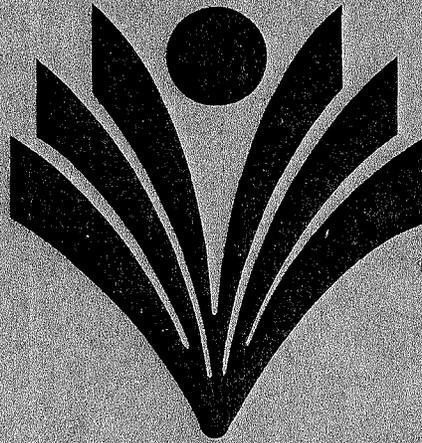


Boulder Valley School District RE-2

**Comprehensive Annual
Financial Report**

For the fiscal year ending June 30, 2005

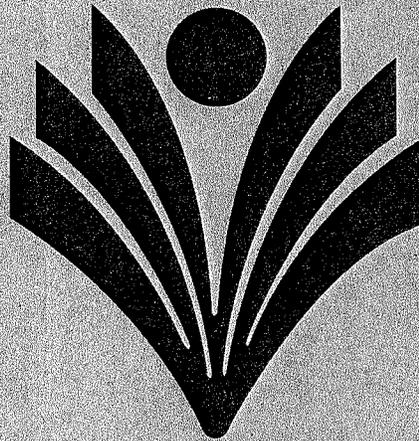


**Boulder, Colorado
Boulder, Broomfield and Gilpin Counties**

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

Boulder, Broomfield and Gilpin Counties

**Comprehensive Annual Financial Report
For the fiscal year ending June 30, 2005**



Prepared by: Finance and Accounting Department

**Leslie Stafford, CPA
Finance and Accounting Services Director**

**Chuck McElwain, CPA
Assistant Finance and Accounting Services Director**

TABLE OF CONTENTS

| | PAGE |
|--|-------------|
| INTRODUCTORY SECTION | |
| Letter of Transmittal | i - vi |
| Board of Education Members | vii |
| Organizational Chart | viii - ix |
| List of Principal Officials | x |
| Mission Statement and Strategic Priorities | xi - xxi |
| FINANCIAL SECTION | |
| Independent Auditors' Report | |
| Management's Discussion and Analysis | a - 1 |
| Basic Financial Statements | |
| Statement of Net Assets | 1 |
| Statement of Activities | 2 |
| Balance Sheet - Governmental Funds | 3 |
| Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds | 4 |
| Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities | 5 |
| Balance Sheet - Proprietary Funds | 6 |
| Statement of Revenues, Expenses and Changes in Fund Net Assets - Proprietary Funds | 7 |
| Statement of Cash Flows - Proprietary Funds | 8 |
| Statement of Fiduciary Net Assets | 9 |

TABLE OF CONTENTS
(Continued)

| | PAGE |
|---|-------------|
| FINANCIAL SECTION (Continued) | |
| Statement of Changes in Fiduciary Net Assets | 10 |
| Notes to Financial Statements | 11 - 26 |
| Required Supplementary Information | |
| Budgetary Comparison Schedule - General Fund | 27 |
| Notes to Required Supplementary Information | 28 - 29 |
| Combining and Individual Fund Statements and Schedules | |
| Combining Balance Sheet - General Fund | 30 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances - General Fund | 31 |
| Combining Balance Sheet - Nonmajor Governmental Funds | 32 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds | 33 |
| Budgetary Comparison Schedule - Grants Fund | 34 |
| Budgetary Comparison Schedule - Capital Reserve Fund | 35 |
| Budgetary Comparison Schedule - Bond Redemption Fund | 36 |
| Budgetary Comparison Schedule - Food Services Fund | 37 |
| Budgetary Comparison Schedule - Insurance Reserve Fund | 38 |
| Schedule of Additions, Deductions and Balance Available for Scholarships - Private Purpose Trusts | 39 |
| Schedule of Additions, Deductions and Balance Due to Student Groups - Agency Fund | 40 |
| Combining Statement of Net Assets - Component Units | 41 |
| Combining Statement of Activities - Component Units | 42 |
| Combining Balance Sheet - Component Units | 43 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Component Units | 44 |

TABLE OF CONTENTS

(Continued)

| | PAGE |
|--|-------------|
| STATISTICAL SECTION (Unaudited) | |
| Table I - General Fund Expenditures by Object | 45 |
| Table II - General Fund Revenue by Source | 46 |
| Table III - Property Tax Levies and Collections - All Funds | 47 |
| Table IV - Assessed and Estimated Actual Value of Taxable Property | 48 |
| Table V - Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt per Capita | 49 |
| Table VI - Computation of Legal Debt Margin | 50 |
| Table VII - Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General Fund Expenditures | 51 |
| Table VIII - District Mill Levy History | 52 |
| Table IX - Property Tax Rates (Mills) - Direct and Overlapping Governments | 53 |
| Table X - Computation of Overlapping Bonded General Obligation Debt | 54 |
| Table XI - Boulder County Population Estimates | 55 |
| Table XII - Characteristics of Employment in Boulder County | 56 |
| Table XIII - Major Employers in Boulder and Broomfield Counties | 57 |
| Table XIV - Property Values and Construction | 58 |
| Table XV - Principal Taxpayers over a Specified Amount of Assessed Valuation | 59 |
| Table XVI - Insurance in Force | 60 |
| Table XVII - District Enrollment | 61 |
| COMPLIANCE SECTION | |
| Single Audit | |
| Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards | 62 |

TABLE OF CONTENTS

(Continued)

| | PAGE |
|---|-------------|
| COMPLIANCE SECTION (Continued) | |
| Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 | 63 - 64 |
| Schedule of Findings and Questioned Costs | 65 |
| Independent Auditors' Report on Schedule of Expenditures of Federal Awards | 66 |
| Schedule of Expenditures of Federal Awards | 67 |
| Notes to Schedule of Expenditures of Federal Awards | 68 |
| State Compliance | |
| Independent Auditors' Report on Electronic Financial Data Integrity Check Figures | 69 |
| Electronic Financial Data Integrity Check Figures | 70 |

INTRODUCTORY SECTION



Boulder Valley Public Schools

Finance & Accounting

6500 Arapahoe, P.O. Box 9011
Boulder, Colorado 80301
(303) 447-1010

November 15, 2005

Members of the Board of Education
Dr. George F. Garcia, Superintendent of Schools
Boulder Valley School District RE-2
Boulder, Colorado

It is our pleasure to submit the Comprehensive Annual Financial Report of the Boulder Valley School District RE-2 for the fiscal year ended June 30, 2005. 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.

This extensive document was prepared by the District's Finance and Accounting Services Department, and to the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner to present fairly the financial position and results of operations of the school district. The responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the District.

The 2005 Comprehensive Annual Financial Report (CAFR) presentation is in compliance with the governmental financial reporting model established by the Governmental Accounting Standards Board (GASB) Statement No. 34 titled *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. Accounting and financial reporting for state and local governments previously focused on funds to demonstrate fiscal accountability. The GASB No. 34 reporting model parallels private sector reporting by consolidating fund-based presentations into government-wide financial statements designed to ensure and demonstrate fiscal and operational accountability.

This transmittal letter serves as a narrative introduction and overview to accompany the financial statements. In addition, we have prepared the required detailed section entitled *Management's Discussion and Analysis* which can be found immediately following the report of the independent auditors' under the Financial Section tab.

The Comprehensive Annual Financial Report is presented in four sections: Introductory, Financial, Statistical and Compliance.

Profile of the Government

Boulder Valley School District RE-2 is a public school district, organized and existing under the School District Organization Act of 1965, Article 30, Title 22, and Colorado Revised Statutes. It was originally organized in 1860 and was reorganized in 1961 to include numerous smaller districts. A seven member Board of Education elected by the citizens of Boulder, Broomfield and Gilpin Counties governs the District.

The District is nestled in the foothills of the Rocky Mountains thirty miles northwest of Denver. Boulder Valley's boundaries encompass approximately 500 square miles in Boulder, Broomfield and Gilpin Counties and have a population of approximately 211,000. The communities of Boulder, Louisville, Lafayette, Superior, Broomfield, Nederland, Ward, Jamestown and Gold Hill are served. The District's enrollment in the fall of 2004 was 27,924.

The District provides a full and challenging range of educational programs and services authorized by Colorado State Statute. Included is 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 programs. In addition, the District offers preschool programs at multiple sites through the Colorado Preschool Program, Community Montessori focus school and the Special Education program.

Four charter schools are included as component units of the Boulder Valley School District RE-2 for the 2005 CAFR: Boulder Preparatory High School, Horizons K-8 Alternative School, Peak to Peak K-12 Charter School, and Summit Charter School.

Economic Conditions and Outlook

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

Boulder Valley School District RE-2 residents, particularly in the more densely settled urban areas where most of the population resides, participate in the large and increasingly diverse front-range economy, which includes the Cities of Denver, Boulder and Longmont and the growing residential communities in between. While the economy is still strong, this area has been impacted by the recent recession, particularly in the developing high-tech and telecommunications sector, which became an increasingly prominent piece of the local economy and drove growth during much of the late 1990s.

The City of Boulder, where the school district is headquartered, is roughly thirty miles northwest of Denver and is home to the University of Colorado, Boulder, and a significant stabilizing force for the local economy. Other major employers in the area include IBM Corporation, Sun Microsystems Inc., Storage Technology, Level 3 Communications, and numerous other smaller software, research, manufacturing and pharmaceutical firms.

The region's economy continues to slowly recover from the 2001 recession. The U.S. Bank's Colorado Economic Update 2005 states that "Colorado was slow to recover from the recent recession. According to Economy.com, which attempts to date recessions and recoveries on a state-by-state basis, Colorado and West Virginia were the last two states to emerge from the 2001 economic downturn, with growth beginning around June 2004, more than 30 months after the national upturn."

"With the US recovery continuing in 2005, the Colorado economy will also improve. About 54,000 new jobs will be created, bringing employment by place of work to a new high in late 2005 or early 2006. The state will benefit from increased defense spending as government contracts flow into the state. The mining industry will add jobs, as energy exploration and production remain robust in the wake of rising prices."

"Population growth will continue to be anemic at 1.4% until we have a year of employment growth in the 3% range. People do not move into Colorado unless jobs are available."

"The residential real estate market is the largest cloud on the immediate horizon. With slow population growth, the overbuilding of recent years, stagnant home prices and rising mortgage rates, housing permits will fall by 12.3%. The apartment vacancy rate will inch down as rising foreclosures force homeowners back into the rental market."

"The Denver-Boulder inflation rate will average 2.2%, well below the national rate thanks to the troubled housing market. Personal income growth will accelerate in line with the improving job market, but retail sales growth will slow as consumers struggle with rising debt payments."

For the 2005-06 fiscal year, the Colorado State Legislature approved School Finance Act funding that increases the statewide base per pupil funding by 1.1%. This includes an inflationary increase of 0.1% plus 1%. This funding level was intended to reflect the provisions set forth in Amendment 23 of the Colorado Constitution. Per pupil revenue for The District for the 2005-06 fiscal year is \$6,104 less a \$1 rescission to pay for staff at the Colorado Department of Education, for a total of \$6,103.

Financial Information

Internal Control

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

Single Audit

As a recipient of federal, state and local financial assistance, the school district is responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations related to these programs. As a part of the District's single audit, tests are made to determine the adequacy of internal control, including that portion related to federal award programs, as well as to determine that the District has complied with applicable laws and regulations, contracts and grants. The results of the District's single audit for the fiscal year ended June 30, 2005 provided no instances of material weaknesses or reportable conditions in internal control or material violations of applicable laws, regulations, contracts and grants.

Budgeting Controls

The District maintains numerous budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget adopted by the Board of Education. Budgetary controls include an encumbrance accounting system, expenditure control and position control. The District's financial system provides budget managers with on-line capabilities to view outstanding orders and available funds for all accounts in their department or school. Encumbered amounts lapse at year end and are generally re-established in the following year as an obligation against that year's appropriated budget. As demonstrated by the statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

Fund Balance Requirements

On April 13, 2004, the Board of Education revised Policy DB-*Annual Operating Budget* which requires maintaining a minimum level of year-end fund balance in order to ensure the District's ongoing financial health. The policy's five key requirements are outlined as follows:

- The General Operating Fund budget will be developed so that the total of annual ongoing expenditures, transfers, and incremental increase in required reserves does not exceed annual revenues.
- If the General Operating Fund ends any fiscal year with a surplus of revenues beyond expenditures, this amount can only be used for one-time operating expenditures in subsequent years.
- In addition, the General Operating Fund budget will be developed containing an ending fund balance equal to or greater than the required TABOR reserve on a generally accepted accounting principles (GAAP) basis.
- The budgets for all other funds will be developed to include, at a minimum, the required TABOR reserve.
- Beginning with the 2005-06 fiscal year, the General Operating Fund budget will be developed on a generally accepted accounting principles (GAAP) basis.

At June 30, 2005, the District is in compliance with all provisions of this policy.

Cash Management

The cash management and investment practices of the District follow the Board of Education Investment Policy and state law. The District's investments are managed in a manner that optimizes the return on investments and minimizes risk while providing needed liquidity. The Board of Education receives a quarterly investment portfolio report as a part of the regular quarterly financial reports. Investment earnings for all funds for the year ended June 30, 2005, totaled \$555,174.

In order to meet its cash flow requirements, the District participated in the State of Colorado's Interest Free Loan Program. This program allows the District to borrow funds from the State Treasury as needed to fund its operations. For the year ended June 30, 2005, the District borrowed a total of \$69,178,641 from this program. All funds were repaid to the State Treasury by May 11, 2005.

Risk Management

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

Audit Committee

On September 28, 2004, the Board of Education adopted Policy DIEA-*District Audit Committee* which established an Audit Committee. The Committee is made up of five members, two Board of Education members, one being the Board of Education treasurer who shall serve as chair of the District Audit Committee, and the other member appointed by the Board for a two year term; the District's Chief Operations Officer; the District's Finance and Accounting Services Director; and a community member with expertise in governmental accounting and financial management. The community member will be selected by the District Audit Committee and recommended to the Board of Education for a two year term.

The primary responsibilities of the committee are as follows:

- Recommend the selection of an external auditor, considering independence, qualifications and cost of services. Review the scope, plan and coordination of the independent audit efforts. Consider the auditor's findings and recommendations for appropriate actions.
- Review quarterly financial reports provided by the District.
- Review district financial policies and procedures.
- Review any new debt issuance.
- Encourage continuous improvement of district financial policies and procedures.

