,001,831)</u>	<u>(3,543,035)</u>	<u>(4,701,171)</u>
GENERAL REVENUES			
Per Pupil Revenues	787,240	2,404,697	10,192,219
Mill Levy Override	241,231	778,476	3,241,952
At-Risk Supplemental Aid	6,949	-	-
Grants and Contributions Not Restricted to Specific Programs	31,461	248,480	-
Investment Earnings	-	-	-
Insurance Proceeds	11,480	-	-
Other	2,500	3,501	829,431
TOTAL GENERAL REVENUES	<u>1,080,861</u>	<u>3,435,154</u>	<u>14,263,602</u>
CHANGE IN NET POSITION	79,030	(107,881)	9,562,431
NET POSITION, Beginning	<u>(1,439,193)</u>	<u>(4,314,072)</u>	<u>(11,475,928)</u>
NET POSITION, Ending	<u><u>\$ (1,360,163)</u></u>	<u><u>\$ (4,421,953)</u></u>	<u><u>\$ (1,913,497)</u></u>

SUMMIT	JUSTICE HIGH	TOTAL
\$ 2,388,179	\$ 356,613	\$ 15,580,836
2,077,406	331,621	10,584,420
-	-	931,730
683,684	-	683,684
5,149,269	688,234	27,780,670
102,727	-	1,715,128
122,222	181,021	1,119,846
45,624	20,679	10,334,429
270,573	201,700	13,169,403
(4,878,696)	(486,534)	(14,611,267)
2,558,695	571,395	16,514,246
788,416	90,691	5,140,766
-	50,760	57,709
128,136	-	408,077
1,338	-	1,338
-	-	11,480
-	-	835,432
3,476,585	712,846	22,969,048
(1,402,111)	226,312	8,357,781
(2,304,327)	(1,353,993)	(20,887,513)
\$ (3,706,438)	\$ (1,127,681)	\$ (12,529,732)



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STATISTICAL SECTION



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Boulder Valley School District RE-2

STATISTICAL SECTION

TABLE OF CONTENTS

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

Contents	Tables	Pages
Financial Trends		
These tables contain trend information to help the reader understand how the district's financial condition has changed over time.	1- 4	118 - 125
Revenue Capacity		
These tables contain information to help the reader assess the district's largest revenue source: property taxes.	5 - 8	126 - 133
Debt Capacity		
These tables present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	9 - 12	134 - 138
Demographic and Economic Information		
These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	13 -14	139 - 141
Operating Information		
These tables contain service data to help the reader understand how the information in the financial report relates to the services the district provides and the activities it performs.	15-18	142 - 155

Boulder Valley School District RE-2

NET POSITION BY COMPONENT

Last Ten Fiscal Years

(Unaudited)

	<u>June 30, 2007</u>	<u>June 30, 2008</u>	<u>June 30, 2009</u>	<u>June 30, 2010</u>
Governmental Activities				
Net Investment in Capital Assets	\$ 53,686,966	\$ 65,773,525	\$ 69,851,279	\$ 79,862,762
Restricted	32,797,516	31,414,692	36,657,498	39,488,349
Unrestricted	20,535,493	16,090,059	10,570,286	13,097,872
Total Governmental Activities	<u>107,019,975</u>	<u>113,278,276</u>	<u>117,079,063</u>	<u>132,448,983</u>
Business-Type Activities				
Net Investment in Capital Assets	217,527	356,784	300,555	247,954
Restricted	163,236	170,927	182,553	176,491
Unrestricted	190,339	(19,621)	(148,996)	(788,601)
Total Business-Type Activities	<u>571,102</u>	<u>508,090</u>	<u>334,112</u>	<u>(364,156)</u>
Primary Government				
Net Investment in Capital Assets	53,904,493	66,130,309	70,151,834	80,110,716
Restricted	32,960,752	31,585,619	36,840,051	39,664,840
Unrestricted	20,725,832	16,070,438	10,421,290	12,309,271
Total Primary Government	<u>\$ 107,591,077</u>	<u>\$ 113,786,366</u>	<u>\$ 117,413,175</u>	<u>\$ 132,084,827</u>

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

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

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

Table 1

<u>June 30, 2011</u>	<u>June 30, 2012</u>	<u>June 30, 2013</u>	<u>June 30, 2014</u>	<u>June 30, 2015</u>	<u>June 30, 2016</u>
\$ 80,504,664	\$ 85,372,124	\$ 92,872,518	\$ 90,807,938	\$ 87,284,393	\$ 91,385,753
33,808,972	33,189,140	33,197,541	33,435,619	40,973,413	48,249,915
32,745,041	29,790,356	24,175,800	19,764,725	(573,818,207)	(619,368,387)
<u>147,058,677</u>	<u>148,351,620</u>	<u>150,245,859</u>	<u>144,008,282</u>	<u>(445,560,401)</u>	<u>(479,732,719)</u>
221,203	175,072	147,140	171,320	-	-
286,940	175,308	187,102	195,427	-	-
<u>(322,254)</u>	<u>(175,072)</u>	<u>(147,140)</u>	<u>(165,560)</u>	<u>-</u>	<u>-</u>
185,889	175,308	187,102	201,187	-	-
80,725,867	85,547,196	93,019,658	90,979,258	87,284,393	91,385,753
34,095,912	33,364,448	33,384,643	33,631,046	40,973,413	48,249,915
32,422,787	31,503,876	24,028,660	19,599,165	(573,818,207)	(619,368,387)
<u>\$ 147,244,566</u>	<u>\$ 150,415,520</u>	<u>\$ 150,432,961</u>	<u>\$ 144,209,469</u>	<u>\$ (445,560,401)</u>	<u>\$ (479,732,719)</u>

Boulder Valley School District RE-2

CHANGES IN NET POSITION

Last Ten Fiscal Years

(Unaudited)

	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010
Primary Government				
Expenses				
Governmental Activities				
Instruction	\$ 162,839,335	\$ 174,678,565	\$ 184,528,008	\$ 184,537,048
Supporting Services	85,954,536	94,388,108	91,944,942	93,260,558
Interest Expense	8,429,419	9,817,663	13,076,805	16,358,947
Total Governmental Activities	257,223,290	278,884,336	289,549,755	294,156,553
Business-Type Activities				
Food Services	5,625,673	5,728,486	5,708,651	6,033,046
Total Business-Type Activities	5,625,673	5,728,486	5,708,651	6,033,046
Total Primary Government Expenses	262,848,963	284,612,822	295,258,406	300,189,599
Program Revenues				
Governmental Activities				
Charges for Services				
Instruction	729,238	805,306	850,255	885,640
Supporting Services	9,737,651	10,496,456	10,908,725	10,934,983
Operating Grants and Contributions	20,948,003	19,718,065	20,861,065	24,748,470
Capital Grants and Contributions	-	-	-	3,747,258
Total Governmental Activities	31,414,892	31,019,827	32,620,045	40,316,351
Business-Type Activities				
Charges for Services				
Food Services	3,486,250	3,649,198	3,124,504	2,696,927
Operating Grants and Contributions	1,828,748	2,016,276	2,185,169	2,412,851
Total Business-Type Activities	5,314,998	5,665,474	5,309,673	5,109,778
Total Primary Government Program Revenues	36,729,890	36,685,301	37,929,718	45,426,129
Net (Expense) Revenue				
Governmental Activities	(225,808,398)	(247,864,509)	(256,929,710)	(253,840,202)
Business-Type Activities	(310,675)	(63,012)	(398,978)	(923,268)
Total Primary Government Net (Expense)	(226,119,073)	(247,927,521)	(257,328,688)	(254,763,470)
General Revenues and Transfers				
Governmental Activities				
Local Property Taxes	164,129,499	174,440,943	182,808,375	193,973,616
Specific Ownership Taxes	11,108,990	11,258,208	9,995,765	9,251,558
State Equalization	58,089,462	56,336,553	61,973,644	64,227,060
State Fiscal Stabilization Fund	-	-	-	-
Investment Earnings	3,629,865	7,152,235	2,288,518	716,554
Insurance Proceeds	-	-	-	-
Other Revenues	1,210,079	4,834,871	3,989,195	1,266,334
Transfers	-	-	-	(225,000)
Total Governmental Activities	238,167,895	254,022,810	261,055,497	269,210,122
Business-Type Activities				
Transfers	-	-	-	225,000
Total Primary Government Revenues and Transfers	238,167,895	254,022,810	261,055,497	269,435,122
Change in Net Position				
Governmental Activities	12,359,497	6,158,301	4,125,787	15,369,920
Business-type Activities	(310,675)	(63,012)	(398,978)	(698,268)
Total Primary Government	\$ 12,048,822	\$ 6,095,289	\$ 3,726,809	\$ 14,671,652