Other Information

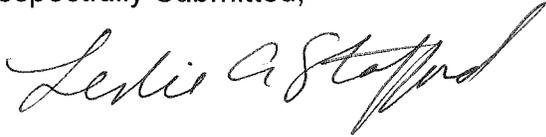
Independent Audit

State statutes require an annual audit by independent certified public accountants. The accounting firm of Swanhorst & Company LLC was appointed by the Board of Education to perform the June 30, 2005 fiscal year audit, based upon the recommendation of the Audit Committee. In addition to meeting the requirements set forth in state statutes, the audit is also designed to meet the requirements of the Single Audit Act of 1984 and related OMB Circular A-133. The auditor's report on the basic financial statements is included in the Financial Section of this report. The auditor's reports related specifically to the single audit are included in the Single Audit Section.

Acknowledgments

The preparation of this report on a timely basis was made possible by the dedicated service of the entire staff of the Finance and Accounting Services Department. We would like to express our sincere appreciation to all members of the department for the contributions made in the preparation of this report. We also thank the District's independent auditors, Swanhorst & Company LLC, for the professional manner in which they accomplished the audit and for their work to publish this Comprehensive Annual Financial Report. We would also like to thank Dr. George Garcia, Superintendent, Robert Hammond, Chief Operations Officer, 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.

Respectfully Submitted,



Leslie A. Stafford, CPA
Finance & Accounting Services Director



Charles R. McElwain, CPA
Finance & Accounting Services Assistant Director

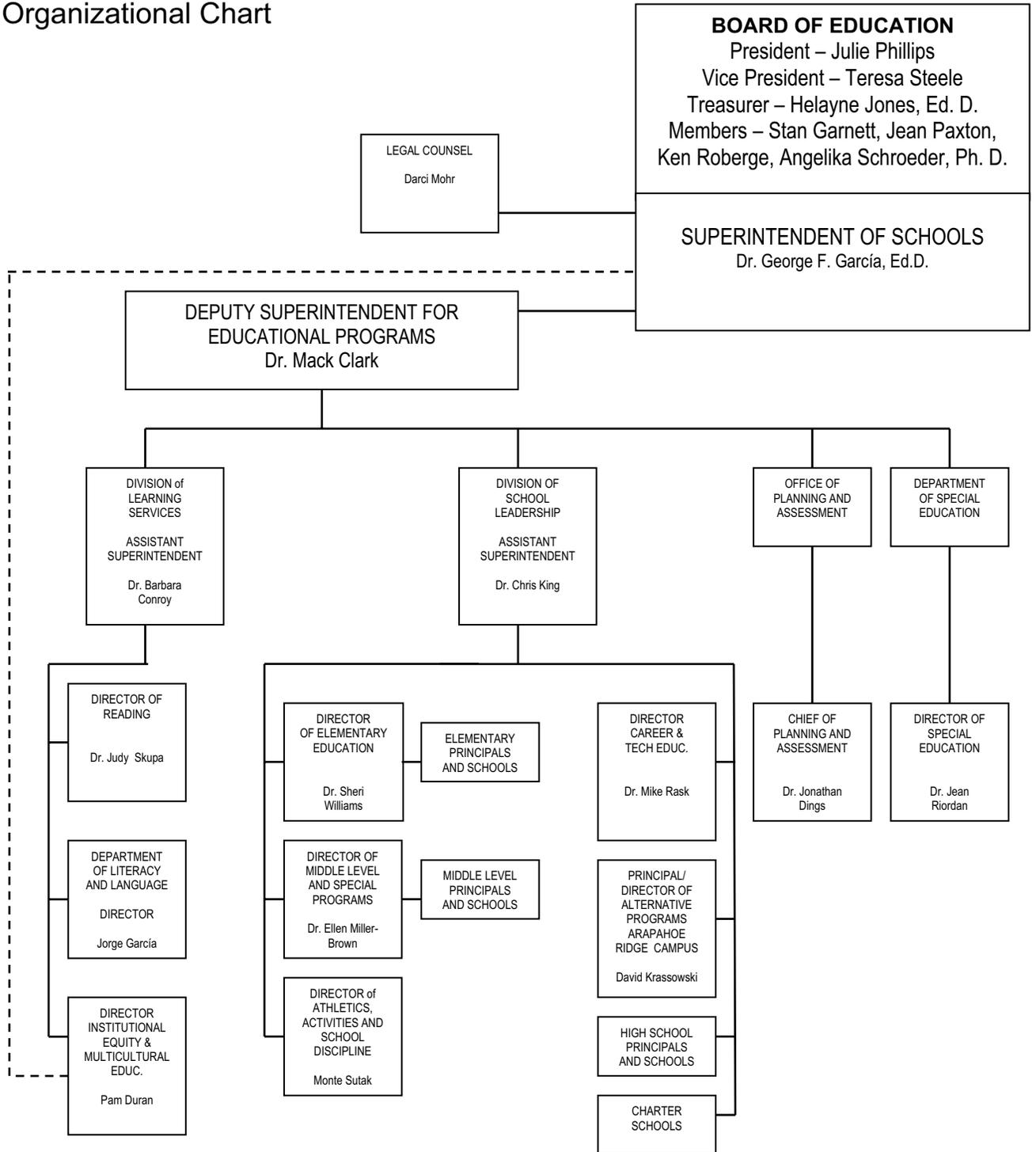
BOULDER VALLEY SCHOOL DISTRICT RE-2

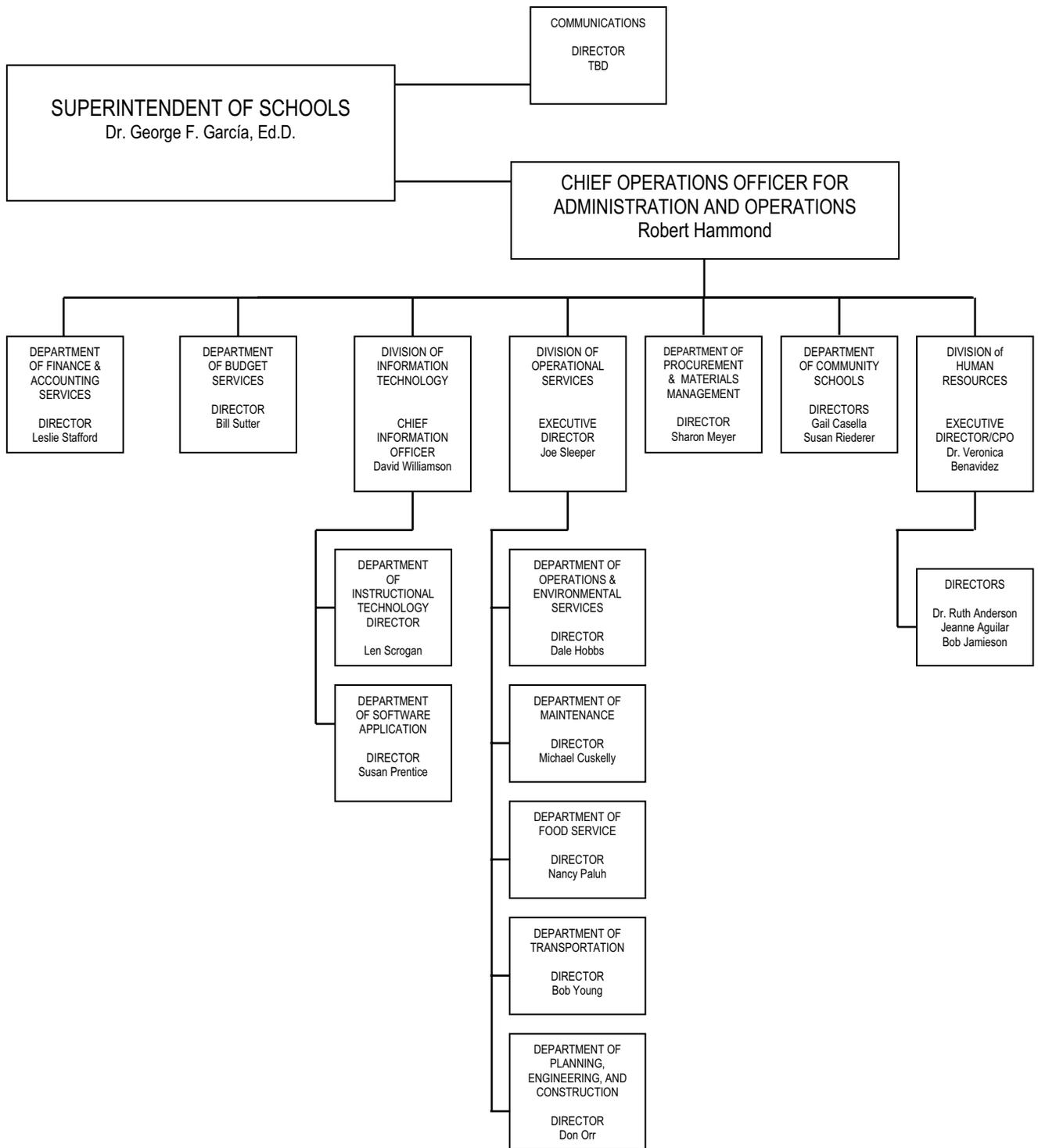
BOARD OF EDUCATION MEMBERS

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

| <u>Name</u> | <u>Office</u> | <u>Years of Service</u> | <u>Term Expires</u> |
|--------------------|----------------|-------------------------|---------------------|
| Julie Phillips | President | 7 | 2005 |
| Teresa Steele | Vice President | 5 | 2007 |
| Helayne Jones | Treasurer | 1 | 2007 |
| Angelika Schroeder | Director | 5 | 2007 |
| Stan Garnett | Director | 7 | 2005 |
| Jean Paxton | Director | 3 | 2005 |
| Ken Roberge | Director | 1 | 2007 |

Boulder Valley School District RE-2 Organizational Chart





BOULDER VALLEY SCHOOL DISTRICT RE-2

LIST OF PRINCIPAL OFFICIALS

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

George F. Garcia, Ed.D., Superintendent

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

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

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

Dr. Clark has served as Deputy Superintendent of Educational Programs in Boulder Valley School District RE-2 since December 1997. He previously functioned as assistant superintendent in Beaverton, Oregon, and Colorado Springs, Colorado. Dr. Clark received a Doctorate of Education from the University of Northern Colorado, Greeley, Colorado, in June 1978 with a major in curriculum and instruction and a minor in social studies. Dr. Clark received his Master of Education degree in May 1972 from Central Missouri State University, Warrensburg, Missouri, with a major in social studies and a minor in educational administration.

Robert Hammond, Chief Operations Officer

Mr. Hammond joined Boulder Valley School District RE-2 as Chief Operations Officer for Administration and Operations in January 2001, after serving as Associate Superintendent for Administration and Operations with the Wichita Public School District in Wichita, Kansas for many years. Mr. Hammond also held positions as Senior Vice President of Farm Credit Services, Assistant City Manager of Norman, Oklahoma, and City Manager of Oskaloosa, Iowa before joining the public education arena. He received a Bachelor of Arts in psychology and sociology at Baker University, Baldwin, Kansas, in 1972. Mr. Hammond also holds a Master's Degree in Public Administration, Urban Management from the University of Kansas, Lawrence, Kansas, 1977.

Strategic Plan Guides District Decision-Making

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

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

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

Below and on the following pages, you will find the adopted priorities and beliefs of the Boulder Valley School District, which were approved February 11, 1999, and revised to include the sixth priority in 2001. The district published the Report of Progress in March 2000, which includes strategies and indicators for each of the five priorities in the strategic plan.

In September of 2004, the “Achievement of Board Goals” report was published. The following text lists only a few selections from the report. The full detailed results can be found on the BVSD website at: <http://www.bvsd.k12.co.us/general/achievegoals.shtml>.

The “Achievement of Board Goals” document will be updated for 2004-05 and published in September of 2005.

The BVSD Mission:

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

The Priorities

1. Maximize Student Learning and Achievement
2. Foster Collaboration and Partnerships
3. Value Diversity and Promote Understanding
4. Provide a High-Quality, Committed Staff
5. Manage Assets Responsibly
6. Plan and Assess for Continuous Improvement

Definitions:

Many acronyms and terms are used in the Focused Outcomes section for each Priority. Please refer to the glossary in the last chapter of this document for definitions to these terms.

Priority 1: Maximize Student Learning and Achievement

Definition: All children will achieve academic success through high quality, challenging programs, research-based practices, supportive policies and committed people working together in a safe and nurturing world.

1a Beliefs:

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

1b 2003-04 Focused Outcomes:

New Century Graduate Profile takes shape

During the past year, district staff began looking at what it will take to make the profile of the New Century Graduate a reality. The first step in this process is to determine how students will fulfill the profile and what changes are needed in courses and graduation requirements. The district will ultimately have the ability to report the percent of each graduating class that has achieved each of the skills, knowledge and personal characteristics identified in the profile.

Class of 2004 Accomplishments

The Class of 2004 was the second group of Boulder Valley students to graduate under the umbrella of the New Century Vision, which was developed by the community in 2002. These students and their achievements are the culmination of their years in the Boulder Valley schools. This group of New Century Graduates concluded their educational experience in BVSD with an impressive level of achievement:

- The Class of 2004 had over 1,900 graduates, the largest class in the district's 44-year history.
- Seniors were awarded more than \$21 million in scholarships.
- The class had 32 National Merit Finalists.
- Students were accepted into more than 400 colleges and universities in 49 states and four foreign countries.
- Students earned 328 technical certificates from Boulder Technical Education Center (TEC).

Keeping kids in school

- This year with the assistance of the state Alternative Discipline Grant we were able to focus resources on the reduction of discipline and truancy problems and keep kids in school. The number of expulsions is down from 45 in 2001-02 to 12 in 2003-04 and the number of suspensions increased slightly. The drop-out rate remained stable at 1.3 percent in 2002 and 2003. The 2004 rate will be released by the Colorado Department of Education in December.

Standardized tests show consistent achievement

- A continued emphasis on reading and writing and a renewed emphasis on math paid dividends, based on student performance on the Colorado Student Assessment Program (CSAP) tests.
- As part of the district improvement plan with the Colorado Department of Education, we have set high and attainable achievement goals in reading, writing, math and science. We are in the second year of a five-year improvement cycle and we have already met two of the goals (in writing, English and Spanish) and are making good progress on the other eight.
- 2004 CSAP scores increased substantially in science, administered only at 8th grade, and in math, where students achieving proficient and advanced increased 3 percentage points.
- Gains in math were statistically significant at 5th, 8th and 9th grades.
- In math, reading and writing, BVSD has experienced a three-year pattern of reducing the achievement gaps between Hispanic and Anglo students.
- In reading, Boulder Valley made statistically significant gains in reading at the 5th, 7th and 9th grades, and overall performance of students achieving proficient or advanced increased a full percentage point.
- The district's focus on literacy also is showing progress. The percent of students meeting reading standards in grades K-6 increased or remained stable in 2004.
- ACT scores for Boulder Valley juniors dropped slightly in 2004, following the state trend, but continued to exceed the state average scores.
- SAT scores for Boulder Valley seniors increased in 2004 in both verbal and math, while exceeding state and national averages.



Other Achievement Highlights

- Annual customer surveys continue to show a high level of parent satisfaction (over 90 percent) with district expectations for students, a curriculum that provides a solid foundation for students' futures, school safety and students' attitudes about school.
- New K-8 math and new K-12 health curricula were completed and adopted by the board of education for implementation in 2004-05.
- New standards-based report cards are being phased in at the elementary level to give parents more information about their children's academic progress. Seven schools used the report cards in 2003-04 and 14 schools will join them in 2004-05.

1c Customer Satisfaction:

- 92% of parents surveyed agreed or strongly agreed that BVSD schools set high and realistic expectations for students, and 93% feel that BVSD classes provide a solid foundation for their students' future.
- 92% of parents surveyed agreed or strongly agreed that BVSD students feel safe at school and 93% feel that the schools have clear rules for student behavior.
- 90% of parents and 95% of staff surveyed agreed or strongly agreed that students have a positive attitude about school.
- 84% of parents and 92% of staff surveyed agreed or strongly agreed that students are learning above the expected levels, consistent with results from last year.

1d Relationship to 2004-05 Budget:

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

Priority 2: Foster Collaboration and Partnerships

Definition: As part of a community that recognizes the importance of quality education for all students to the well-being of our neighborhoods, our economy, and the quality of life for our citizens, the district and its schools, the home, and the community collaborate to meet the educational and social needs of students and their families.

2a Beliefs:

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

2b 2003-04 Focused Outcomes:

- Annual customer surveys indicate a high level of parent satisfaction with home-school relations. At least 93 percent of parents say they feel welcome at school, teachers are available to discuss student progress, principals are available when needed and teacher conferences involve them in their child's education.
- The district worked on rebuilding relationships internally and externally through regular meetings with employee association representatives, a new communications advisory team, district advisory councils as well as memberships in the Boulder Valley chambers of commerces.
- The district evaluated and expanded its use of the employee newsletter, BVSD on the Inside, and expanded distribution to the advisory committees. The newsletter received a national award from the National School Public Relations Association.
- The district conducted a comprehensive communications audit and updated the communication plan to reflect the findings.
- The district implemented a comprehensive budget communication program to increase awareness and understanding of financial issues by staff, parents and other community members. The communication campaign received a national award from the National School Public Relations Association.
- The annual employee giving campaign raised more than \$58,000 for four local charitable agencies including the Foundation for Boulder Valley Schools (renamed Impact on Education in August 2004). This was the third largest amount in the campaign's history.
- Parent-teacher conferences were well-attended throughout the district. Attendance averaged 94 percent in the fall and 92 percent in the spring.
- Parent and community volunteers donated over 250,000 hours to their schools, the equivalent of 183 additional employees.
- Donations from individuals, businesses and organizations exceeded \$2 million during the year, nearly double the donations in 2002-03.
- The district enjoyed at least 70 different partnerships with the University of Colorado and other institutions, local governments and businesses.
- The Foundation for Boulder Valley Schools – recently renamed Impact on Education – provided teachers and students with nearly \$335,000 in scholarships and grants, a 58 percent increase over the previous year. This amount does not include the multiple impacts of each dollar on students and the leveraged impact of specific foundation-business partnerships training to BVSD special educators and parents of children diagnosed with autism.

2c Customer Satisfaction:

- 94% of parents surveyed agreed or strongly agreed that they felt welcome at school and that teachers are available to discuss their child's work or behavior, consistent with last year.
- 93% of parents surveyed agree or strongly agree that administrators are accessible to them when needed, consistent with last year.
- 93% of parents surveyed agreed or strongly agreed that are encouraged to participate in school activities and that conferences with teachers involve them in their child's education, up from 92% last year.
- 91% of parents surveyed agreed or strongly agreed that they receive timely responses to questions and requests from their child's school, up from 90% last year.
- 89% of parents surveyed agreed or strongly agreed that they receive regular reports on their child's progress at school, consistent with results a year ago.

2d Relationship to 2004-05 Budget:

- Efforts to support collaboration and partnerships are supported through the budgets in Communications, Superintendent, the Division of School Leadership, and the schools.



Priority 3: Value Diversity and Promote Understanding

Definition: The district ensures that staff and students work and learn in an environment where all people protect and respect the rights of all individuals.

3a: Beliefs

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

3b 2003-04 Focused Outcomes:

- Customer surveys indicate high levels of satisfaction in BVSD's efforts to value diversity and promote understanding among Latino, African American, Native American and Asian families.
 - At least 94 percent of parents surveyed in all four ethnic minority groups believe teachers treat their children with respect and at least 93 percent believe their children feel welcome at school.
 - At least 90 percent of parents surveyed in all four groups believe that students of different cultural, racial and ethnic backgrounds are treated with respect.
- The annual student survey, given to students in grades 3 through 12, indicates improvements are being made in school climate throughout the district. The survey measures student feelings about vulnerability, safety, alienation and connectivity in relationship to school climate. The results are used to create goals for individual school improvement plans.
- The steps being made in the district to reduce the achievement gap bears repeating as it relates to the goal of valuing diversity. Progress was evident in the 2004 CSAP results, which show a three-year trend of Hispanic students making larger gains than their White peers in reading, writing and math. These gains are particularly evident in 3rd grade reading scores and are also illustrated in the CSAP weighted index scores in section one of the full report.
- English language learners who are now fully English proficient are performing at levels comparable to native English speakers in nearly all areas.
- The district uses a variety of resources to help second language learners become proficient in English while learning the academic content areas. At the end of 2003-04, 6.7 percent (141) of English language learners had been designated Fully English Proficient (FEP).
- The Department of Institutional Equity and Multicultural Education provides training for staff on issues related to diversity. In the past year, training and workshops were attended by more than 2,000 staff members.
- Ethnic diversity trends among students have been steady the past three years. Of the total student enrollment, 13 percent are Hispanic, 5 percent are Asian, 2 percent are African American, 1 percent is American Indian and 79 percent are White.
- Slight changes have been seen in other student demographics. Last year, the percentage of students on free or reduced lunches (the state's measure of socioeconomic status) increased from 12 to 13 percent; the percentage of students classified as ELL (English language learners) was unchanged at 9 percent; and the percentage of students receiving special education services went down from 12 to 11 percent
- The ethnic diversity of the staff also has remained stable. Last year, 9 percent of teachers and 14 percent of administrators represented an ethnic minority, primarily Hispanic

3c Customer Satisfaction:

- 94% of the parents surveyed either agreed or strongly agreed that teachers treat their students with respect, consistent with last year. Of this percentage:
 - 95% of the Latino parents surveyed either agreed or strongly agreed that teachers treat their students with respect, consistent with last year.
 - 94% of the African American parents surveyed either agreed or strongly agreed that teachers treat their students with respect, a slight increase from last year.
 - 98% of the Native American parents surveyed either agreed or strongly agreed that teachers treat their students with respect, an increase of 7 points over last year.
 - 96% of the Asian parents surveyed either agreed or strongly agreed that teachers treat their students with respect, an increase of one point over last year.
 - 94% of the white parents surveyed either agreed or strongly agreed that teachers treat their students with respect, consistent with last year.

- 96% of the parents surveyed either agreed or strongly agreed that their children feel welcome at school, the same percentage as last year. Of this percentage:
 - 97% of the Latino parents surveyed either agreed or strongly agreed that their children feel welcome at school, an increase of two points over last year.
 - 92% of the African American parents surveyed either agreed or strongly agreed that their children feel welcome at school, a drop of one point from last year.
 - 94% of the Native American parents surveyed either agreed or strongly agreed that their children feel welcome at school, consistent with last year.
 - 93% of the Asian parents surveyed either agreed or strongly agreed that their children feel welcome at school, a drop of four points from last year.
 - 96% of the white parents surveyed either agreed or strongly agreed that that their children feel welcome at school, consistent with results from last year.

- 95% of the parents surveyed either agreed or strongly agreed that students of different cultural, racial and ethnic backgrounds are treated with respect at school. This question was asked for the first time in 2004. Of this percentage:
 - 95% of the Latino parents surveyed either agreed or strongly agreed that their children are treated with respect at school.
 - 90% of the African American parents surveyed either agreed or strongly agreed that their children are treated with respect at school.
 - 90% of the Native American parents surveyed either agreed or strongly agreed that their children are treated with respect at school.
 - 90% of the Asian parents surveyed either agreed or strongly agreed that their children are treated with respect at school.
 - 96% of the white parents surveyed either agreed or strongly agreed that that their children are treated with respect at school.



3d Relationship to 2004-05 Budget:

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

Priority 4: Provide a High-Quality, Committed Staff

Definition: A highly qualified, caring, committed, and diverse staff is recruited, supported, retained, supervised and evaluated using strategies that focus on continuous improvement resulting in high levels of organizational performance.

4a: Beliefs

- Boulder Valley School District values all employees.
- A highly qualified, committed staff:
 - Maximizes student learning and achievement.
 - Fosters collaboration and partnerships.
 - Values diversity and promotes understanding.
 - Manages assets responsibly.

4b 2003-04 Focused Outcomes:

- Customer surveys indicate a high level of parent satisfaction with the quality and commitment of BVSD staff. At least 90 percent of parents feel teachers encourage students to do their best and are committed to maximizing achievement. An equal number of parents also have a high level of satisfaction with building administrators' commitment to school improvement and effective leadership.
- Last year, the district employed 1,892 teachers and other licensed professional staff.
- The average teaching experience was 13 years, and more than 60 percent had master's degrees or higher.
- The average annual teacher salary was \$40,646, ranging from a minimum of \$30,096 to a maximum of \$74,126. In addition the district pays 11.79 percent for PERA, Medicare and long-term disability, and contributes up to \$4,070 for health, dental and life insurance.
- Of the 1,453 teachers in the district, 98.25 percent met the state requirements of "highly qualified," meaning they were licensed and endorsed in the core academic content areas they teach.
- The district hosted 11 professional development days with in-service trainings for teachers, office professionals, custodians and administrators.
- The high quality of Boulder Valley's staff is recognized annually with local, state and national awards. In 2003-04, these included the Daily Camera Pacesetter Award, Amgen Award of Teaching Excellence, and Teacher of the Year and Paraeducator of the Year from the National Association of Bilingual Educators.

4c Customer Satisfaction:

- 92% of parents surveyed agreed or strongly agreed that teachers encourage their children to do their best and 90% believe teachers are committed to maximizing student achievement, down one percent from last year.
- 90% of parents surveyed and 94% of staff agreed or strongly agreed that the building administrators demonstrate commitment to school improvement, down and up respectively by one point from last year.
- 86% of parents surveyed and 87% of staff agreed or strongly agreed that their principals or administrators provides effective leadership, down by one point each from last year.

4d Relationship to 2004-05 Budget:

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



Priority 5: Manage Assets Responsibly

Definition: All district fiscal and facility resources are maximized to provide equitable, quality learning environments, while maintaining public confidence in management practices and results.

5a: Beliefs

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

5b 2003-04 Focused Outcomes:

- Customer surveys indicate a high level of parent and staff satisfaction in BVSD's ability to manage assets responsibly. At least 92 percent of parents and 91 percent of staff feel the schools provide the resources necessary to learn and that resources are used effectively.
- A new policy governing the financial accounting of parent groups was adopted by the board of education to bring the groups into compliance with tax and insurance requirements.
- A new financial management policy was adopted by the board so that spending for ongoing expenses does not exceed revenues, excess revenues are spent only on one-time items, and that TABOR fund balances are maintained on a GAAP (generally accepted accounting principles) basis. Beginning in 2005-06, the budget will be developed on a GAAP basis to conform to uniform minimum standards for financial accounting and reporting.
- The board of education appointed a Capital Improvement Planning Committee, made up of district and community representatives, to take a comprehensive look at building conditions, athletic facilities and technology. The committee's work may lead to a recommendation for a future bond issue.
- Three schools were closed or consolidated with other BVSD schools at the end of 2002-03. The district tracked the costs associated with the closures and consolidations, tracked student movement and analyzed the net savings realized by the district over a six-month period. The district analysis indicated the district had an on-going net general fund savings of \$846,313 annually in personnel and operational costs, while accounting for nine students (\$53,055) lost due to closures and consolidations. On a one-time basis, \$205,522 was expended from the general fund to cover transitional costs; \$352,837 was expended from capital reserve and grant funds for one-time capital related expenditures.
- The district developed projects with the cities of Boulder and Louisville for the use of educational excise tax funds. The tax has funded synthetic turf field improvements at three high schools and track replacements at two high schools. Two additional high schools had synthetic turf fields installed in the summer of 2004.
- Community use of school facilities through the Community School Program continued to be strong and generated an increase in revenue. As a result, CSP returned \$400,000 to the district's general fund.
- The Food Service Department worked with a committee of parents and staff to develop a K-12 Nutrition Policy with guidelines to offer more healthy food choices to middle school students.
- While the district's history of enrollment growth has slowed, Boulder Valley experienced a small enrollment increase in 2003-04. The audited enrollment was 28,860.

5c Customer Satisfaction:

- 92% of parents and 91% of staff surveyed agreed or strongly agreed that the school provides students with the materials and resources necessary to learn, consistent with results from last year.
- 92% of parents agreed or strongly agreed that resources at their school are used effectively, consistent with results from last year. 91% of staff surveyed agreed or strongly agreed that resources at their school are used effectively, up one point from last year.

5d Relationship to 2004-05 Budget:

- Efforts to promote responsible management of resources are supported by budgets in the Budget, Accounting, Purchasing, Warehouse, Operations and Maintenance departments, and all program budgets.



Priority 6: Plan and Assess for Continuous Improvement

Definition: The district commits itself to continuous improvement and enhanced organizational effectiveness through comprehensive planning based on data-driven decision making, which is focused on the district's mission and strategic initiatives

6a: Beliefs

- The district and its schools must regularly examine the effectiveness of practices, programs, procedures and policies.
- Continuous improvement occurs through planned change.
- The continuous improvement process is a cycle that includes data analysis, determination of needs, planning for improvement, implementation of the plan and analysis of results.
- School organizations are complex and variable.
- The district and its schools must be responsive to changing needs and expectations of its clients and the community.
- Cooperation, teamwork and partnering are the norm.