Table 2

June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016
\$ 188,306,226	\$ 200,020,904	\$ 205,026,722	\$ 214,083,289	\$ 240,165,692	\$ 254,328,181
102,051,046	103,678,052	98,720,151	114,982,286	131,540,473	150,229,150
16,456,075	15,993,118	15,258,134	14,685,794	16,003,560	24,306,236
306,813,347	319,692,074	319,005,007	343,751,369	387,709,725	428,863,567
5,735,910	5,946,779	6,350,628	6,939,928	-	-
5,735,910	5,946,779	6,350,628	6,939,928	-	-
312,549,257	325,638,853	325,355,635	350,691,297	387,709,725	428,863,567
1,049,174	1,253,365	1,262,543	7,229,664	7,938,683	8,770,592
10,931,866	11,245,296	11,851,986	6,857,643	10,918,529	10,133,111
25,719,981	23,819,210	22,481,256	22,613,126	28,672,251	29,408,532
386,381	6,531,809	2,708,752	-	110,791	1,600,806
38,087,402	42,849,680	38,304,537	36,700,433	47,640,254	49,913,041
2,545,086	2,823,846	3,062,748	3,352,443	-	-
2,486,869	2,713,851	2,846,872	3,049,864	-	-
5,031,955	5,537,697	5,909,620	6,402,307	-	-
43,119,357	48,387,377	44,214,157	43,102,740	47,640,254	49,913,041
(268,725,945)	(276,842,394)	(280,700,470)	(307,050,936)	(340,069,471)	(378,950,526)
(703,955)	(409,082)	(441,008)	(537,621)	-	-
(269,429,900)	(277,251,476)	(281,141,478)	(307,588,557)	(340,069,471)	(378,950,526)
212,383,487	211,385,970	214,017,080	221,192,341	232,169,602	266,761,506
9,404,630	9,836,876	10,466,659	11,583,505	12,575,734	13,604,213
53,462,090	56,488,225	57,695,380	61,203,456	73,935,111	61,227,625
7,628,224	180,742	-	33,500	209,216	85,070
444,720	126,883	85,715	38,554	68,996	1,556,533
-	-	-	4,920,401	336,130	222,511
1,266,488	1,989,913	782,677	2,393,308	1,332,941	1,320,750
(1,254,000)	(398,501)	(452,802)	(405,017)	-	-
283,335,639	279,610,108	282,594,709	300,960,048	320,627,730	344,778,208
1,254,000	398,501	452,802	405,017	-	-
284,589,639	280,008,609	283,047,511	301,365,065	320,627,730	344,778,208
14,609,694	2,767,714	1,894,239	(6,237,577)	(19,441,741)	(34,172,318)
550,045	(10,581)	11,794	14,085	-	-
\$ 15,159,739	\$ 2,757,133	\$ 1,906,033	\$ (6,223,492)	\$ (19,441,741)	\$ (34,172,318)

Boulder Valley School District RE-2

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(Unaudited)

	2007	2008	2009	2010
General Fund				
Reserved	\$ 7,039,417	\$ 7,244,362	\$ 7,543,322	\$ 7,441,515
Unreserved	21,551,939	14,521,629	12,092,348	12,203,848
Subtotal	<u>28,591,356</u>	<u>21,765,991</u>	<u>19,635,670</u>	<u>19,645,363</u>
Other Governmental Funds				
Reserved	521,385	683,809	1,135,289	1,246,044
Unreserved, reported in				
Grants Fund	-	-	-	(1,422,177)
Debt Service Fund	23,304,815	17,282,227	20,663,878	24,032,073
Capital Projects Fund	122,941,492	93,862,349	169,505,386	101,209,140
Special Revenue Fund	<u>682,392</u>	<u>318,922</u>	<u>-</u>	<u>-</u>
Subtotal	<u>147,450,084</u>	<u>112,147,307</u>	<u>191,304,553</u>	<u>125,065,080</u>
Total Governmental Funds	<u><u>\$ 176,041,440</u></u>	<u><u>\$ 133,913,298</u></u>	<u><u>\$ 210,940,223</u></u>	<u><u>\$ 144,710,443</u></u>
General Fund				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Governmental Funds				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Assigned	-	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Governmental Funds	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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

Table 3

2011	2012	2013	2014	2015	2016
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 373,499	\$ 375,768	\$ 679,078	\$ 956,496	\$ 882,881	\$ 1,920,756
8,446,994	8,837,606	8,835,965	9,041,519	9,655,786	10,682,635
3,579,393	2,471,900	2,636,718	-	-	-
10,785,148	-	-	-	-	-
7,440,288	16,123,842	16,180,855	17,572,988	20,431,108	21,677,259
30,625,322	27,809,116	28,332,616	27,571,003	30,969,775	34,280,650
-	-	-	-	306,280	43,681
24,974,541	30,816,441	27,945,863	26,592,260	311,325,855	253,033,408
46,778,607	6,702,180	2,123,646	1,038,977	1,480,990	817,791
(100,540)	-	-	-	(306,280)	-
71,652,608	37,518,621	30,069,509	27,631,237	312,806,845	253,894,880
\$ 102,277,930	\$ 65,327,737	\$ 58,402,125	\$ 55,202,240	\$ 343,776,620	\$ 288,175,530

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

	(Unaudited)			
	2007	2008	2009	2010
Revenues				
Local Sources				
Current Property Taxes	\$ 166,445,175	\$ 174,153,758	\$ 181,266,109	\$ 193,946,500
Specific Ownership Taxes	11,108,990	11,258,208	9,995,765	9,251,558
Grants	415,434	425,429	739,098	570,743
Tuition and Fees	4,978,744	5,026,167	5,868,843	5,856,442
Interest	3,629,864	7,152,235	2,288,518	716,554
Food Service Revenue	-	-	-	-
Miscellaneous	5,185,099	11,110,467	9,879,333	10,977,773
State Sources				
Equalization	58,089,462	56,336,553	61,973,644	64,227,060
Special Education	4,325,948	4,450,546	4,449,466	4,525,751
State Fiscal Stabilization Fund	-	-	-	-
Transportation	1,953,274	1,629,616	2,244,747	2,506,921
Vocational Education	1,382,780	945,566	1,098,195	1,391,921
Grants	1,431,036	39,200	198,448	649,220
Miscellaneous	594,242	432,416	400,302	733,858
Federal Sources				
Grants	10,845,289	11,795,291	11,730,809	12,947,879
Food Service Reimbursements	-	-	-	-
Total Revenues	270,385,337	284,755,452	292,133,277	308,302,180
Expenditures				
Regular Instruction	111,167,575	118,137,145	124,512,216	129,345,449
Special Instruction	44,666,239	48,087,295	48,462,119	48,778,916
Instructional Support				
Student Services	6,127,364	7,202,651	7,726,360	8,338,184
Instructional Staff Support	11,265,749	11,976,063	11,489,131	12,228,132
School Administration and Operations				
School Administration	15,818,323	16,473,185	17,865,922	18,299,706
Operations and Maintenance	16,915,946	18,005,709	18,855,666	20,526,501
Student Transportation	7,727,513	8,952,362	9,218,669	10,146,947
District Wide/Community Services				
General Administration	3,132,739	3,253,790	2,757,510	2,678,408
Business Services	2,121,958	2,211,860	2,693,872	2,803,873
Central Services	11,302,707	10,887,214	10,956,736	10,173,778
Food Services Operations	-	-	-	-
Community Services	4,933,546	5,158,084	5,097,238	5,131,753
Debt Service				
Principal	7,880,000	10,535,000	10,105,000	9,870,000
Interest and Fiscal Charges	6,427,353	11,172,641	12,477,695	17,036,074
Debt Issuance Costs	687,174	124,702	1,330,325	453,110
Capital Outlay	8,002,276	46,175,383	112,036,962	76,734,547
Total Expenditures	258,176,462	318,353,084	395,585,421	372,545,378
Other Financing Sources (Uses)				
Proceeds from Disposal of Capital Assets	-	-	-	-
Insurance Proceeds	-	-	-	-
Capital Lease Issuance	-	-	-	-
Transfers In	8,032,741	10,484,082	4,754,381	5,281,112
Transfers Out	(8,032,741)	(14,584,082)	(4,979,381)	(5,506,112)
Bond Proceeds	120,000,000	49,910,000	176,800,000	53,645,000
Bond Premium	1,415,603	2,824,044	3,904,069	2,385,564
Payment to Escrow Agent	-	(57,164,554)	-	(57,792,146)
Total Other Financing Sources (Uses)	121,415,603	(8,530,510)	180,479,069	(1,986,582)
Net Change in Fund Balances	133,624,478	(42,128,142)	77,026,925	(66,229,780)
Fund Balance, Beginning	42,416,962	176,041,440	133,913,298	210,940,223
Fund Balance, Ending	\$ 176,041,440	\$ 133,913,298	\$ 210,940,223	\$ 144,710,443
Debt Service as a Percentage of Noncapital Expenditures	5.60%	7.76%	7.87%	9.03%