6b 2003-04 Focused Outcomes:

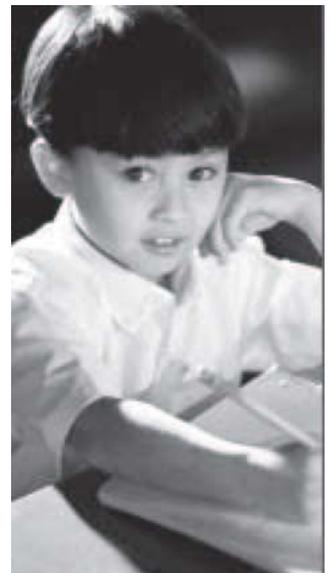
- Customer surveys indicate a high level of parent satisfaction, at least 93 percent, with the opportunities to become involved in school decision-making. At least 89 percent also feel they are informed about school improvement goals.
- The quest for continuous improvement requires the district to work under three systems of accountability: state accreditation, state school accountability reports and the Federal No Child Left Behind Act.
- All but one of the district's schools have been base line accredited, which means they have met the rigorous performance standards set by the Colorado Department of Education.
- On the State Accountability Reports (SARs), BVSD schools received 48 "excellent" or "high" ratings out of a total of 63. In addition, 20 schools were awarded the John Irwin School of Excellence Award for performing in the top eight percent of public schools in Colorado. Four schools won the Governor's Distinguished Improvement Award, which is given to schools that receive a rating of "significant improvement" following a low or unsatisfactory rating.
- In 2002-03, our district did not meet AYP because we did not meet performance targets for three subgroups for reading and/or math: special education students at the high school level, Hispanic students at the elementary level and English language learners at all levels. Our district did meet 123 of 132 targets.

6c Customer Satisfaction:

- 93% of parents and 84% of staff surveyed agreed or strongly agreed that they know how to become involved in school decision-making, if they chose, an increase of two and three points respectively over last year.
- 89% of parents surveyed agreed or strongly agreed that they have been informed about the school's improvement goals, an increase of four points over last year.
- 74% of parents surveyed agreed or strongly agreed that the quality of programs at their child's school improved since last year, an increase of one point over last year.

6d Relationship to 2004-05 Budget:

- Efforts toward continuous improvement are supported through budgets in Planning and Assessment and the Chief Operations Officer.



FINANCIAL SECTION



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

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component units and remaining fund information of the Boulder Valley School District RE-2, as of and for the year ended June 30, 2005, which collectively comprise the basic financial statements of the District, as listed in the table of contents. These financial statements are the responsibility of the Boulder Valley School District RE-2's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component units and remaining fund information of the Boulder Valley School District RE-2, as of June 30, 2005, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 7, 2005, on our consideration of the Boulder Valley School District RE-2's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of the internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

The introductory and statistical information has not been subjected to the auditing procedures applied to the audit of the basic financial statements and, accordingly, we express no opinion on it.

Swanhorst & Company LLC

October 7, 2005

Management's Discussion and Analysis

As management of the Boulder Valley School District RE-2, 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, 2005. 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 i – vi of this report.

Financial Highlights

At June 30, 2005:

- The primary government has government-wide net assets of \$88,845,146.
- Governmental activities have an unrestricted net assets surplus of \$14,408,303.
- Business-type activities have an unrestricted net assets surplus of \$643,460.
- Fund balance of the District's governmental funds increased by \$2,467,511 resulting in an ending fund balance of \$36,370,142.
- The Combined General Fund ending balance increased by \$4,609,871 to \$19,008,690, primarily because of funding increases in the School Finance Act, 2002 referendum programs that were budgeted in 2004-05 but not implemented, and unexpended budget amounts identified for carryover into the 2005-06 fiscal year.
- The District's long-term general obligation debt decreased by \$6,755,000 to \$140,310,000 as a result of current year principal and interest payments on the outstanding debt.

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 Boulder Valley School 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 themselves.

Government-wide Financial Statements

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

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

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

The government-wide financial statements consolidate governmental and internal service activities that are principally supported by taxes and intergovernmental revenues from business-type activities that are intended to recover all or most of their costs through user fees and charges. Governmental activities consolidate all of the following District funds: General Fund, Athletics Fund, Community Schools Fund, Tuition Preschool Fund, Colorado Preschool Fund, Governmental Designated-purpose Grants Fund, Capital Reserve Fund, Insurance Reserve Fund, and Bond Redemption Fund. Business-type activities include only the Food Service Fund.

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

The government-wide financial statements can be found on pages 1-2 of this report.

Fund Financial Statements

Fund financial statements are designed to demonstrate compliance with finance-related legal requirements. 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. All of the funds of the District have been divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds

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

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

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

The District adopts an annual appropriated budget for each of the individual governmental funds. A budgetary comparison schedule for the General Fund is included in required supplementary information to demonstrate compliance with the adopted budget. The remaining governmental funds budgetary comparisons are reported as other supplemental information and can be found after the notes section of this report.

Proprietary Funds

The District maintains two types of proprietary funds. One of the proprietary fund types is an enterprise fund. Enterprise funds are used to present the same functions as the business-type activities presented in the government-wide financial statements. The District uses an enterprise fund to account for its food service operation.

The other type of proprietary fund is an internal service fund. Internal service funds are used to accumulate and allocate costs internally among the District's various functions. The District uses an internal service fund type to account for the insurance reserve fund activities related to the District's liability, property and workers' compensation insurance needs and the overall risk management activities of the District.

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.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the financial statements and accompanying notes, this report also contains other supplemental information concerning the District's non-major governmental funds. The combining statements of the non-major governmental funds are presented after the notes to the financial statements.

Government-wide Financial Analysis

Government-wide Net Assets

The assets of the District are classified as current assets and capital assets. Cash, investments, receivables, inventories and prepaid expenditures are considered current assets. These assets are available to provide resources for the near-term operations of the District. The majority of current assets are the result of the property tax collection process. The District receives over 60% of the annual property tax assessment in May and June. Capital assets are used in the operations of the District. These assets include land, buildings, equipment and vehicles.

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The assets of the primary government exceed liabilities by \$88,845,146 with an unrestricted balance of \$15,051,763 at June 30, 2005.

56.2% of the District's net assets represent its investment in capital assets (e.g. land, land improvements, buildings, equipment, and vehicles), less related debt used to acquire these assets. The District uses these capital assets to provide services to its constituents; consequently these assets are not available for future spending. Also the resources needed to repay the debt associated with these assets must be provided from other sources, since the capital assets cannot be liquidated to pay the debt.

26.8% of the District's net assets are subject to external restrictions on how they may be used. The remaining 17% of net assets are available to fund the District's ongoing programs.

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

| | Governmental Activities | | Business-type Activities | | Total | |
|------------------------------|--------------------------------|---------------------|---------------------------------|--------------------|---------------------|---------------------|
| | <u>2005</u> | <u>2004</u> | <u>2005</u> | <u>2004</u> | <u>2005</u> | <u>2004</u> |
| Current and other assets | \$66,715,302 | \$ 63,160,033 | \$972,426 | \$972,547 | \$67,687,728 | \$64,132,580 |
| Capital assets | <u>195,994,219</u> | <u>201,158,611</u> | <u>249,763</u> | <u>295,298</u> | <u>196,243,982</u> | <u>201,453,909</u> |
| Total Assets | 262,709,521 | 264,318,644 | 1,222,189 | 1,267,845 | 263,931,710 | 265,586,489 |
| Long-term liabilities | 147,823,206 | 154,873,795 | - | - | 147,823,206 | 154,873,795 |
| Other liabilities | <u>27,094,571</u> | <u>27,589,355</u> | <u>168,787</u> | <u>149,869</u> | <u>27,263,358</u> | <u>27,739,224</u> |
| Total Liabilities | 174,917,777 | 182,463,150 | 168,787 | 149,869 | 175,086,564 | 182,613,019 |
| Net assets | | | | | | |
| Investment in capital assets | | | | | | |
| net of related debt | 49,692,959 | 47,637,046 | 249,763 | 295,298 | 49,942,722 | 47,932,344 |
| Restricted for: | | | | | - | - |
| Debt Service | 15,807,548 | 17,211,464 | - | - | 15,807,548 | 17,211,464 |
| Capital Projects | 1,575,024 | 2,141,390 | - | - | 1,575,024 | 2,141,390 |
| Multiple Year Obligations | 200,000 | 100,000 | - | - | 200,000 | 100,000 |
| Emergencies | 6,107,910 | 5,879,459 | 160,179 | 154,940 | 6,268,089 | 6,034,399 |
| Unrestricted | <u>14,408,303</u> | <u>8,886,135</u> | <u>643,460</u> | <u>667,738</u> | <u>15,051,763</u> | <u>9,553,873</u> |
| Total Net Assets | <u>\$87,791,744</u> | <u>\$81,855,494</u> | <u>\$1,053,402</u> | <u>\$1,117,976</u> | <u>\$88,845,146</u> | <u>\$82,973,470</u> |

The District's net assets increased by \$5,871,676, primarily because of funding increases in the School Finance Act, 2002 referendum programs that were budgeted in 2004-05 but not implemented, and unexpended budget amounts identified for carryover into the 2005-06 fiscal year. These increases were offset somewhat by lower property tax revenues collected for debt service as a result of a decreased debt service mill levy.

Government-wide Activities

Governmental activities increased the District's net assets by \$5,936,250. Key elements of this increase are as follows:

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

| | Governmental Activities | | Business-type Activities | | Total | |
|--------------------------------|----------------------------|---------------------|-----------------------------|--------------------|---------------------|---------------------|
| | <u>2005</u> | <u>2004</u> | <u>2005</u> | <u>2004</u> | <u>2005</u> | <u>2004</u> |
| Revenues | | | | | | |
| Charges For Services | \$5,049,089 | \$4,633,203 | \$3,370,264 | \$3,592,297 | \$8,419,353 | \$8,225,500 |
| Operating Grants/Contributions | 19,381,843 | 17,157,713 | 1,533,700 | 1,545,589 | 20,915,543 | 18,703,302 |
| General Revenues: | | | | | | |
| Taxes: | | | | | | |
| Local Property Taxes | 148,506,345 | 152,701,086 | - | - | 148,506,345 | 152,701,086 |
| Specific Ownership Taxes | 11,254,363 | 11,551,266 | - | - | 11,254,363 | 11,551,266 |
| School Finance Act | 49,628,580 | 45,499,801 | - | - | 49,628,580 | 45,499,801 |
| Other Revenues | 5,503,310 | 6,215,533 | - | - | 5,503,310 | 6,215,533 |
| Interest Income | <u>555,174</u> | <u>230,215</u> | - | - | <u>555,174</u> | <u>230,215</u> |
| Total Revenue | 239,878,704 | 237,988,817 | 4,903,964 | 5,137,886 | 244,782,668 | 243,126,703 |
| Expenses | | | | | | |
| Instruction | 156,019,891 | 152,350,470 | - | - | 156,019,891 | 152,350,470 |
| Supporting Services | 70,880,775 | 67,708,814 | - | - | 70,880,775 | 67,708,814 |
| Interest Expense | 7,041,788 | 7,251,857 | - | - | 7,041,788 | 7,251,857 |
| Food Services | - | - | <u>4,968,538</u> | <u>4,951,365</u> | <u>4,968,538</u> | <u>4,951,365</u> |
| Total Expenses | 233,942,454 | 227,311,141 | 4,968,538 | 4,951,365 | 238,910,992 | 232,262,506 |
| Change in net assets | 5,936,250 | 10,677,676 | (64,574) | 186,521 | 5,871,676 | 10,864,197 |
| Net Assets - July 1 | <u>81,855,494</u> | <u>71,177,818</u> | <u>1,117,976</u> | <u>931,455</u> | <u>82,973,470</u> | <u>72,109,273</u> |
| Net Assets - June 30 | <u>\$87,791,744</u> | <u>\$81,855,494</u> | <u>\$1,053,402</u> | <u>\$1,117,976</u> | <u>\$88,845,146</u> | <u>\$82,973,470</u> |

Governmental Activities

- Revenues from Governmental Activities increased by \$1,889,887 or .80%. Increases in charges for services and operating grants and contributions and interest income were offset by decreases in other revenues and specific ownership taxes. Revenues provided by the School Finance Act (including local property taxes) were flat due to small increase in enrollment.
- Expenditures from Governmental Activities increased by \$6,631,313 or 2.92%. This increase is due primarily to pay increases given to District employees and the hiring of additional staff.

Enterprise Activities

- The \$64,574 decrease in net assets from Enterprise Activities is due to declining participation from enrollment shifts, changes in middle level start times, and changes in choices offered in elementary and middle school snack lines.

Financial Analysis of the Government's Funds

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

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

The Combined General Fund is the major governmental fund of the District. The Combined General Fund under GASB 34 reporting requirements includes the General Operating Fund, Athletics Fund, Community Schools Fund, Tuition Preschool Fund and the Colorado Preschool Fund. As of June 30, 2005, the Combined General Fund shows an ending fund balance of \$19,008,690 up from the combined fund balance of \$14,398,819 for the prior year.

The General Operating Fund is the core of operations for the District. At the end of the fiscal year, the fund balance had increased by \$4,434,009 to a balance of \$17,552,007. This increase is due primarily to 2002 referendum programs that were budgeted but not implemented, unexpended budget amounts identified for carryover into the 2005-06 fiscal year, unfilled teacher extra duty contracts, and lower substitute teacher costs than anticipated. The Capital Projects Fund had a decrease in fund balance at the end of the year of \$643,977 to \$1,784,052 due primarily to the completion of capital projects and purchases of capital assets from funds budgeted in prior years. The Bond Redemption Fund ended the fiscal year with a balance of \$15,577,400 which will carry forward into 2005-06 to fund the District's long-term debt principal and interest payments.

General Operating Fund Budgetary Highlights

In December 2003, the District began the budget process with development of a calendar as presented to the Board of Education.

In January 2004, the Superintendent conducted budget information forums with school facilities and the public. A publication entitled "Budget Perspectives" was developed jointly by the Budget and Communications departments as a centerpiece for these information sessions. A video of the Superintendent's presentation was also distributed to schools for teacher and parent groups.

In February and March, the Superintendent conducted budget hearings with all schools and departments with critical issues. The major themes that were heard in these hearings were used in developing the 2004-05 budget. Major themes of school budget hearings include:

What programs/services are essential?

- Maintain the programs we have. Do not start new programs we cannot sustain due to funding.

What can be reduced or eliminated?

- No trend in suggestions for reductions; however, principals noted previous cuts to central support services have had a negative impact on schools. (Examples include literacy coaches, custodians and maintenance.)

A budget work session was held with the Board of Education on April 8, 2004. This work session reviewed the assumptions and projections for 2004-05 and identified the issues facing the district. Issues facing the district include:

- Colorado Legislative Actions
- Employee Compensation
- Critical District Needs
- Previously Identified Referendum Programs.

After reviewing the input from the Board of Education, the budget hearings, the enrollment projections prepared by the Planning Department and the most current revenue assumptions, the Superintendent and his senior staff prepared a preliminary budget guided by the priorities outlined in the BVSD Strategic Plan. The preliminary budget was presented to the Board of Education in April.

Three additional public input sessions were also conducted in April.

- April 19, 2004 – Centennial Middle School
- April 20, 2004 – Centaurus High School
- April 22, 2004 – Broomfield Heights Middle School

After the presentation of the Proposed Budget on May 25, 2004, the Board of Education continued discussions at the scheduled Board meetings until adoption of the proposed 2004-05 budget on June 22, 2004.

The final phase of budget development was the modification of the June budget based on final 2003-04 financials and updated enrollment information gained from the first month of school in the fall. This budget development process is consistent with current Colorado statutes that require a proposed budget be presented to the Board of Education by June 1, with budget adoption by June 30. The law provides the opportunity for the Board to adjust revenues and expenditures through October 15, 2004. The revised budget was adopted on October 12, 2004.

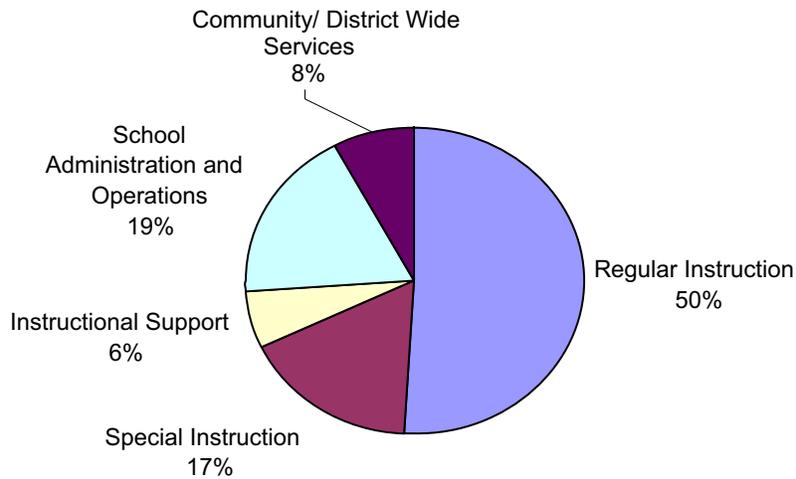
General Operating Fund Expenditure Highlights

General operating fund spending in 2004-05 provided for the continuation of district programs and services. General Operating Fund expenditures by function is shown in the following chart. 73.63% of expenditures are instruction related; regular program instruction, special program instruction, and direct instructional support. 18.56% of expenditures are for school administration, operations and maintenance of District facilities and student transportation, and 7.81% of expenditures are for District wide services and community obligations. 2005 percentages are similar to prior years.

Spending Your Boulder Valley School District RE-2 Dollar

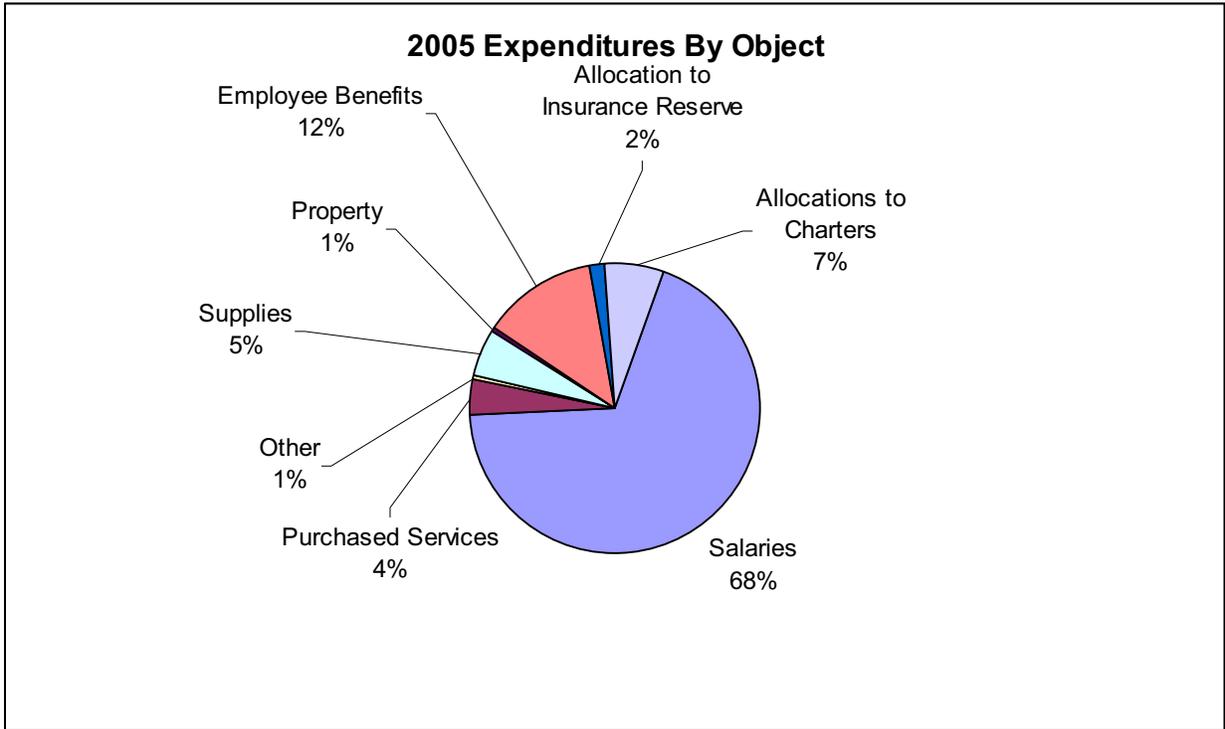
| <u>Function</u> | <u>June 30, 2005</u> | <u>Percent</u> |
|---|-----------------------|----------------|
| Regular Instruction | \$ 100,120,255 | 50.72% |
| Regular Education | | |
| Special Instruction | \$ 33,507,869 | 16.98% |
| Special Education | 24,653,649 | |
| Vocational Education | 2,717,843 | |
| Co-curricular Education | 845,168 | |
| Literacy and Language Support Services | 4,368,988 | |
| Talented and Gifted Education | 922,221 | |
| Instructional Support | \$ 11,714,301 | 5.93% |
| Student Services | 5,025,436 | |
| Instructional Staff Support | 6,688,865 | |
| School Administration and Operations | \$ 36,627,149 | 18.56% |
| School Administration | 14,039,748 | |
| Operations and Maintenance | 15,757,590 | |
| Student Transportation | 6,829,811 | |
| District Wide/Community Services | \$ 15,407,750 | 7.81% |
| General Administration | 2,559,575 | |
| Business Services | 2,694,665 | |
| Central Services | 9,318,739 | |
| Enterprise Operations | 107,008 | |
| Adult Basic Education | 13,555 | |
| Debt Services - Payments on Debt | 714,208 | |
| Total General Operating Fund Expenditures | <u>\$ 197,377,324</u> | 100.00% |

2005 Expenditures By Function



General Operating Fund expenditures by object is shown in the following chart. 81.38% of expenditures are for salary and benefit costs, 11.91% are for non-personnel costs and 6.71% are for allocations to District charter schools.

| <u>Object</u> | <u>June 30, 2005</u> | <u>Percent</u> |
|---------------------------------|----------------------|----------------|
| Personnel Costs: | | |
| Salaries | \$ 135,457,563 | 68.73% |
| Employee Benefits | 25,172,117 | 12.75% |
| Subtotal | \$ 160,629,681 | 81.38% |
| Non-Personnel Costs: | | |
| Purchased Services | \$ 7,465,645 | 3.78% |
| Supplies | 10,436,112 | 5.29% |
| Property | 1,045,107 | 0.53% |
| Other | 1,113,800 | 0.56% |
| Allocation to Insurance Reserve | 3,441,926 | 1.74% |
| Subtotal | \$ 23,502,590 | 11.91% |
| Operating Expenditures | \$ 184,132,271 | 93.29% |
| Allocations to Charters | \$ 13,245,054 | 6.71% |
| Total Expenditures | \$ 197,377,324 | 100.00% |



Combined General Fund Fund Balance Analysis

An analysis of the District's General Fund fund balance is shown in the following chart. The \$19,008,690 fiscal year 2004-05 GAAP fund balance is at the highest level in the past 10 years.

**Boulder Valley School District RE-2
Ten Year Analysis of Combined General Fund Fund Balance**

| Year Ended | Budget Basis | Summer | Reserve for | GAAP Basis | Fund Balance |
|----------------|---------------------|-------------------------|--------------------|-----------------------|---------------|
| <u>June 30</u> | <u>Fund Balance</u> | - <u>Salary Accrual</u> | + <u>Inventory</u> | = <u>Fund Balance</u> | <u>Change</u> |
| 2005 | 36,698,833 | 17,127,456 | 437,313 | 19,008,690 | 4,609,871 |
| 2004 | 30,904,045 | 16,978,199 | 472,973 | 14,398,819 | 8,288,665 |
| 2003 | 22,292,828 | 16,557,701 | 375,027 | 6,110,154 | 6,214,421 |
| 2002 | 15,064,051 | 15,610,934 | 442,616 | (104,267) | (4,789,327) |
| 2001 | 18,917,605 | 14,694,706 | 462,161 | 4,685,060 | (1,161,673) |
| 2000 | 19,712,812 | 14,351,221 | 485,142 | 5,846,733 | (1,793,336) |
| 1999 | 20,916,931 | 13,691,862 | 415,000 | 7,640,069 | 9,619,401 |
| 1998 | 9,861,052 | 12,255,384 | 415,000 | (1,979,332) | 413,454 |
| 1997 | 9,188,705 | 12,071,491 | 490,000 | (2,392,786) | (1,283,722) |
| 1996 | 9,561,740 | 11,160,804 | 490,000 | (1,109,064) | 4,478,142 |

For the years ending after June 30, 2002 and after, the Combined General Fund includes the General Operating Fund, Summer School Fund, Athletics Fund, Community Schools Fund, Tuition Preschool Fund and the Colorado Preschool Fund and excludes the Charter School Fund.

For the years ending June 30, 2001 and 2002, the Combined General Fund includes the General Operating Fund, Summer School Fund, Athletics Fund, Community Schools Fund, and the Charter Fund.

Fund Balance Policy

In May 2004 the District revised Board Policy DB. The purpose of this revision was to ensure the District's ongoing financial health by maintaining a minimum level of year end fund balance.

Key provisions of this policy are:

1. The General Operating Fund budget will be developed so that the total of annual ongoing expenditures, transfers, and incremental increase in required reserves does not exceed annual revenues.
2. If the General Operating Fund ends any fiscal year with a surplus of revenue beyond expenditures, this amount can only be used for one-time operating expenditures in subsequent years.
3. The General Operating Fund budget will be developed containing an ending fund balance equal to or greater than the required TABOR reserve on a generally accepted accounting principles (GAAP) basis.
4. The budgets for all other funds will be developed to include, at a minimum, the required TABOR reserve.
5. Beginning with the 2005-06 fiscal year, the General Operating Fund budget will be developed on a generally accepted accounting principles (GAAP) basis.

The 2005-06 budget was developed in accordance with all provisions of this policy.

Capital Assets and Debt Administration

The District's investment in capital assets for its governmental and business-type activities as of June 30, 2005 amounts to \$196,243,982.

Boulder Valley School District RE-2 Capital Assets (net of accumulated depreciation)

| | <u>June 30, 2005</u> | <u>June 30, 2004</u> |
|--------------------------|-----------------------|----------------------|
| Land | \$ 2,802,833 | \$ 2,802,833 |
| Construction in Progress | 105,762 | 0 |
| Land Improvements | 5,756,245 | 4,798,998 |
| Buildings | 182,412,085 | 188,871,595 |
| Equipment | 1,119,830 | 1,280,786 |
| Vehicles | <u>4,047,227</u> | <u>3,699,697</u> |
| Total | \$ 196,243,982 | \$201,453,909 |

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

At June 30, 2005, the District had total bonded debt outstanding of \$140,310,000 backed by the full faith and credit of the District. Additionally, the District had long-term debt obligations for certificates of participation and compensated absences in the amount of \$6,300,000 and \$1,279,731 respectively, outstanding at the end of the current fiscal year. The Certificates of participation are collateralized by specific buildings owned by the District.

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

| | <u>June 30, 2005</u> | <u>June 30, 2004</u> |
|-------------------------------|-----------------------|-----------------------|
| General Obligation Bonds | | |
| And Bond Premium | \$ 140,396,577 | \$ 147,176,364 |
| Certificates of Participation | 6,300,000 | 6,790,000 |
| Compensated Absences | 1,279,731 | 1,075,843 |
| Loss on Debt Refunding | <u>(153,102)</u> | <u>(168,412)</u> |
| Total | \$ <u>147,823,206</u> | \$ <u>154,873,795</u> |

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

Economic Factors and Next Year's Budget

In November 2000, voters in Colorado approved a provision to the Colorado Constitution providing that K-12 education funding would increase at pupil growth plus inflation plus one percent for 10 years and thereafter, growth plus inflation. This provision was intended to stabilize funding and provide predictability for District revenues for the future.

For the 2005-06 fiscal year, the Colorado State Legislature approved School Finance Act funding that increases the statewide base per pupil funding by 1.1%. This includes an inflationary increase of 0.1% plus 1%. This funding level was intended to reflect the provisions set forth in Amendment 23 of the Colorado Constitution. Per pupil revenue for the District for the 2005-06 fiscal year is \$6,104 less a \$1 rescission to pay for staff at the Colorado Department of Education, for a total of \$6,103.

Actual and projected student enrollment counts also influence the District's current and future operating budgets due to their impact on the funding and resource allocation process. Enrollment for 2005-06 is estimated at 27,959, with a resulting FTE pupil count of 26,817. This represents an increase of 35 in enrollment/heads and 18 in FTE from 2004-05. While the School Finance Act averaging softens the blow of reduced funding as enrollments decline, increased student FTE does not realize an increase in revenues on a one-for-one basis.