Table 4

2011	2012	2013	2014	2015	2016
\$ 212,537,152	\$ 211,543,619	\$ 213,298,330	\$ 222,469,147	\$ 232,737,396	\$ 265,538,822
9,404,630	9,836,876	10,466,659	11,583,505	12,575,734	13,604,213
643,019	523,146	554,519	639,331	760,001	906,614
6,068,801	6,543,035	8,390,490	9,649,790	10,393,455	11,203,532
444,720	126,883	85,715	38,554	68,996	1,556,533
-	-	-	-	3,902,609	3,916,335
7,565,108	10,457,358	5,581,447	6,830,825	6,020,558	6,891,706
53,462,090	56,488,225	57,695,380	61,203,456	73,935,111	61,227,625
4,300,112	4,695,420	4,835,600	5,397,619	5,402,497	5,635,253
2,116,382	-	-	-	-	-
2,730,405	2,915,419	3,172,498	3,205,307	3,261,096	3,373,313
1,059,030	907,589	1,185,965	1,014,120	1,193,205	1,036,753
830,508	574,109	314,708	474,378	1,193,149	1,350,313
776,173	766,433	798,632	874,855	2,124,898	2,682,316
22,314,753	13,617,836	11,618,553	11,041,016	11,462,839	10,923,247
-	-	-	-	3,308,404	3,399,479
324,252,883	318,995,948	317,998,496	334,421,903	368,339,948	393,246,054
129,694,776	134,540,220	138,803,749	147,962,035	153,657,447	161,240,464
48,672,908	48,722,631	48,355,374	51,208,372	54,275,508	55,598,390
7,821,093	10,695,514	11,059,003	12,240,626	12,726,343	12,988,596
11,839,653	11,754,232	11,261,483	12,512,844	13,551,009	13,673,608
18,178,756	19,037,915	19,527,725	20,442,615	21,750,812	22,490,479
20,406,434	20,261,982	21,315,547	22,312,345	22,950,430	23,362,058
10,954,306	11,874,817	11,255,337	12,030,563	12,210,790	13,076,272
2,783,571	2,916,898	3,014,889	3,030,421	3,562,599	3,830,105
2,593,077	2,742,194	3,098,198	3,773,977	3,892,155	4,063,248
10,299,898	12,044,255	11,505,688	17,696,836	13,467,695	14,377,750
90,810	52,735	141,375	3,053	7,821,082	8,324,680
5,215,466	5,056,489	5,019,007	5,478,236	5,969,646	6,388,203
11,570,000	14,890,000	12,250,000	12,790,000	13,370,000	14,001,432
17,075,900	16,615,268	15,882,292	15,312,930	14,709,074	26,949,772
-	-	-	-	913,732	-
66,234,748	45,481,450	12,291,962	5,195,630	6,275,843	69,822,398
363,431,396	356,686,600	324,781,629	341,990,483	361,104,165	450,187,455
-	1,138,960	-	-	-	-
-	-	310,323	4,773,712	495,830	222,511
-	-	-	-	-	1,117,800
12,051,538	8,098,037	6,072,727	5,038,558	6,086,810	6,334,746
(15,305,538)	(8,496,538)	(6,525,529)	(5,443,575)	(6,086,810)	(6,334,746)
-	-	-	-	250,000,000	-
-	-	-	-	30,812,900	-
-	-	-	-	-	-
(3,254,000)	740,459	(142,479)	4,368,695	281,308,730	1,340,311
(42,432,513)	(36,950,193)	(6,925,612)	(3,199,885)	288,544,513	(55,601,090)
144,710,443	102,277,930	65,327,737	58,402,125	55,232,107	343,776,620
<u>\$ 102,277,930</u>	<u>\$ 65,327,737</u>	<u>\$ 58,402,125</u>	<u>\$ 55,202,240</u>	<u>\$ 343,776,620</u>	<u>\$ 288,175,530</u>
9.30%	9.97%	9.11%	8.27%	7.84%	10.69%

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

(Unaudited)

Collection Year	Taxable Assessed Value			Total	Total Direct Tax Rate*
	Residential Property	Commercial Property	All Other		
2007	2,096,273,840	1,764,603,370	304,095,073	4,164,972,283	39.564
2008	2,334,001,690	1,956,154,040	337,926,058	4,628,081,788	37.865
2009	2,334,456,140	2,047,735,440	299,416,056	4,681,607,636	39.113
2010	2,451,438,580	1,562,360,162	864,866,444	4,878,665,186	39.999
2011	2,470,710,400	1,656,952,142	737,801,555	4,865,464,097	43.838
2012	2,429,617,885	1,599,185,710	699,134,869	4,727,938,464	44.843
2013	2,447,708,360	1,599,001,398	685,388,865	4,732,098,623	45.547
2014	2,503,236,110	1,701,380,837	698,454,024	4,903,070,971	45.372
2015	2,529,623,742	1,684,921,078	712,472,722	4,927,017,542	47.569
2016	3,048,839,500	2,001,509,673	802,017,995	5,852,367,168	45.814

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

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

Table 5

Estimated Actual Value	Ratio of Estimated Actual Value to Assessed Value	Assessment Rate	
		Residential	All Other
33,586,945,608	8.0641	7.96%	29.00%
36,648,062,817	7.9186	7.96%	29.00%
37,827,103,800	8.0799	7.96%	29.00%
38,364,291,949	7.8637	7.96%	29.00%
38,538,770,816	7.9209	7.96%	29.00%
39,739,863,309	8.4053	7.96%	29.00%
39,966,908,824	8.4459	7.96%	29.00%
41,090,894,471	8.3806	7.96%	29.00%
41,411,589,636	8.4050	7.96%	29.00%
49,246,579,486	8.4148	7.96%	29.00%



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

Table 6

(Unaudited)

Levy Year	Collection Year	Total Tax Levy	Current Tax Collections	Percent of Current Tax Collected	Delinquent Tax Collections	Total Collections	
						Amount	Percent of Levy
2006	2007	164,782,963	161,992,586	98.31%	96,132	162,088,718	98.36%
2007	2008	175,242,316	172,742,380	98.57%	47,942	172,790,322	98.60%
2008	2009	183,111,718	178,265,743	97.35%	184,636	178,450,379	97.45%
2009	2010	195,141,729	190,148,336	97.44%	80,169	190,228,505	97.48%
2010	2011	213,292,216	208,270,983	97.65%	149,647	208,420,630	97.72%
2011	2012	212,014,945	207,164,133	97.71%	167,457	207,331,590	97.79%
2012	2013	215,532,897	209,935,274	97.40%	126,768	210,062,042	97.46%
2013	2014	222,462,137	218,064,909	98.02%	151,746	218,216,655	98.09%
2014	2015	234,373,297	230,424,752	98.32%	102,815	230,527,567	98.36%
2015	2016*	268,120,350	262,344,109	97.85%	340,674	262,684,783	97.97%

* Collections through July 31, 2016

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

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

(Unaudited)

	2007	2008	2009	2010
Boulder Valley School District RE-2				
General Fund				
School Finance Act	25.023	25.023	25.023	25.023
Budget Election	7.842	7.057	6.977	6.695
Abatements and Refunds	0.288	0.229	0.125	0.220
Subtotal General Fund	33.153	32.309	32.125	31.938
Transportation Fund	1.509	1.414	1.559	1.496
Bond Redemption Fund	4.902	4.142	5.429	6.565
Total Boulder Valley School District RE-2	39.564	37.865	39.113	39.999
Boulder County	22.467	22.467	23.067	23.667
Cities and Towns				
Boulder	9.889	9.201	9.841	10.295
Broomfield	28.968	28.968	28.968	28.968
Lafayette	11.779	10.641	15.515	15.009
Louisville	6.710	6.710	6.710	6.710
Jamestown	21.400	21.400	21.000	21.000
Nederland	14.572	14.070	15.051	14.883
Superior	8.805	8.050	8.050	8.050
Ward	2.730	2.699	2.792	3.480
	104.853	101.739	107.927	108.395
Special Districts (Ranges)	.542 to 49.500	.507 to 49.500	.528 to 74.771	.508 to 79.366
Fire Districts (Ranges)	2.500 to 11.747	2.500 to 11.747	2.500 to 15.256	2.500 to 15.192
Water/Sanitation Districts (Ranges)	.214 to 18.482	.197 to 21.825	.194 to 22.755	.184 to 22.283