Requests for Information

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

Leslie A. Stafford, CPA, Finance & Accounting Services Director
Boulder Valley School District RE-2
6500 East Arapahoe
Boulder, Colorado 80301

BASIC FINANCIAL STATEMENTS

BOULDER VALLEY SCHOOL DISTRICT RE-2

STATEMENT OF NET ASSETS

June 30, 2005

| | PRIMARY GOVERNMENT | | | COMPONENT |
|---|----------------------|---------------------|----------------------|---------------------|
| | GOVERNMENTAL | BUSINESS-TYPE | TOTAL | UNITS |
| | ACTIVITIES | ACTIVITIES | | CHARTER SCHOOLS |
| ASSETS | | | | |
| Cash and Investments | \$ 51,791,025 | \$ 515,819 | \$ 52,306,844 | \$ 3,437,689 |
| Restricted Cash and Investments | 789,941 | - | 789,941 | 2,842,138 |
| Accounts Receivable | 420,569 | 343,903 | 764,472 | 8,748 |
| Due from Other Governments | 4,123,627 | - | 4,123,627 | - |
| Taxes Receivable | 6,307,524 | - | 6,307,524 | - |
| Grants Receivable | 2,534,047 | - | 2,534,047 | - |
| Inventories | 437,313 | 112,704 | 550,017 | 10,755 |
| Prepaid Expenses and Deposits | 69,041 | - | 69,041 | 7,228 |
| Debt Issuance Costs | 242,215 | - | 242,215 | 665,537 |
| Capital Assets, Net of Accumulated Depreciation | <u>195,994,219</u> | <u>249,763</u> | <u>196,243,982</u> | <u>14,371,029</u> |
| TOTAL ASSETS | <u>262,709,521</u> | <u>1,222,189</u> | <u>263,931,710</u> | <u>21,343,124</u> |
| LIABILITIES | | | | |
| Accounts Payable | 8,210,444 | 465 | 8,210,909 | 69,918 |
| Accrued Liabilities | - | - | - | - |
| Accrued Salaries and Benefits | 18,439,206 | 128,580 | 18,567,786 | 618,133 |
| Accrued Interest Payable | - | - | - | 430,666 |
| Deferred Revenues | 444,921 | 39,742 | 484,663 | 34,986 |
| Noncurrent Liabilities | | | | |
| Due Within One Year | 7,555,000 | - | 7,555,000 | 390,000 |
| Due in More Than One Year | <u>140,268,206</u> | <u>-</u> | <u>140,268,206</u> | <u>18,112,377</u> |
| TOTAL LIABILITIES | <u>174,917,777</u> | <u>168,787</u> | <u>175,086,564</u> | <u>19,656,080</u> |
| NET ASSETS | | | | |
| Invested in Capital Assets, Net of Related Debt | 49,692,959 | 249,763 | 49,942,722 | (3,075,811) |
| Restricted for Debt Service | 15,807,548 | - | 15,807,548 | 3,150,666 |
| Restricted for Capital Projects | 1,575,024 | - | 1,575,024 | - |
| Restricted for Multiple Year Obligations | 200,000 | - | 200,000 | - |
| Restricted for Emergencies | 6,107,910 | 160,179 | 6,268,089 | 358,790 |
| Unrestricted | <u>14,408,303</u> | <u>643,460</u> | <u>15,051,763</u> | <u>1,253,399</u> |
| TOTAL NET ASSETS | <u>\$ 87,791,744</u> | <u>\$ 1,053,402</u> | <u>\$ 88,845,146</u> | <u>\$ 1,687,044</u> |

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

BOULDER VALLEY SCHOOL DISTRICT RE-2

STATEMENT OF ACTIVITIES
Year Ended June 30, 2005

| <u>FUNCTIONS/PROGRAMS</u> | <u>EXPENSES</u> | <u>PROGRAM REVENUES</u> | |
|---------------------------------|-----------------------|-----------------------------|---|
| | | <u>CHARGES FOR SERVICES</u> | <u>OPERATING GRANTS AND CONTRIBUTIONS</u> |
| PRIMARY GOVERNMENT | | | |
| Governmental Activities | | | |
| Instruction | \$ 156,019,891 | \$ 3,938,124 | \$ 16,509,845 |
| Supporting Services | 70,880,775 | 1,110,965 | 2,871,998 |
| Interest Expense | <u>7,041,788</u> | <u>-</u> | <u>-</u> |
| Total Governmental Activities | <u>233,942,454</u> | <u>5,049,089</u> | <u>19,381,843</u> |
| Business-Type Activities | | | |
| Food Services | <u>4,968,538</u> | <u>3,370,264</u> | <u>1,533,700</u> |
| Total Business-Type Activities | <u>4,968,538</u> | <u>3,370,264</u> | <u>1,533,700</u> |
| TOTAL PRIMARY GOVERNMENT | \$ <u>238,910,992</u> | \$ <u>8,419,353</u> | \$ <u>20,915,543</u> |
| COMPONENT UNITS | | | |
| Charter Schools | <u>15,560,963</u> | <u>628,951</u> | <u>929,816</u> |
| TOTAL COMPONENT UNITS | \$ <u>15,560,963</u> | \$ <u>628,951</u> | \$ <u>929,816</u> |
| GENERAL REVENUES | | | |
| Local Property Taxes | | | |
| Specific Ownership Taxes | | | |
| State Equalization | | | |
| Capital Construction Funding | | | |
| Investment Earnings | | | |
| Other Revenues | | | |
| TOTAL GENERAL REVENUES | | | |
| CHANGE IN NET ASSETS | | | |
| NET ASSETS, Beginning | | | |
| NET ASSETS, Ending | | | |

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

NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS

| PRIMARY GOVERNMENT | | | COMPONENT |
|---------------------------|----------------------|------------------|------------------|
| GOVERNMENTAL | BUSINESS-TYPE | | UNITS |
| ACTIVITIES | ACTIVITIES | TOTAL | CHARTER |
| | | | SCHOOLS |
| \$ (135,571,922) | \$ - | \$ (135,571,922) | \$ - |
| (66,897,812) | - | (66,897,812) | - |
| (7,041,788) | - | (7,041,788) | - |
| (209,511,522) | - | (209,511,522) | - |
| - | (64,574) | (64,574) | - |
| - | (64,574) | (64,574) | - |
| (209,511,522) | (64,574) | (209,576,096) | - |
| - | - | - | (14,002,196) |
| - | - | - | (14,002,196) |
| 148,506,345 | - | 148,506,345 | - |
| 11,254,363 | - | 11,254,363 | - |
| 49,628,580 | - | 49,628,580 | - |
| - | - | - | 211,084 |
| 555,174 | - | 555,174 | 116,491 |
| 5,503,310 | - | 5,503,310 | 13,397,120 |
| 215,447,772 | - | 215,447,772 | 13,724,695 |
| 5,936,250 | (64,574) | 5,871,676 | (277,501) |
| 81,855,494 | 1,117,976 | 82,973,470 | 1,964,545 |
| \$ 87,791,744 | \$ 1,053,402 | \$ 88,845,146 | \$ 1,687,044 |

BOULDER VALLEY SCHOOL DISTRICT RE-2

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2005

| | <u>GENERAL</u> | <u>BOND REDEMPTION</u> | <u>OTHER GOVERNMENTAL FUNDS</u> | <u>TOTAL GOVERNMENTAL FUNDS</u> |
|--|----------------------|----------------------------|---|---|
| ASSETS | | | | |
| Cash and Investments | \$ 34,511,293 | \$ 15,340,842 | \$ 1,735,897 | \$ 51,588,032 |
| Restricted Cash and Investments | 789,941 | - | - | 789,941 |
| Accounts Receivable | 348,308 | 24,542 | 47,719 | 420,569 |
| Due From Other Governments | 4,123,627 | - | - | 4,123,627 |
| Taxes Receivable | 5,865,360 | 442,164 | - | 6,307,524 |
| Grants Receivable | - | - | 2,534,047 | 2,534,047 |
| Due from Other Funds | 1,023,817 | - | - | 1,023,817 |
| Inventories | 437,313 | - | - | 437,313 |
| Prepaid Items | 18,071 | - | 50,970 | 69,041 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| TOTAL ASSETS | \$ <u>47,117,730</u> | \$ <u>15,807,548</u> | \$ <u>4,368,633</u> | \$ <u>67,293,911</u> |
| LIABILITIES AND FUND BALANCES | | | | |
| LIABILITIES | | | | |
| Accounts Payable | \$ 8,206,869 | \$ - | \$ 3,575 | \$ 8,210,444 |
| Accrued Salaries and Benefits | 17,171,093 | - | 1,247,624 | 18,418,717 |
| Due to Other Funds | - | - | 1,023,817 | 1,023,817 |
| Deferred Revenues | 135,356 | - | 309,565 | 444,921 |
| Deferred Property Taxes | 2,595,722 | 230,148 | - | 2,825,870 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| TOTAL LIABILITIES | 28,109,040 | 230,148 | 2,584,581 | 30,923,769 |
| FUND BALANCES | | | | |
| Reserved for Inventories | 437,313 | - | - | 437,313 |
| Reserved for Prepaid Items | 18,071 | - | 490 | 18,561 |
| Reserved for Multiple Year Obligations | 200,000 | - | - | 200,000 |
| Reserved for Emergencies | 5,797,587 | - | 208,538 | 6,006,125 |
| Unreserved, reported in | | | | |
| General Fund | 12,555,719 | - | - | 12,555,719 |
| Debt Service Fund | - | 15,577,400 | - | 15,577,400 |
| Capital Projects Fund | - | - | 1,575,024 | 1,575,024 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| TOTAL FUND BALANCES | 19,008,690 | 15,577,400 | 1,784,052 | 36,370,142 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| TOTAL LIABILITIES AND FUND BALANCES | \$ <u>47,117,730</u> | \$ <u>15,807,548</u> | \$ <u>4,368,633</u> | |

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

| | |
|--|----------------------|
| Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds. | 195,994,219 |
| Other long-term assets are not available to pay for current-period expenditures and therefore, are deferred in the funds. | 2,825,870 |
| The internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets. | 182,504 |
| Long-term liabilities, including bonds payable (\$140,310,000), bond premium (\$86,577), certificates of participation (\$6,300,000), compensated absences (\$1,279,731), debt issuance costs \$242,215, and loss on refunding \$153,102 are not due and payable in the current period and therefore, are not reported in the funds. | <u>(147,580,991)</u> |
| Net assets of governmental activities | \$ <u>87,791,744</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, 2005

| | <u>GENERAL</u> | <u>BOND REDEMPTION</u> | <u>OTHER GOVERNMENTAL FUNDS</u> | <u>TOTAL GOVERNMENTAL FUNDS</u> |
|---|----------------------|----------------------------|---|---|
| REVENUES | | | | |
| Local Sources | \$ 156,414,605 | \$ 12,083,674 | \$ 1,275,220 | \$ 169,773,499 |
| State Sources | 56,370,559 | - | 1,708,940 | 58,079,499 |
| Federal Sources | - | - | 10,486,570 | 10,486,570 |
| | | | | |
| TOTAL REVENUES | <u>212,785,164</u> | <u>12,083,674</u> | <u>13,470,730</u> | <u>238,339,568</u> |
| | | | | |
| EXPENDITURES | | | | |
| Current | | | | |
| Instruction | 136,397,675 | - | 10,359,613 | 146,757,288 |
| Supporting Services | 66,831,231 | - | 2,461,721 | 69,292,952 |
| Capital Outlay | - | - | 5,525,552 | 5,525,552 |
| Debt Service | | | | |
| Principal | 490,000 | 6,755,000 | - | 7,245,000 |
| Interest and Fiscal Charges | 224,208 | 6,827,057 | - | 7,051,265 |
| | | | | |
| TOTAL EXPENDITURES | <u>203,943,114</u> | <u>13,582,057</u> | <u>18,346,886</u> | <u>235,872,057</u> |
| | | | | |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | <u>8,842,050</u> | <u>(1,498,383)</u> | <u>(4,876,156)</u> | <u>2,467,511</u> |
| | | | | |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | - | - | 4,232,179 | 4,232,179 |
| Transfers Out | (4,232,179) | - | - | (4,232,179) |
| | | | | |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>(4,232,179)</u> | <u>-</u> | <u>4,232,179</u> | <u>-</u> |
| | | | | |
| NET CHANGE IN FUND BALANCES | 4,609,871 | (1,498,383) | (643,977) | 2,467,511 |
| | | | | |
| FUND BALANCES, Beginning | <u>14,398,819</u> | <u>17,075,783</u> | <u>2,428,029</u> | <u>33,902,631</u> |
| | | | | |
| FUND BALANCES, Ending | <u>\$ 19,008,690</u> | <u>\$ 15,577,400</u> | <u>\$ 1,784,052</u> | <u>\$ 36,370,142</u> |

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, 2005

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

| | |
|--|---------------------|
| Net change in fund balances, governmental funds | \$ 2,467,511 |
| Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net assets and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount by which depreciation expense (\$7,872,383) and loss on disposal (\$77,578) exceeded capital outlay \$2,785,569 in the current year. | (5,164,392) |
| Revenues that do not provide current financial resources are deferred in the governmental fund financial statements but are recognized in the government-wide financial statements. This amount represents property taxes not available at year end. | 1,475,916 |
| Repayments of debt principal \$7,245,000 and decreases in compensated absences \$203,888 are expenditures in the governmental funds, but they reduce long-term liabilities in the statement of net assets and do not affect the statement of activities. | 7,041,112 |
| Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items: amortization of bond issuance costs (\$34,172), amortization of bond premium \$24,787, and amortization of loss on refunding (\$15,310) | (24,695) |
| An internal service fund is used by management to charge the costs of insurance to individual funds. The net revenue of the internal service fund is included in governmental activities in the statement of activities. | <u>140,798</u> |
| Change in net assets of governmental activities | <u>\$ 5,936,250</u> |

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

BOULDER VALLEY SCHOOL DISTRICT RE-2

BALANCE SHEET
PROPRIETARY FUNDS
June 30, 2005

| | <u>BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS</u> | <u>GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS</u> |
|-------------------------------|---|--|
| ASSETS | | |
| Current Assets | | |
| Cash and Investments | \$ 515,819 | \$ 202,993 |
| Accounts Receivable | 343,903 | - |
| Inventories | <u>112,704</u> | <u>-</u> |
| Total Current Assets | <u>972,426</u> | <u>202,993</u> |
| Noncurrent Assets | | |
| Equipment | 1,073,362 | - |
| Accumulated Depreciation | <u>(823,599)</u> | <u>-</u> |
| Total Noncurrent Assets | <u>249,763</u> | <u>-</u> |
| TOTAL ASSETS | <u>1,222,189</u> | <u>202,993</u> |
| LIABILITIES | | |
| Current Liabilities | | |
| Accounts Payable | 465 | - |
| Accrued Salaries and Benefits | 128,580 | 20,489 |
| Deferred Revenues | <u>39,742</u> | <u>-</u> |
| TOTAL LIABILITIES | <u>168,787</u> | <u>20,489</u> |
| NET ASSETS | | |
| Invested in Capital Assets | 249,763 | - |
| Restricted for Emergencies | 160,179 | 101,785 |
| Unrestricted | <u>643,460</u> | <u>80,719</u> |
| TOTAL NET ASSETS | \$ <u><u>1,053,402</u></u> | \$ <u><u>182,504</u></u> |