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

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

Table 7

2011	2012	2013	2014	2015	2016
25.023	25.023	25.023	25.023	25.023	25.023
11.338	12.096	12.620	12.576	13.012	11.348
0.186	0.181	0.354	0.492	0.526	0.311
36.547	37.300	37.997	38.091	38.561	36.682
1.500	1.544	1.543	1.489	1.482	1.247
5.791	5.999	6.007	5.792	7.526	7.885
43.838	44.843	45.547	45.372	47.569	45.814
24.645	24.645	24.645	25.120	24.794	22.624
10.818	11.981	11.981	11.981	11.981	11.981
28.968	28.968	28.968	28.968	28.968	28.968
14.334	14.387	14.379	14.368	16.331	16.039
6.710	6.710	6.710	6.710	6.710	6.710
21.000	21.000	18.500	18.500	18.500	25.200
15.156	16.527	16.917	17.274	17.274	17.274
9.480	9.480	9.430	9.430	9.430	9.430
3.399	3.700	3.800	3.800	4.325	3.700
109.865	112.753	110.685	111.031	113.519	119.302
.523 to 80.420	.566 to 78.265	.599 to 80.965	.608 to 76.663	.632 to 73.479	.553 to 39.196
2.500 to 15.130	2.500 to 15.454	2.500 to 17.445	2.500 to 18.445	2.500 to 19.445	2.500 to 20.445
.184 to 17.545	.184 to 17.746	.184 to 17.743	.184 to 18.506	.184 to 25.374	.156 to 22.446



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Boulder Valley School District RE-2

Table 8

PRINCIPAL PROPERTY TAXPAYERS Current Year and Nine Years Ago

(Unaudited)

Taxpayer	2016			2007		
	Rank	Assessed Valuation	Percentage of Total Assessed Valuation	Rank	Assessed Valuation	Percentage of Total Assessed Valuation
Xcel Energy	1	101,305,749	1.73%	1	59,138,890	1.42%
Flatiron Property Holding LLC	2	49,249,200	0.84%	10	13,192,930	0.32%
Oracle Corporation	3	50,083,000	0.86%			
Level 3 Communications	4	41,326,230	0.71%	3	30,737,621	0.74%
FSP Corp (380, 385 & 390 Interlocken)	5	35,693,020	0.61%			
IBM Corporation	6	34,740,049	0.59%	5	25,263,700	0.61%
Ball Corporation	7	32,002,357	0.55%			
Qwest Corporation	8	30,863,439	0.53%	4	26,774,170	0.64%
Charlotte Ball Seymour Childrens Trust	9	29,677,933	0.51%			
Flatiron Investments LP	10	23,597,300	0.40%			
Flatiron Holding LLC				2	45,037,420	1.08%
Roche Colorado Corporation				6	24,631,210	0.59%
Sun Microsystems				7	15,033,010	0.36%
DDR Flatirons LLC				9	14,214,820	0.34%
Storage Technology Corporation				8	14,382,520	0.35%
Subtotal		428,538,277	7.32%		268,406,291	6.45%
Remaining Assessed Valuation		5,423,828,891	92.68%		3,896,565,992	93.55%
Total Assessed Valuation		<u>\$ 5,852,367,168</u>	<u>100.00%</u>		<u>\$ 4,164,972,283</u>	<u>100.00%</u>

Source: Boulder County and Broomfield County Assessors' Office

Boulder Valley School District RE-2

Table 9

RATIOS OF OUTSTANDING DEBT BY TYPE**Last Ten Fiscal Years****(Unaudited)**

Fiscal Year	General Obligation Bonds*	Certificates of Participation	Capital Leases	Total Primary Government	Percentage of Personal Income**	Debt Per Capita**
2007	247,188,610	5,300,000	-	252,488,610	1.79%	874
2008	232,543,125	4,785,000	-	237,328,125	1.61%	813
2009	403,452,144	4,255,000	-	407,707,144	2.90%	1,388
2010	391,819,081	3,710,000	-	395,529,081	2.64%	664
2011	380,235,881	3,145,000	-	383,380,881	2.42%	1,277
2012	367,912,681	-	-	367,912,681	2.18%	1,205
2013	356,354,757	-	-	356,354,757	2.05%	1,148
2014	342,645,466	-	-	342,645,466	1.87%	1,093
2015	609,200,710	-	-	609,200,710	3.19%	1,909
2016	593,639,485	-	951,368	594,590,853	2.99%	1,847

* Includes bond premiums, and prior to 2013, also includes loss on refunding.

** Personal Income and Population data may be found on Table 13.

Source: Boulder Valley School District RE-2

Boulder Valley School District RE-2
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
Last Ten Fiscal Years

Table 10

(Unaudited)

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Bond Redemption Fund	Total	Percentage of Actual Taxable Value of Property*	Per Capita**
2007	247,188,610	21,402,310	225,786,300	0.672244218	782
2008	232,543,125	16,694,258	215,848,867	0.588977562	740
2009	403,452,144	19,509,241	383,942,903	1.014994183	1,308
2010	391,819,081	23,087,097	361,252,927	0.941638458	607
2011	380,235,881	23,322,828	356,913,053	0.926114262	1,189
2012	367,912,681	23,473,052	344,439,629	0.866735817	1,129
2013	356,354,757	23,655,325	332,699,432	0.832437238	1,072
2014	342,645,466	23,855,100	318,790,366	0.775817538	1,017
2015	609,200,710	30,679,879	578,520,831	1.397002231	1,813
2016	593,639,485	36,914,447	556,725,038	1.130484683	1,730

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

** Personal Income and Population data may be found on Table 13.

Source: Boulder Valley School District RE-2

Boulder Valley School District RE-2

LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years

(Unaudited)

Assessed Valuation

Debt Limit Percentage

Legal Debt Limit

Debt Outstanding

Legal Debt Margin

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

Note: Colorado Revised Statutes (CRS) provide three alternative methods for determining the legal debt margin for school districts. The Standard Method (shown above) uses 20% of assessed valuation. For certain fast growing school districts, 25% of assessed valuation could be used in the calculation. Finally, the CRS permits using 6% of market value in the calculation.

Table 11

				\$ 5,852,367,168
				<u>20.00%</u>
				1,170,473,434
				<u>560,290,000</u>
				<u><u>\$ 610,183,434</u></u>
2012	2013	2014	2015	2016
\$ 945,587,693	\$ 946,419,725	\$ 980,614,194	\$ 985,403,508	\$ 1,170,473,434
<u>362,535,000</u>	<u>350,285,000</u>	<u>337,495,000</u>	<u>574,125,000</u>	<u>560,290,000</u>
<u><u>\$ 583,052,693</u></u>	<u><u>\$ 596,134,725</u></u>	<u><u>\$ 643,119,194</u></u>	<u><u>\$ 411,278,508</u></u>	<u><u>\$ 610,183,434</u></u>
38.34%	37.01%	34.42%	58.26%	47.87%

Boulder Valley School District RE-2
COMPUTATION OF DIRECT AND OVERLAPPING GENERAL OBLIGATION DEBT
June 30, 2016

Table 12

(Unaudited)

	Outstanding General Obligation Debt	Percentage Applicable to the District (2)	Amount of Outstanding Debt Applicable to the District
Overlapping Debt			
Berthoud Fire Protection District	468,563	100.00%	468,563
Boulder Central Area General Improvement District	9,133,000	100.00%	9,133,000
City of Boulder	70,793,000	100.00%	70,793,000
City of Lafayette	3,845,000	100.00%	3,845,000
City of Louisville	2,245,000	100.00%	2,245,000
Colorado Tech Center Metropolitan District	8,860,000	100.00%	8,860,000
East Boulder County Water District	855,000	100.00%	855,000
Hoover Hill Water and Sanitation District	24,906	100.00%	24,906
Interlocken Consolidated Metropolitan District	90,140,000	100.00%	90,140,000
North Metro Fire Rescue District	39,535,000	20.88%	8,254,908
Nederland Community Library District	1,656,877	100.00%	1,656,877
Nederland Fire Protection District	295,000	100.00%	295,000
Northern Colorado Water Conservancy District	3,929,311	41.05%	1,612,982
Pine Brook Water District	4,156,013	100.00%	4,156,013
Rocky Mountain Fire	7,425,000	100.00%	7,425,000
Superior/McCaslin Interchange District	2,780,000	100.00%	2,780,000
Superior Metropolitan District #2	1,832,000	100.00%	1,832,000
Superior Metropolitan District #3	871,000	100.00%	871,000
Town of Erie	20,148,412	1.96%	394,909
Town of Nederland	1,650,000	100.00%	1,650,000
Subtotal Overlapping Debt			217,293,158
School District Direct Debt (1)			560,290,000
Total Direct and Overlapping Debt			<u>\$ 777,583,158</u>

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

Notes:

- (1) Balance as of June 30, 2016
- (2) The Percentage Applicable to the district is calculated by taking the percentage of the government's assessed value which is located within the boundaries of the district.