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

BOULDER VALLEY SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
Year Ended June 30, 2005

| | BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND | GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUND |
|------------------------------|---|--|
| OPERATING REVENUES | | |
| Regular School Lunch | \$ 1,624,084 | \$ - |
| Sandwich Line | 1,740,442 | - |
| Premiums and Services | - | 3,441,926 |
| Other Revenue | 5,738 | 12,840 |
| | <hr/> | <hr/> |
| TOTAL OPERATING REVENUES | 3,370,264 | 3,454,766 |
| OPERATING EXPENSES | | |
| Salaries | 1,951,366 | 867,558 |
| Benefits | 526,462 | 207,561 |
| Purchased Food | 1,980,075 | - |
| USDA Donated Commodities | 137,992 | - |
| Nonfood Supplies | 119,141 | - |
| Purchased Services | 27,617 | 2,186,384 |
| Depreciation | 45,535 | - |
| Indirect Costs | 117,755 | - |
| Other | 62,595 | 52,465 |
| | <hr/> | <hr/> |
| TOTAL OPERATING EXPENSES | 4,968,538 | 3,313,968 |
| OPERATING INCOME (LOSS) | <hr/> (1,598,274) | <hr/> 140,798 |
| NONOPERATING REVENUES | | |
| USDA Donated Commodities | 183,862 | - |
| Federal Reimbursements | 1,295,430 | - |
| State Matching Funds | 54,408 | - |
| | <hr/> | <hr/> |
| TOTAL NONOPERATING REVENUES | 1,533,700 | - |
| NET INCOME | (64,574) | 140,798 |
| NET ASSETS, Beginning | <hr/> 1,117,976 | <hr/> 41,706 |
| NET ASSETS, Ending | \$ <u>1,053,402</u> | \$ <u>182,504</u> |

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

BOULDER VALLEY SCHOOL DISTRICT RE-2

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Increase (Decrease) in Cash
Year Ended June 30, 2005

| | <u>BUSINESS-TYPE</u> <u>ACTIVITIES</u> <u>ENTERPRISE</u> <u>FUND</u> | <u>GOVERNMENTAL</u> <u>ACTIVITIES</u> <u>INTERNAL SERVICE</u> <u>FUND</u> |
|---|---|--|
| Cash Flows From Operating Activities | | |
| Contributions | \$ - | \$ 3,441,926 |
| Cash Received from Operations | 3,226,881 | - |
| Other Operating Receipts | 5,738 | 12,840 |
| Cash Payments for Premiums and Claims | - | (2,201,366) |
| Cash Paid to Employees | (2,439,923) | (1,090,237) |
| Cash Paid to Suppliers | <u>(2,331,879)</u> | <u>(52,465)</u> |
| Net Cash Provided (Used) by Operating Activities | <u>(1,539,183)</u> | <u>110,698</u> |
| Cash Flows From Noncapital Financing Activities | | |
| Cash Received from Federal Reimbursements | 1,452,546 | - |
| Cash Received from State Matching Funds | <u>54,408</u> | <u>-</u> |
| Net Cash Provided by Noncapital Financing Activities | <u>1,506,954</u> | <u>-</u> |
| NET INCREASE (DECREASE) IN CASH | (32,229) | 110,698 |
| CASH, Beginning | <u>548,048</u> | <u>92,295</u> |
| CASH, Ending | \$ <u>515,819</u> | \$ <u>202,993</u> |
| RECONCILIATION OF OPERATING INCOME | | |
| (LOSS) TO NET CASH PROVIDED (USED) BY | | |
| OPERATING ACTIVITIES | | |
| Operating Income (Loss) | \$ (1,598,274) | \$ 140,798 |
| Adjustments to Reconcile Operating Income (Loss) to | | |
| Net Cash Provided (Used) by Operating Activities | | |
| Depreciation | 45,535 | - |
| Donated Commodities | 183,862 | - |
| Changes in Assets and Liabilities Related to Operations | | |
| Accounts Receivable | (315,889) | - |
| Inventories | 126,665 | - |
| Accounts Payable | (13,369) | (14,982) |
| Accrued Salaries and Benefits | 37,905 | (15,118) |
| Deferred Revenues | <u>(5,618)</u> | <u>-</u> |
| Total Adjustments | <u>59,091</u> | <u>(30,100)</u> |
| Net Cash Provided (Used) by Operating Activities | \$ <u>(1,539,183)</u> | \$ <u>110,698</u> |
| NON-CASH TRANSACTIONS | | |
| Commodities Received | \$ <u>183,862</u> | \$ <u>-</u> |

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

BOULDER VALLEY SCHOOL DISTRICT RE-2

STATEMENT OF FIDUCIARY NET ASSETS

June 30, 2005

| | SCHOLARSHIP FUND | TRUST FUND | AGENCY FUND |
|-----------------------------|-----------------------------|-----------------------|------------------------|
| ASSETS | | | |
| Cash and Investments | \$ 84,770 | \$ 161,903 | \$ 3,222,070 |
| TOTAL ASSETS | <u>84,770</u> | <u>161,903</u> | <u>3,222,070</u> |
| LIABILITIES | | | |
| Due to Student Groups | - | - | 3,222,070 |
| TOTAL LIABILITIES | <u>-</u> | <u>-</u> | <u>3,222,070</u> |
| NET ASSETS | | | |
| Restricted for Scholarships | <u>84,770</u> | <u>161,903</u> | <u>-</u> |
| TOTAL NET ASSETS | <u>\$ 84,770</u> | <u>\$ 161,903</u> | <u>\$ 3,222,070</u> |

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

BOULDER VALLEY SCHOOL DISTRICT RE-2

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
Year Ended June 30, 2005

| | <u>SCHOLARSHIP FUND</u> | <u>TRUST FUND</u> |
|------------------------------|-----------------------------|--------------------------|
| ADDITIONS | | |
| Contributions | \$ 29,934 | \$ 9,183 |
| TOTAL ADDITIONS | <u>29,934</u> | <u>9,183</u> |
| DEDUCTIONS | | |
| Scholarships and Awards | <u>4,100</u> | <u>8,205</u> |
| CHANGE IN NET ASSETS | 25,834 | 978 |
| NET ASSETS, Beginning | <u>58,936</u> | <u>160,925</u> |
| NET ASSETS, Ending | \$ <u><u>84,770</u></u> | \$ <u><u>161,903</u></u> |

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

BOULDER VALLEY SCHOOL DISTRICT RE-2

NOTES TO FINANCIAL STATEMENTS

June 30, 2005

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

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

Government-Wide and Fund Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of the given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to students or other customers who purchase, use, or directly benefit from goods, services, or privileges

BOULDER VALLEY SCHOOL DISTRICT RE-2

NOTES TO FINANCIAL STATEMENTS

June 30, 2005

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (Continued)

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.

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 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. Fiduciary 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 period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Property taxes, specific ownership taxes, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items 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 FINANCIAL STATEMENTS

June 30, 2005

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the fund's principal ongoing operations.

Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

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

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

The *Bond Redemption Fund* accounts for resources accumulated for, and payments made on, long-term debt obligations of the District.

Additionally, the District reports the following fund types:

The *Food Services Enterprise Fund* accounts for the financial activities associated with the District's school lunch program.

The *Insurance Reserve Internal Service Fund* accounts for the resources used for the District's liability, property, and workers' compensation insurance needs, and for providing overall risk management activities for the District.

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

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

BOULDER VALLEY SCHOOL DISTRICT RE-2

NOTES TO FINANCIAL STATEMENTS

June 30, 2005

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Fund Balances/Net Assets

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

For purposes of the statement of cash flows, the District considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

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 identified as property taxes receivable and are presented net of an allowance for uncollectible taxes of 1% of the total levy. Any taxes not collected within sixty days after year end are recorded as deferred revenue in the fund financial statements.

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

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

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

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 fund types in the fund financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

BOULDER VALLEY SCHOOL DISTRICT RE-2

NOTES TO FINANCIAL STATEMENTS

June 30, 2005

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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 vacation is paid to those eligible employees upon termination of employment. Payment for unused sick time is made upon an employee's retirement at varying rates based upon longevity and classification. The payment of unused sick leave at the time of retirement is made in a lump sum or over a period of up to five years.

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

Deferred Revenues - Deferred revenues include grant funds that have been collected but the corresponding expenditures have not been incurred. Property taxes earned but not available are also recorded as deferred revenue in the fund financial statements.

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

In the fund financial statements, governmental fund types recognize debt premiums and discounts, as well as issuance costs, during the current period. 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 on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as current expenditures.

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

BOULDER VALLEY SCHOOL DISTRICT RE-2

NOTES TO FINANCIAL STATEMENTS

June 30, 2005

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues and Expenditures/Expenses

Property Taxes - Under Colorado law, all property taxes become due and payable on January 1 in the year following that in which they are levied. Payments are due in full on April 30, or in two installments on February 28 and June 15. When taxes become delinquent, the property is sold on the tax sale date of September 30.

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

NOTE 2: CASH AND INVESTMENTS

At June 30, 2005, the District had the following cash and investments.

| | |
|--------------|-----------------------------|
| Cash on Hand | \$ 63,428 |
| Deposits | 2,958,933 |
| Investments | <u>55,808,281</u> |
| Total | <u>\$ 58,830,642</u> |

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

| | |
|--|-----------------------------|
| Primary Government Cash and Investments | \$ 52,306,844 |
| Primary Government Restricted Cash and Investments | 789,941 |
| Fiduciary Funds Cash and Investments | 3,468,743 |
| Charter School Cash Held by District | <u>2,265,114</u> |
| Total | <u>\$ 58,830,642</u> |

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. At June 30, 2005, the State regulatory commissioners had indicated that all financial institutions holding deposits for the District are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At June 30, 2005, the District had bank deposits of \$5,794,086 collateralized with securities held by the financial institutions' agents but not in the District's name.

BOULDER VALLEY SCHOOL DISTRICT RE-2

NOTES TO FINANCIAL STATEMENTS

June 30, 2005

NOTE 2: CASH AND INVESTMENTS (Continued)

Investments

The District is required to comply with State statutes which specify investment instruments meeting defined rating, maturity, custodial and concentration risk criteria in which local governments may invest, which include:

- 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' acceptances of certain banks
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

The District had the following investments at June 30, 2005:

| <u>Investment</u> | <u>Maturity</u> | <u>Fair Value</u> |
|----------------------------------|-----------------|-----------------------------|
| FHLB Note | 12/15/05 | \$ 4,954,273 |
| FNMA Note | 10/15/13 | 703,312 |
| JPMorgan Chase Money Market Fund | NA | 10,386,568 |
| Wells Fargo Money Market Fund | NA | 52,100 |
| Local Government Investment Pool | NA | <u>39,712,028</u> |
| Total | | <u>\$ 55,808,281</u> |

Interest Rate Risk - State statutes limit investments in U.S. Agency securities to an original maturity of five years unless the governing board authorizes the investment for a period in excess of five years.

Credit Risk - State statutes limit investments in U.S. Agency securities to the highest rating issued by nationally recognized statistical rating organizations ("NRSROs"). At June 30, 2005, the District's investment in the Federal Home Loan Bank and the Federal National Mortgage Association were rated AAA by Standard & Poor's and Fitch Ratings.

State statutes limit investments in money market funds to those with the highest rating issued by NRSROs and with a constant share price, or to money market funds that invest only in specified securities. As of June 30, 2005, the District's investment in the Wells Fargo money market fund was rated AAA by Moody's Investor Services and AAAM-G by Standard & Poor's. The JPMorgan Chase money market fund was rated AAAM by Standard & Poor's and Aaa by Moody's Investor Services.

BOULDER VALLEY SCHOOL DISTRICT RE-2

NOTES TO FINANCIAL STATEMENTS

June 30, 2005

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. At June 30, 2005, the District's investment in the Federal Home Loan Bank was 9% of the District's total investments.

Local Government Investment Pool - At June 30, 2005, the District had invested in the Colorado Local Government Liquid Asset Trust (Colotrust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces the requirements of creating and operating Colotrust. Colotrust operates similarly to a money market fund with each share equal in value to \$1.00. Colotrust is rated AAAM by Standard and Poor's. Investments of Colotrust are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the participating governments.

Restricted Cash and Investments

Cash and investments of \$722,264, representing required reserves for the Certificates of Participation, have been restricted in the General Fund. In addition, \$42,668 has been restricted in the General Fund for employee flexible spending benefits.

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>\$ 1,023,817</u> |

The General Fund has temporarily covered the negative cash balance of the Grants Fund.

| <u>Transfers In</u> | <u>Transfers Out</u> | <u>Balance</u> |
|----------------------|----------------------|----------------------------|
| Capital Reserve Fund | General Fund | <u>\$ 4,232,179</u> |

The General Fund is required by State statute to allocate a portion of its funding to the Capital Reserve Fund to be used for capital purposes.

NOTE 4: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2005 is summarized below.

BOULDER VALLEY SCHOOL DISTRICT RE-2

NOTES TO FINANCIAL STATEMENTS

June 30, 2005

NOTE 4: CAPITAL ASSETS (Continued)

| | <u>Balances</u> <u>6/30/04</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balances</u> <u>6/30/05</u> |
|--|-----------------------------------|------------------------------|---------------------------|-----------------------------------|
| Governmental Activities | | | | |
| Capital Assets, Not Being Depreciated | | | | |
| Land | \$ 2,802,833 | \$ - | \$ - | \$ 2,802,833 |
| Construction in Progress | <u>-</u> | <u>105,762</u> | <u>-</u> | <u>105,762</u> |
| Total Capital Assets, Not Being Depreciated | <u>2,802,833</u> | <u>105,762</u> | <u>-</u> | <u>2,908,595</u> |
| Capital Assets, Being Depreciated | | | | |
| Land Improvements | 5,076,420 | 1,237,396 | - | 6,313,816 |
| Buildings | 262,921,017 | - | - | 262,921,017 |
| Equipment | 3,048,692 | 111,624 | (154,521) | 3,005,795 |
| Vehicles | <u>12,771,255</u> | <u>1,330,787</u> | <u>(129,668)</u> | <u>13,972,374</u> |
| Total Capital Assets, Being Depreciated | <u>283,817,384</u> | <u>2,679,807</u> | <u>(284,189)</u> | <u>286,213,002</u> |
| Less Accumulated Depreciation For | | | | |
| Land Improvements | 277,422 | 280,149 | - | 557,571 |
| Buildings | 74,049,422 | 6,459,510 | - | 80,508,932 |
| Equipment | 2,063,204 | 227,045 | (154,521) | 2,135,728 |
| Vehicles | <u>9,071,558</u> | <u>905,679</u> | <u>(52,090)</u> | <u>9,925,147</u> |
| Total Accumulated Depreciation | <u>85,461,606</u> | <u>7,872,383</u> | <u>(206,611)</u> | <u>93,127,378</u> |
| Total Capital Assets, Being Depreciated, Net | <u>198,355,778</u> | <u>(5,192,576)</u> | <u>(77,578)</u> | <u>193,085,624</u> |
| Governmental Activities Capital Assets, Net | <u>\$ 201,158,611</u> | <u>\$ (5,086,814)</u> | <u>\$ (77,578)</u> | <u>\$ 195,994,219</u> |
| Business-Type Activities | | | | |
| Capital Assets, Being Depreciated | | | | |
| Equipment | \$ 1,073,362 | \$ - | \$ - | \$ 1,073,362 |
| Less Accumulated Depreciation For | | | | |
| Equipment | <u>778,064</u> | <u>45,535</u> | <u>-</u> | <u>823,599</u> |
| Business-Type Activities Capital Assets, Net | <u>\$ 295,298</u> | <u>\$ (45,535)</u> | <u>\$ -</u> | <u>\$ 249,763</u> |
| Charter Schools | | | | |
| Capital Assets, Not Being Depreciated | | | | |
| Land | \$ 1,103,000 | \$ - | \$ - | \$ 1,103,000 |
| Construction in Progress | <u>4,160</u> | <u>-</u> | <u>(4,160)</u> | <u>-</u> |
| Total Capital Assets, Not Being Depreciated | <u>1,107,160</u> | <u>-</u> | <u>(4,160)</u> | <u>1,103,000</u> |
| Capital Assets, Being Depreciated | | | | |
| Land Improvements | 745,712 | - | - | 745,712 |
| Buildings | 12,246,845 | 1,727,615 | - | 13,974,460 |
| Equipment | <u>24,761</u> | <u>-</u> | <u>-</u> | <u>24,761</u> |
| Total Capital Assets, Being Depreciated | <u>13,017,318</u> | <u>1,727,615</u> | <u>-</u> | <u>14,744,933</u> |
| Less Accumulated Depreciation For | | | | |
| Land Improvements | 149,142 | 74,571 | - | 223,713 |
| Buildings | 806,910 | 436,377 | - | 1,243,287 |
| Equipment | <u>4,952</u> | <u>4,952</u> | <u>-</u> | <u>9,904</u> |
| Total Accumulated Depreciation | <u>961,004</u> | <u>505,900</u> | <u>-</u> | <u>1,476,904</u> |
| Total Capital Assets, Being Depreciated, Net | <u>12,056,314</u> | <u>1,211,715</u> | <u>(4,160)</u> | <u>13,268,029</u> |
| Charter Schools Capital Assets, Net | <u>\$ 13,163,474</u> | <u>\$ 1,211,715</u> | <u>\$ (4,160)</u> | <u>\$ 14,371,029</u> |