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

Boulder Valley School District RE-2
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years

Table 13

(Unaudited)

Fiscal Year	*Estimated Population(1)	**Personal Income(1) (millions)	**Per Capita Personal Income(1)	***Enrollment (Student (Funded FTE))	**Unemployment Rate(1)
2007	288,757	14,108	49,083	26,914.5	3.896%
2008	291,827	14,711	50,578	27,222.5	4.900%
2009	293,641	14,077	48,013	27,455.2	7.500%
2010	595,605	14,998	50,674	27,673.3	6.500%
2011	300,225	15,844	52,700	28,148.8	6.500%
2012	305,209	16,851	55,163	28,317.5	6.200%
2013	310,384	17,396	56,047	28,538.3	6.100%
2014	313,572	18,370	58,627	28,959.2	5.200%
2015	319,177	19,109	60,247	29,398.3	3.500%
2016	321,872	19,879	61,913	29,702.0	2.900%

Source: * Colorado State Demography Office. Current year is a projection.
 ** Colorado Department of Labor. Most recent two years are projections.
 *** Boulder Valley School District RE-2

Note: (1) Amounts are for Boulder County



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Boulder Valley School District RE-2

Table 14

PRINCIPAL EMPLOYERS Current Year and Nine Years Ago

(Unaudited)

Employer	2016			2007		
	Rank	Number of Employees	Percentage of Total County Employment	Rank	Number of Employees	Percentage of Total County Employment
University of Colorado		7,964	3.68%	1	7,050	4.23%
St. Vrain Valley School District		4,661	2.15%			
Boulder Valley School District		4,381	2.02%	4	3,600	2.16%
International Business Machines		2,800	1.29%	2	4,200	2.52%
Boulder County		1,957	0.90%	9	1,600	0.96%
SCL Health System		1,900	0.88%			
Ball Aerospace		1,865	0.86%	5	3,000	1.80%
Covidien		1,800	0.83%			
Boulder Community Health		1,796	0.83%	8	1,907	1.14%
City of Boulder		1,300	0.60%			
Sun Microsystems, Inc.				3	3,800	2.28%
State of Colorado				6	2,820	1.69%
Level 3 Communications, Inc.				7	2,000	1.20%
University Corp. for Atmospheric Research				10	1,362	0.82%
Subtotal		30,424	14.04%		31,339	18.80%
Other Employers		186,203	85.96%		135,304	81.20%
Total		216,627	100.00%		166,643	100.00%

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

Boulder Valley School District RE-2

DISTRICT EMPLOYEES - FULL TIME EQUIVALENTS

Last Ten Fiscal Years

(Unaudited)

	2007	2008	2009	2010	2011
Administrators					
Superintendent	1.00	1.00	1.00	1.00	1.00
Assistant Superintendent	6.40	9.50	13.80	12.30	10.50
Non-Instructional Director	21.50	22.70	18.90	17.50	17.30
Instructional Director	11.00	7.70	14.04	15.57	15.02
Principal	51.90	54.10	54.40	54.80	54.80
Assistant Principal	32.90	37.00	40.70	38.70	37.60
Instructional Program Coord.	2.00	2.50	2.00	2.00	2.48
Non-Instructional Program Coord.	-	-	-	-	-
Subtotal	126.70	134.50	144.84	141.87	138.70
Professional-Instructional					
Teacher, Regular	1,504.60	1,538.20	1,549.50	1,517.40	1,490.20
Teacher, Special Education	191.90	190.47	178.60	180.16	172.87
Teacher, Title I	13.50	16.10	15.70	18.90	21.80
Counselor	57.70	65.70	68.20	61.80	54.80
Curriculum Specialist Consultant	13.50	10.97	9.60	4.70	4.10
Dean	4.00	3.20	4.70	3.00	2.10
Education Diagnostician	2.60	4.33	4.60	2.76	-
Instructional Program Consultant	2.60	8.79	1.00	1.25	-
Librarian/Media Consultant	44.10	43.50	42.60	41.60	40.30
Teacher Mentor	58.40	54.90	49.20	48.90	45.77
Behavioral Specialist	-	-	-	-	-
Audiologist	2.00	1.52	2.06	1.98	1.50
Licensed Practical Nurse	1.10	2.10	-	-	-
Registered Nurse	11.30	15.74	14.91	14.73	12.60
Occupational Therapist	14.50	14.12	15.03	15.13	14.30
Physical Therapist	2.00	2.16	1.76	2.06	2.00
Psychologist	19.70	22.10	46.66	25.81	26.04
Social Worker	20.00	26.40	24.47	21.63	18.60
Speech-Language Pathologist	32.40	28.72	34.62	29.73	36.26
Subtotal	1,995.90	2,049.02	2,063.21	1,991.54	1,943.24
Professional-Other	96.90	112.40	132.75	132.36	130.46
Paraprofessionals	672.30	675.52	757.90	727.88	686.77
Office/Administrative Support	266.60	269.00	268.70	254.77	241.58
Crafts, Trades, and Services					
Bus Driver	164.20	165.80	198.00	196.10	190.60
Food Service Workers	55.70	78.30	84.50	100.60	91.80
Custodian	154.90	153.50	155.70	160.30	150.70
Maintenance Workers	119.00	101.40	95.90	92.10	88.60
Subtotal	493.80	499.00	534.10	549.10	521.70
Total	<u>3,652.20</u>	<u>3,739.44</u>	<u>3,901.50</u>	<u>3,797.52</u>	<u>3,662.45</u>

Source: Boulder Valley School District RE-2

Table 15

2012	2013	2014	2015	2016
1.00	1.00	1.00	1.00	1.00
10.60	11.80	10.80	11.80	15.40
16.60	16.80	15.90	16.30	23.30
13.00	11.61	12.90	15.90	16.80
52.50	52.50	54.20	54.70	55.30
41.10	41.10	41.40	41.00	40.40
5.60	5.83	3.90	3.90	2.90
3.77	2.90	3.10	2.10	2.10
144.17	143.54	143.20	146.70	157.20
1,493.00	1,503.90	1,484.60	1,479.10	1,483.50
191.57	188.68	187.53	185.97	183.60
22.70	18.50	18.80	14.70	13.30
66.00	64.20	57.30	63.10	61.00
3.50	3.90	8.60	7.80	9.80
2.00	2.40	2.20	3.00	3.10
-	-	-	-	-
2.00	2.00	-	-	-
39.00	37.80	40.10	41.00	40.80
45.98	33.90	34.20	42.20	46.20
-	-	-	2.55	2.16
1.29	1.50	1.50	1.50	1.60
-	-	0.46	0.73	0.81
14.86	15.11	13.90	12.18	14.76
15.43	15.57	14.81	14.64	14.78
2.30	2.30	2.30	2.30	2.40
28.80	24.32	21.01	20.78	20.30
18.71	16.90	18.50	15.87	14.90
37.99	44.36	42.02	45.00	44.14
1,985.13	1,975.34	1,947.83	1,952.42	1,957.15
134.56	138.18	135.10	140.60	145.60
708.69	668.55	634.46	651.48	644.93
238.32	253.92	250.88	255.50	248.80
176.90	178.90	165.90	165.80	193.00
81.70	89.20	91.00	98.00	101.40
145.70	150.90	149.20	149.80	145.10
88.60	84.10	87.30	86.80	81.10
492.90	503.10	493.40	500.40	520.60
3,703.77	3,682.63	3,604.87	3,647.10	3,674.28

Boulder Valley School District RE-2

SCHOOL BUILDING INFORMATION

Last Ten Fiscal Years

(Unaudited)

School	2007	2008	2009	2010	2011	2012	2013
<u>Elementary Schools</u>							
Bear Creek							
Square Feet	39,549	39,549	39,549	39,549	54,579	54,579	54,579
Capacity	350	350	350	350	355	475	478
Enrollment	343	361	362	352	367	378	391
Birch							
Square Feet	44,714	44,714	44,714	44,714	51,192	51,192	51,192
Capacity	463	463	463	440	405	436	453
Enrollment	415	425	448	426	443	401	352
BCSIS							
Square Feet	25,922	25,922	25,922	31,745	31,745	31,745	31,745
Capacity	230	230	230	280	280	312	301
Enrollment	287	287	290	284	300	295	294
Coal Creek							
Square Feet	53,916	53,916	53,916	53,916	52,476	57,305	57,305
Capacity	465	465	465	485	490	496	555
Enrollment	478	470	470	448	464	467	453
Columbine							
Square Feet	48,078	48,078	48,078	50,938	68,294	68,787	68,787
Capacity	431	431	431	431	455	579	603
Enrollment	402	368	379	398	410	453	462
Community Montessori							
Square Feet	42,583	42,583	42,583	42,588	42,588	42,588	42,588
Capacity	200	200	200	280	280	287	367
Enrollment	215	228	225	237	251	258	250
Creekside							
Square Feet	46,976	46,976	46,976	46,976	50,661	50,661	50,661
Capacity	316	316	316	334	441	484	505
Enrollment	329	330	344	345	348	353	335
Crest View							
Square Feet	55,007	55,007	67,266	66,884	66,884	66,884	66,884
Capacity	530	530	530	595	670	685	674
Enrollment	510	511	532	594	627	625	617
Douglass							
Square Feet	54,772	54,772	54,772	54,901	54,901	59,705	57,966
Capacity	435	435	435	480	480	491	504
Enrollment	455	439	409	423	430	433	461
Eisenhower							
Square Feet	53,601	53,601	53,601	53,601	59,525	59,525	59,525
Capacity	525	525	525	555	580	613	653
Enrollment	440	468	453	445	474	453	411
Emerald							
Square Feet	56,300	56,300	56,300	56,300	62,542	62,573	62,573
Capacity	377	377	377	413	473	454	484
Enrollment	390	384	386	370	345	341	327
Fireside							
Square Feet	60,307	60,307	60,307	60,307	60,307	61,486	61,486
Capacity	440	440	440	465	515	475	576
Enrollment	433	444	418	437	445	464	470
Flatirons							
Square Feet	33,469	33,469	33,469	43,857	43,857	43,857	43,857
Capacity	320	320	320	305	325	337	339
Enrollment	307	295	288	272	279	306	295
Foothill							
Square Feet	57,819	57,819	57,819	75,951	76,021	76,021	76,021
Capacity	510	510	510	610	610	644	648
Enrollment	504	526	528	572	564	583	569

Table 16

2014	2015	2016
54,579	54,579	54,579
478	478	478
414	417	441
51,192	51,192	51,192
453	453	453
359	383	407
31,745	31,745	31,745
301	301	301
294	307	301
57,305	57,305	57,305
555	555	555
431	427	426
68,787	68,787	68,787
603	603	603
480	496	531
42,588	42,588	42,588
367	367	367
255	270	262
50,661	50,843	50,843
505	505	505
340	333	332
66,884	66,884	66,884
674	674	674
607	586	580
57,966	59,836	59,836
504	504	504
478	463	473
59,525	59,525	59,525
653	653	653
404	405	398
62,573	62,573	62,573
484	484	484
335	376	380
61,486	61,486	61,486
576	576	576
456	458	453
43,857	43,857	43,857
339	339	339
307	290	274
76,021	76,021	76,021
648	648	648
574	545	547

Boulder Valley School District RE-2

SCHOOL BUILDING INFORMATION

Last Ten Fiscal Years

(Unaudited)

School	2007	2008	2009	2010	2011	2012	2013
<u>Elementary Schools (continued)</u>							
Gold Hill							
Square Feet	3,316	3,316	3,316	3,316	3,316	3,316	3,293
Capacity	41	41	41	41	36	37	41
Enrollment	26	25	25	21	29	26	29
Heatherwood							
Square Feet	52,016	52,016	52,016	51,975	60,797	60,797	60,797
Capacity	321	321	321	440	540	552	555
Enrollment	340	368	382	363	385	381	378
High Peaks							
Square Feet	24,521	24,521	24,521	32,983	32,983	32,983	32,983
Capacity	240	240	240	280	280	312	301
Enrollment	293	299	301	311	306	303	299
Jamestown							
Square Feet	5,030	5,030	5,030	5,030	5,030	5,030	5,032
Capacity	18	18	18	18	18	19	21
Enrollment	16	22	21	27	25	21	20
Kohl							
Square Feet	54,113	54,113	54,113	54,113	57,417	57,417	57,417
Capacity	480	480	480	490	490	521	525
Enrollment	453	469	488	478	498	473	506
Lafayette							
Square Feet	56,764	60,673	67,638	62,208	62,203	62,203	62,203
Capacity	350	350	350	492	555	623	628
Enrollment	396	475	534	603	636	606	619
Louisville							
Square Feet	57,018	57,018	57,018	57,018	63,034	63,034	63,034
Capacity	460	460	460	485	535	572	628
Enrollment	409	427	440	459	502	540	572
Mesa							
Square Feet	45,670	45,670	45,670	45,670	54,963	55,195	55,195
Capacity	315	315	315	375	385	485	494
Enrollment	357	355	384	365	378	371	352
Nederland							
Square Feet	61,470	61,470	61,470	61,470	61,470	61,470	61,470
Capacity	355	355	355	375	405	432	468
Enrollment	319	285	307	278	287	280	280
Pioneer							
Square Feet	72,398	72,398	72,398	72,398	74,874	74,864	74,864
Capacity	348	348	348	419	391	477	525
Enrollment	427	414	429	433	423	422	419
Ryan							
Square Feet	49,398	49,398	49,398	49,398	55,075	55,075	55,075
Capacity	357	357	357	377	460	512	530
Enrollment	398	430	406	422	419	443	454
Sanchez							
Square Feet	49,887	49,887	49,887	49,900	55,320	55,320	55,320
Capacity	334	334	334	266	294	301	330
Enrollment	286	280	278	286	295	330	320
Superior							
Square Feet	69,765	69,765	69,765	69,725	69,673	71,464	71,464
Capacity	500	500	500	505	505	521	525
Enrollment	650	633	664	635	591	573	553
University Hill							
Square Feet	68,696	68,696	68,696	67,276	69,701	69,701	69,701
Capacity	375	375	375	402	427	426	474
Enrollment	322	306	321	338	358	385	366

Table 16
(continued)

2014	2015	2016
3,293	3,293	3,293
41	41	41
23	27	26
60,797	60,797	60,797
555	555	555
390	384	385
32,983	32,983	32,983
301	301	301
297	297	314
5,032	5,032	5,032
21	21	21
21	15	18
57,417	57,417	57,417
525	525	525
485	487	481
62,203	62,203	62,203
628	628	628
583	590	592
63,034	63,034	63,034
628	651	651
600	584	582
55,195	55,195	55,195
494	494	494
341	330	320
61,470	61,470	61,470
468	468	468
282	285	276
74,864	74,864	74,864
525	525	525
448	473	480
55,075	55,075	55,075
530	530	530
408	410	417
55,320	55,320	55,320
330	330	330
321	359	379
71,464	71,464	71,464
525	525	525
556	505	486
69,701	69,701	69,701
474	474	474
419	427	436

Boulder Valley School District RE-2

SCHOOL BUILDING INFORMATION

Last Ten Fiscal Years

(Unaudited)

School	2007	2008	2009	2010	2011	2012	2013
<u>Elementary Schools (continued)</u>							
Whittier							
Square Feet	35,122	35,122	35,122	35,123	46,517	46,517	46,517
Capacity	325	325	325	325	380	371	412
Enrollment	323	320	347	334	369	394	401
<u>Middle Schools</u>							
Angevine							
Square Feet	121,676	121,676	121,676	121,676	121,676	121,961	121,961
Capacity	906	906	906	902	946	968	962
Enrollment	536	550	546	581	545	587	573
Broomfield Heights							
Square Feet	107,385	107,385	107,385	107,239	107,239	111,379	111,379
Capacity	914	914	914	932	932	935	935
Enrollment	565	523	536	530	526	561	531
Casey							
Square Feet	84,007	84,007	84,007	44,923	109,072	109,072	109,072
Capacity	535	535	535	521	743	743	743
Enrollment	313	345	292	349	440	546	582
Centennial							
Square Feet	99,556	99,556	99,556	99,515	99,515	117,772	117,772
Capacity	772	772	772	750	750	750	750
Enrollment	559	583	596	627	562	554	548
Louisville							
Square Feet	88,887	74,206	74,206	101,483	101,483	101,483	101,483
Capacity	651	651	651	669	669	673	691
Enrollment	560	567	548	569	603	623	632
Manhattan							
Square Feet	83,572	83,572	83,572	93,632	93,542	93,542	93,551
Capacity	618	618	618	638	642	642	642
Enrollment	422	413	455	498	468	466	487
Platt							
Square Feet	117,573	117,573	117,573	81,495	117,552	123,958	123,958
Capacity	707	707	707	888	827	860	860
Enrollment	549	556	540	546	533	502	510
Southern Hills							
Square Feet	72,260	70,194	70,194	98,342	98,340	98,340	98,340
Capacity	503	503	503	701	701	701	683
Enrollment	478	487	496	539	545	535	542
<u>High Schools</u>							
Boulder							
Square Feet	229,281	218,717	218,717	245,772	245,971	245,971	245,971
Capacity	1900	1900	1900	1900	1900	1900	1900
Enrollment	1093	1851	1808	1786	1775	1790	1846
Broomfield							
Square Feet	218,163	218,163	218,163	240,535	240,535	240,535	240,535
Capacity	1606	1606	1606	1805	1805	1805	1762
Enrollment	1407	1438	1388	1401	1437	1329	1401
Centaurus							
Square Feet	190,610	196,089	198,329	194,687	194,687	194,687	194,687
Capacity	1581	1581	1581	1874	1874	1874	1874
Enrollment	1051	1051	1135	1092	1029	1008	999
Fairview							
Square Feet	256,392	256,392	256,392	262,019	264,007	264,007	264,007
Capacity	1840	1840	1840	1958	1990	1990	1996
Enrollment	1903	1907	1903	1913	1971	2065	2132
Monarch							
Square Feet	228,827	228,827	230,134	233,909	233,909	241,819	241,823
Capacity	1728	1728	1728	1728	1728	1728	1833
Enrollment	1562	1526	1508	1511	1527	1514	1576

Table 16
(continued)

2014	2015	2016
46,517	46,517	46,518
412	412	412
389	396	415
121,961	121,953	121,953
962	962	962
611	662	725
111,379	111,379	111,379
935	935	935
552	550	547
109,072	109,072	109,072
743	743	743
608	607	632
117,772	117,772	117,772
750	750	750
581	595	630
101,483	101,483	101,483
691	691	691
631	633	621
93,551	93,551	93,551
642	642	642
547	543	493
123,958	123,958	123,958
860	860	860
510	557	602
98,340	98,340	98,340
683	683	683
550	560	555
245,971	245,971	245,971
1900	1900	1900
1938	1978	1979
240,535	240,535	240,535
1762	1762	1762
1429	1498	1548
194,687	194,687	194,687
1874	1874	1874
1013	1020	1079
264,007	264,007	264,007
1996	1996	1996
2118	2169	2183
241,823	241,823	241,823
1833	1833	1833
1626	1653	1749

Boulder Valley School District RE-2

SCHOOL BUILDING INFORMATION

Last Ten Fiscal Years

(Unaudited)

School	2007	2008	2009	2010	2011	2012	2013
<u>High Schools (continued)</u>							
New Vista							
Square Feet	76,668	76,668	76,668	76,668	76,668	77,966	77,966
Capacity	659	659	659	659	659	654	654
Enrollment	337	324	324	317	299	309	301
<u>Combination Schools</u>							
Aspen Creek K-8							
Square Feet	114,479	115,919	115,919	115,919	115,919	122,127	122,127
Capacity	969	969	969	892	919	990	1015
Enrollment	869	912	913	921	916	929	917
Eldorado K-8							
Square Feet	117,336	117,336	117,336	120,210	120,207	123,343	123,343
Capacity	876	876	876	926	926	1003	1006
Enrollment	994	1012	967	983	987	972	991
Halcyon							
Square Feet	8,736	8,736	8,736	10,163	10,163	10,163	10,163
Capacity	na	na	na	na	na	na	na
Enrollment	11	17	6	27	24	21	21
Monarch K-8							
Square Feet	108,802	108,802	108,802	108,802	108,802	114,491	114,491
Capacity	766	766	766	856	904	926	933
Enrollment	741	757	769	748	790	814	844
Nederland Middle/Senior							
Square Feet	97,080	97,080	97,080	97,080	97,080	97,080	102,168
Capacity	650	650	650	674	630	718	718
Enrollment	385	377	457	340	333	299	270
<u>Vocational/Technical Schools</u>							
Arapahoe Ridge High School							
Square Feet	129,579	129,579	129,579	130,707	152,954	152,954	152,146
Capacity	925	925	925	981	1099	1099	1062
Enrollment	223	216	199	175	204	200	147
<u>Charter Schools</u>							
Boulder Preparatory High School							
Square Feet	5,938	5,938	5,938	5,938	5,938	5,938	5,938
Capacity	na	na	na	na	na	na	117
Enrollment	125	149	131	158	142	122	117
Horizons K-8 School							
Square Feet	30,814	30,814	30,814	30,810	30,814	43,426	52,009
Capacity	342	342	342	404	404	440	414
Enrollment	320	340	324	325	332	332	340
Peak To Peak K-12 School							
Square Feet	116,679	116,679	116,679	134,284	139,990	139,990	139,990
Capacity	na	na	na	na	na	na	1444
Enrollment	1292	1341	1405	1425	1443	1446	1444
Summit Middle School							
Square Feet	29,894	41,161	52,434	49,934	49,935	49,935	49,944
Capacity	337	337	337	480	493	493	493
Enrollment	312	312	319	324	336	334	339
Justice High 6-12 School							
Square Feet	na	2,409	2,409	2,409	6,590	6,590	6,590
Capacity	na	na	na	na	na	na	91
Enrollment	79	75	97	129	111	96	91

Source: Boulder Valley School District RE-2

Table 16
(continued)

2014	2015	2016
77,966	77,966	77,966
654	654	654
280	294	296
122,127	122,127	122,127
1015	1015	1015
942	961	933
123,343	123,343	123,343
1006	1006	1006
958	987	957
10,163	10,163	10,163
na	na	na
18	19	18
114,491	114,491	114,491
933	933	933
858	888	880
102,168	102,168	102,168
718	718	718
284	290	273
152,146	152,146	152,146
1062	1062	1062
130	132	139
5,938	5,938	5,938
117	117	117
107	94	109
52,009	52,009	52,009
414	414	414
348	347	348
139,990	139,990	179,258
1444	1444	1444
1445	1444	1446
49,944	49,936	45,609
493	493	493
342	349	353
6,590	6,590	6,590
91	91	91
115	76	80

Boulder Valley School District RE-2

TEACHER STATISTICS

Last Ten School Years

(Unaudited)

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

*Licensed staff less than .5 FTE were paid \$40,000, prorated by FTE for 2013.

Prior to and after 2013, they were included in the licensed salary schedule.

Source: Boulder Valley School District RE-2

Table 17

2012	2013	2014	2015	2016
137	132	118	108	105
70	63	52	50	46
53	55	48	46	41
44	47	46	61	64
216	201	155	132	112
467	459	383	404	405
207	202	201	181	196
151	152	170	166	152
154	152	161	155	150
411	409	190	175	175
-	-	345	425	465
45	38	40	50	55
3	15	2	1	1
1,958	1,925	1,911	1,954	1,967
38,096	42,338	44,511	43,397	43,225
42,170	47,234	49,219	47,171	49,655
47,842	49,315	52,454	53,521	51,034
46,682	51,771	52,806	53,285	54,118
56,472	60,979	64,829	68,002	70,065
50,470	55,473	59,475	61,211	61,408
56,963	63,676	65,249	67,137	67,727
60,165	65,841	69,071	71,331	71,670
61,704	66,512	70,632	74,261	75,938
69,924	73,997	77,767	81,922	83,933
-	-	81,869	85,999	88,800
68,211	74,199	82,048	83,184	85,868
62,089	43,269	65,745	61,899	63,632 *

Boulder Valley School District RE-2

MISCELLANEOUS STATISTICAL DATA

Last Ten School Years

(Unaudited)

	2007	2008	2009	2010
Student Teacher Ratio*				
Elementary	16.00	15.94	15.45	15.60
Combination	16.72	17.32	17.23	16.72
Middle	15.84	16.23	15.90	16.97
Senior	18.63	18.97	18.45	18.71
Governmental Activities Expenses	\$ 257,223,290	\$ 278,784,336	\$ 289,549,755	\$ 294,156,553
Cost Per Student	\$ 9,123	\$ 9,742	\$ 10,118	\$ 10,200
Enrollment Data**				
Student Full Time Equivalent				
Elementary	11,147.0	11,331.0	11,658.2	11,716.8
Middle	6,324.0	6,385.5	6,356.0	6,576.0
Senior	9,155.5	9,204.0	9,142.0	9,128.0
Other	288.0	302.0	299.0	252.5
Total	26,914.5	27,222.5	27,455.2	27,673.3
Total Enrollment				
K-12 Enrollment	27,798.0	28,173.0	28,171.00	28,344.00
Pre-K Enrollment	398.0	445.0	445.00	494.00
Total	28,196.0	28,618.0	28,616.0	28,838.0
Number of Students Eligible to Receive School Lunches Free Or At Reduced Cost				
Elementary	2,498	2,544	2,529	2,473
Combination	221	191	207	256
Middle	877	900	864	893
Senior	777	963	1,101	1,025
Total	4,373	4,598	4,701	4,647
Percent of Students Receiving Free or Reduced Cost Meals	15.51%	16.07%	16.43%	16.11%

* Balances reported for previous years have been updated to be consistent with current year presentation. Ratios now include all FTE related to special education and title programs, and are consistent with balances reported by the Colorado Department of Education.

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

Source: Boulder Valley School District RE-2

* Colorado Department of Education

Table 18

2011	2012	2013	2014	2015	2016
16.37	16.27	16.44	16.76	17.22	17.37
17.43	17.49	18.61	18.54	19.42	18.97
17.18	17.43	17.01	17.77	17.86	18.29
19.28	19.33	19.48	19.79	20.24	20.46
\$ 306,813,347	\$ 319,692,074	\$ 319,005,007	\$ 343,751,369	\$ 387,709,725	\$ 428,863,567
\$ 10,464	\$ 10,821	\$ 10,734	\$ 11,403	\$ 12,684	\$ 13,890
12,029.8	12,055.5	12,097.3	12,154.2	12,228.8	12,222.0
6,536.0	6,671.0	6,681.5	6,913.5	7,106.5	7,183.5
9,324.5	9,305.0	9,480.0	9,610.0	9,731.5	9,958.5
258.5	286.0	279.5	281.5	331.5	338.0
28,148.8	28,317.5	28,538.3	28,959.2	29,398.3	29,702.0
28,815.00	28,986.00	29,181.00	29,595.00	29,941.00	30,231.00
505.00	558.00	537.00	550.00	625.00	644.00
29,320.0	29,544.0	29,718.0	30,145.0	30,566.0	30,875.0
2,646	2,714	2,740	2,709	2,988	3,171
317	342	336	379	364	443
946	1,033	1,033	1,103	1,157	1,282
1,177	1,223	1,247	1,240	1,457	1,688
5,086	5,312	5,356	5,431	5,966	6,584
17.35%	17.98%	18.02%	18.02%	19.52%	21.32%



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SINGLE AUDIT



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

Board of Education
Boulder Valley School District
Boulder, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Boulder Valley School District, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Boulder Valley School District's basic financial statements, and have issued our report thereon dated November 10, 2016.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Broomfield, Colorado
November 10, 2016

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

Board of Education
Boulder Valley School District
Boulder, Colorado

Report on Compliance for Each Major Federal Program

We have audited Boulder Valley School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Boulder Valley School District's major federal programs for the year ended June 30, 2016. Boulder Valley School District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Boulder Valley School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Boulder Valley School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, Boulder Valley School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

Report on Internal Control Over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



CliftonLarsonAllen LLP

Broomfield, Colorado
November 10, 2016

**BOULDER VALLEY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2016**

Section I – Summary of Auditors' Results

Financial Statements

1. Type of auditors' report issued: Unmodified
2. Internal control over financial reporting:
 - Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
3. Noncompliance material to financial statements noted? _____ yes x no

Federal Awards

1. Internal control over major federal programs:
 - Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
2. Type of auditors' report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes x no

Identification of Major Federal Programs

CFDA Number(s)

84.027 and 84.173

Name of Federal Program or Cluster

Special Education - Grants to States (IDEA, Part B) and Special Education - Preschool Grnats (IDEA Preschool)

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

 x yes no

**BOULDER VALLEY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2016**

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Findings and Questioned Costs – Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

Section IV – Prior Year Findings

2015 – 001

Significant Deficiency in Internal Control over Financial Reporting

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

Status: Implemented.

Boulder Valley School District RE-2
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2016

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass- Through Entity Grant Code</u>	<u>6/30/2016 Expenditures</u>
U.S. Department of Education			
Direct Programs			
Indian Education	84.060		\$ 15,994
Passed Through State Department of Education			
Adult Education	84.002	5002	93,452
Title I	84.010	4010/5010	2,100,453
Special Education	84.027	(1) 4027	4,914,818
Special Education Preschool	84.173	(1) 4173	132,647
Education for Homeless Children and Youth	84.196	5196	39,575
21st Century Community Learning Centers	84.287	5287/6287	487,248
Advanced Placement Program	84.330	5330	5,978
English Language Acquisition	84.365	4365/7365	171,091
Improving Teacher Quality	84.367	4367	667,619
CDE - School Readiness	84.412	5412	19,690
Race to the Top	84.413	4413	800
Passed Through State Department of Human Services			
Vocational Rehabilitation	84.126		286,648
Passed Through State Community College System			
Career and Technical Education	84.048		127,392
TOTAL U.S. DEPARTMENT OF EDUCATION			<u><u>9,063,405</u></u>
U.S. Department of Agriculture			
Direct Programs			
Farm to School	10.575		7,855
Passed Through State Department of Human Services			
National School Lunch Program (non-cash commodities)	10.555		475,140
Passed Through State Department of Public Health and Environment			
Child and Adult Care Food Program	10.558		28,631
Passed Through State Department of Education			
National School Lunch Program	10.555	(2) 4555	2,139,243
School Breakfast Program	10.553	(2) 4553	677,128
Summer Food Service Program for Children	10.559	(2) 4559	79,337
TOTAL U.S. DEPARTMENT OF AGRICULTURE			<u><u>3,407,334</u></u>
U.S. Department of Transportation			
Passed Through State Department of Transportation			
Highway Planning and Construction	20.205	(3)	90,448
TOTAL FEDERAL FINANCIAL ASSISTANCE			<u><u>\$ 12,561,187</u></u>

(1) Special Education Cluster (IDEA)

(2) Child Nutrition Cluster

(3) Highway Planning and Construction Cluster

See the accompanying Independent Auditors' Report.

Boulder Valley School District RE-2
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2016

NOTE 1: **BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards is presented in accordance with the requirements of 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), using the modified accrual basis of accounting. Therefore, some amounts presented in this schedule may differ from amounts presented in the financial statements.

NOTE 2: **NONCASH FEDERAL AWARDS**

Commodities donated to the district by the U.S. Department of Agriculture (USDA) of \$475,140 are valued based on the USDA's Donated Commodity Price List. These are shown as part of the National School Lunch Program (CFDA 10.555).

NOTE 3: **INDIRECT COSTS**

The district has elected not to use the 10 percent de minimus indirect cost rate as allowed under the Uniform Guidance.

STATE COMPLIANCE



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Colorado Department of Education
Auditors Integrity Report
District: 0480 - BOULDER VALLEY RE 2
Fiscal Year 2015-16
Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental	+		-	=
10 General Fund	30,449,915	280,966,124	277,663,776	33,752,263
18 Risk Mgmt Sub-Fund of General Fund	438,042	3,624,896	3,786,698	276,240
19 Colorado Preschool Program Fund	81,818	1,761,764	1,591,435	252,147
Sub- Total	30,969,775	286,352,784	283,041,909	34,280,650
11 Charter School Fund	10,129,077	25,686,422	26,056,678	9,758,820
20.26-29 Special Revenue Fund	0	0	0	0
21 Food Service Spec Revenue Fund	129,818	8,753,096	8,697,624	185,290
22 Govt Designated-Purpose Grants Fund	0	11,546,654	11,546,654	0
23 Pupil Activity Special Revenue Fund	0	0	0	0
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	415,278	14,757,319	14,735,580	437,017
31 Bond Redemption Fund	33,532,514	45,743,682	40,784,772	38,491,424
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	277,155,593	2,777,874	66,044,316	213,889,151
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	1,589,540	2,913,543	3,588,862	914,221
Totals	353,921,595	398,531,374	454,496,396	297,956,573
Proprietary				
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
60.65-69 Other Internal Service Funds	7,768,638	7,645,649	7,146,954	8,267,333
Totals	7,768,638	7,645,649	7,146,954	8,267,333
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	1,328,378	120,246	36,937	1,411,687
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	3,987,192	13,962,421	13,116,277	4,833,336
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	738,859	129,474	683,684	184,649
Totals	6,054,429	14,212,141	13,836,898	6,429,672

FINAL

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



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