BOULDER VALLEY SCHOOL DISTRICT RE-2

NOTES TO FINANCIAL STATEMENTS

June 30, 2005

NOTE 4: CAPITAL ASSETS (Continued)

Depreciation expense was charged to programs of the District as follows.

Governmental Activities

| | |
|---------------------|------------------|
| Instruction | \$ 6,719,866 |
| Supporting Services | <u>1,152,517</u> |

| | |
|-------|----------------------------|
| Total | <u>\$ 7,872,383</u> |
|-------|----------------------------|

Business-Type Activities

| | |
|---------------|-------------------------|
| Food Services | <u>\$ 45,535</u> |
|---------------|-------------------------|

NOTE 5: ACCRUED SALARIES AND BENEFITS

Salaries and benefits of certain contractually employed personnel are paid over a twelve month period from September to August, but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, as of June 30, 2005, were \$18,567,786 and \$618,133 for the District and charter schools, respectively. The accrued compensation is reflected as a liability in the accompanying financial statements.

NOTE 6: SHORT-TERM DEBT

During the year ended June 30, 2005, the District borrowed \$69,178,641 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, 2005, from property taxes received primarily from February through June.

NOTE 7: LONG-TERM DEBT

Following is a summary of long-term debt transactions of the District for the year ended June 30, 2005.

| | <u>Balances</u> 6/30/04 | <u>Additions</u> | <u>Payments</u> | <u>Balances</u> 6/30/05 | <u>Due Within</u> <u>One Year</u> |
|--------------------------------|------------------------------|--------------------------|----------------------------|------------------------------|--------------------------------------|
| Governmental Activities | | | | | |
| General Obligation Bonds | \$ 147,065,000 | \$ - | \$ 6,755,000 | \$ 140,310,000 | \$ 7,060,000 |
| Bond Premium | 111,364 | - | 24,787 | 86,577 | - |
| Certificates of Participation | 6,790,000 | - | 490,000 | 6,300,000 | 495,000 |
| Loss on Refunding | (168,412) | - | (15,310) | (153,102) | - |
| Compensated Absences | <u>1,075,843</u> | <u>203,888</u> | <u>-</u> | <u>1,279,731</u> | <u>-</u> |
| Total | <u>\$ 154,873,795</u> | <u>\$ 203,888</u> | <u>\$ 7,254,477</u> | <u>\$ 147,823,206</u> | <u>\$ 7,555,000</u> |

The liability for compensated absences is expected to be liquidated with resources of the General Fund.

BOULDER VALLEY SCHOOL DISTRICT RE-2

NOTES TO FINANCIAL STATEMENTS

June 30, 2005

NOTE 7: LONG-TERM DEBT (Continued)

General Obligation Bonds

General obligation bonds payable at June 30, 2005, are comprised of the following issues.

| | |
|--|-------------------------------------|
| <p>\$24,230,000 General Obligation Bonds, Series 2001. Issued to refund certain general obligation bonds. Principal payments due on December 1 and interest payments due on December 1 and June 1, through 2008. Interest accrues at rates ranging from 3% to 3.75%.</p> | <p>\$ 14,815,000</p> |
| <p>\$63,655,000 General Obligation Bonds, Series 1999. Issued to implement a District-wide capital improvement program. Principal payments due on December 1 and interest payments due on December 1 and June 1, through 2018. Interest accrues at rates ranging from 4% to 5.125%.</p> | <p>59,430,000</p> |
| <p>\$68,810,000 General Obligation Bonds, Series 1997. Issued to refund certain general obligation bonds. Principal payments due on December 1 and interest payments due on December 1 and June 1, through 2014. Interest accrues at rates ranging from 3.75% to 5.00%.</p> | <p><u>66,065,000</u></p> |
| <p>Total</p> | <p><u>\$ 140,310,000</u></p> |

Bond payments, to maturity, are as follows.

| <u>Year Ended June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|----------------------------|------------------------------|-----------------------------|------------------------------|
| 2006 | \$ 7,060,000 | \$ 6,529,990 | \$ 13,589,990 |
| 2007 | 7,375,000 | 6,227,721 | 13,602,721 |
| 2008 | 7,715,000 | 5,902,340 | 13,617,340 |
| 2009 | 8,080,000 | 5,561,010 | 13,641,010 |
| 2010 | 8,770,000 | 5,183,293 | 13,953,293 |
| 2011 - 2015 | 50,760,000 | 18,925,886 | 69,685,886 |
| 2016 - 2019 | <u>50,550,000</u> | <u>5,131,472</u> | <u>55,681,472</u> |
| Total | <u>\$ 140,310,000</u> | <u>\$ 53,461,712</u> | <u>\$ 193,771,712</u> |

BOULDER VALLEY SCHOOL DISTRICT RE-2

NOTES TO FINANCIAL STATEMENTS

June 30, 2005

NOTE 7: LONG-TERM DEBT (Continued)

Certificates of Participation

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

| <u>Year Ended June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|----------------------------|--------------------------------|--------------------------------|--------------------------------|
| 2006 | \$ 495,000 | \$ 206,008 | \$ 701,008 |
| 2007 | 505,000 | 193,633 | 698,633 |
| 2008 | 515,000 | 181,008 | 696,008 |
| 2009 | 530,000 | 168,133 | 698,133 |
| 2010 | 545,000 | 153,558 | 698,558 |
| 2011 - 2015 | 3,030,000 | 482,945 | 3,512,945 |
| 2016 - 2017 | <u>680,000</u> | <u>27,200</u> | <u>707,200</u> |
| Total | <u>\$ 6,300,000</u> | <u>\$ 1,412,485</u> | <u>\$ 7,712,485</u> |

Component Units

The Peak to Peak Charter School has entered into a capital lease agreement with Prairie View, Inc., a component unit, to construct facilities. The Colorado Educational and Cultural Facilities Authority has issued Charter School Revenue and Refunding Bonds on behalf of Prairie View, Inc. The School makes monthly payments to Prairie View, Inc., and Prairie View, Inc. makes semi-annual bond payments. Changes in long-term debt of the Peak to Peak Charter School for the year ended June 30, 2005 and bond payments, to maturity, are as follows:

| | <u>Balances</u> <u>6/30/04</u> | <u>Additions</u> | <u>Payments</u> | <u>Balances</u> <u>6/30/05</u> | <u>Due Within</u> <u>One Year</u> |
|--------------------|-----------------------------------|------------------------|--------------------------------|-----------------------------------|--------------------------------------|
| 2004 Capital Lease | \$ 23,300,000 | \$ - | \$ - | \$ 23,300,000 | \$ 390,000 |
| Premium | 529,253 | - | 17,740 | 511,513 | - |
| Loss on Refunding | <u>(5,493,268)</u> | <u>-</u> | <u>(184,132)</u> | <u>(5,309,136)</u> | <u>-</u> |
| Total | <u>\$ 18,335,985</u> | <u>\$ -</u> | <u>\$ (166,392)</u> | <u>\$ 18,502,377</u> | <u>\$ 390,000</u> |

BOULDER VALLEY SCHOOL DISTRICT RE-2

NOTES TO FINANCIAL STATEMENTS

June 30, 2005

NOTE 7: LONG-TERM DEBT (Continued)

Component Units (Continued)

| <u>Year Ended June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|----------------------------|----------------------|----------------------|----------------------|
| 2006 | \$ 390,000 | \$ 1,142,592 | \$ 1,532,592 |
| 2007 | 400,000 | 1,130,743 | 1,530,743 |
| 2008 | 415,000 | 1,118,517 | 1,533,517 |
| 2009 | 425,000 | 1,105,918 | 1,530,918 |
| 2010 | 440,000 | 1,092,942 | 1,532,942 |
| 2011 - 2015 | 2,455,000 | 5,187,867 | 7,642,867 |
| 2016 - 2020 | 3,075,000 | 4,541,382 | 7,616,382 |
| 2021 - 2025 | 3,965,000 | 3,622,108 | 7,587,108 |
| 2026 - 2030 | 5,120,000 | 2,435,473 | 7,555,473 |
| 2031 - 2035 | <u>6,615,000</u> | <u>903,655</u> | <u>7,518,655</u> |
| Total | <u>\$ 23,300,000</u> | <u>\$ 23,281,197</u> | <u>\$ 45,581,197</u> |

NOTE 8: RISK MANAGEMENT

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

Joint School District Workers' Compensation Self-Insurance Pool

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

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

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

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

BOULDER VALLEY SCHOOL DISTRICT RE-2

NOTES TO FINANCIAL STATEMENTS

June 30, 2005

NOTE 8: RISK MANAGEMENT (Continued)

Colorado School Districts Self-Insurance Pool

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

NOTE 9: DEFINED BENEFIT PENSION PLAN

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

PERA issues a publicly available annual financial report that includes financial statements and required supplementary information for CSSDTF. That report may be obtained by writing to PERA of Colorado, 1300 Logan Street, Denver, Colorado 80203 or by calling PERA at 303-832-9550 or 1-800-759-PERA (7372).

Funding Policy - Plan members and the District are required to contribute at a rate set by statute. The contribution requirements of plan members and the District are established under Title 24, Article 51, Part 4 of the CRS, as amended. The contribution rate for members is 8% and for the District is 10.15% of covered salary. A portion of the District's contribution (1.02% of covered salary) is allocated for the Health Care Trust Fund (See Note 10). The District's contributions to CSSDTF for the years ending June 30, 2005, 2004, and 2003 were \$14,652,484, \$13,182,312, and \$11,876,600, respectively, equal to the required contributions for each year.

BOULDER VALLEY SCHOOL DISTRICT RE-2

NOTES TO FINANCIAL STATEMENTS

June 30, 2005

NOTE 10: POSTEMPLOYMENT HEALTHCARE BENEFITS

Plan Description - The District contributes to the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer postemployment healthcare plan administered by the PERA. The HCTF provides a health care premium subsidy to PERA participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the CRS, as amended, assigns the authority to establish the HCF benefit provisions to the State Legislature. PERA issues a publicly available annual financial report that includes financial statements and required supplementary information for the HCF. That report may be obtained by writing to PERA of Colorado, 1300 Logan Street, Denver, Colorado 80203 or by calling PERA at 303-832-9550 or 1-800-759-PERA (7372).

Funding Policy - The District was required to contribute at a rate of 1.02% of covered salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the District are established under Title 24, Article 51, Part 4 of the CRS, as amended. The apportionment of the contributions of the health care fund is established under Title 24, Article 51, Section 208 of the Colorado Revised Statutes, as amended. The District's contributions to HCF for the years ending June 30, 2005, 2004, and 2003 were \$1,472,466, \$1,571,751, and \$1,920,183, respectively, equal to the required contributions for each year.

NOTE 11: COMMITMENTS AND CONTINGENCIES

Claims and Judgments

The District participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. As of June 30, 2005, 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.

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.

BOULDER VALLEY SCHOOL DISTRICT RE-2

NOTES TO FINANCIAL STATEMENTS

June 30, 2005

NOTE 11: COMMITMENTS AND CONTINGENCIES (Continued)

Tabor Amendment (Continued)

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 the District to establish a reserve for emergencies. At June 30, 2005, net assets in the amount of \$6,268,089 were restricted to satisfy the reserve requirement.

REQUIRED SUPPLEMENTARY INFORMATION

BOULDER VALLEY SCHOOL DISTRICT RE-2

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Year Ended June 30, 2005

| | ORIGINAL BUDGET | FINAL BUDGET | ACTUAL | VARIANCE Positive (Negative) |
|---|----------------------------|-------------------------|----------------------|---|
| REVENUES | | | | |
| Taxes | \$ 148,491,440 | \$ 148,791,254 | \$ 146,441,355 | \$ (2,349,899) |
| Tuition | 75,000 | 480,662 | 3,938,124 | 3,457,462 |
| Earnings on Investments | 50,000 | 50,000 | 314,937 | 264,937 |
| Other Local Revenue | 5,592,092 | 5,618,039 | 5,720,189 | 102,150 |
| State Equalization | 47,540,398 | 47,695,993 | 49,648,368 | 1,952,375 |
| State Reimbursement Programs | 2,505,049 | 2,699,073 | 2,872,512 | 173,439 |
| Special Education | 3,756,913 | 3,562,820 | 3,774,324 | 211,504 |
| English Language Proficiency Act | 92,250 | 92,250 | 75,355 | (16,895) |
| TOTAL REVENUES | <u>208,103,142</u> | <u>208,990,091</u> | <u>212,785,164</u> | <u>3,795,073</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Instruction - Regular Programs | 101,542,797 | 101,972,192 | 100,269,512 | 1,702,680 |
| Instruction - Special Programs | 37,207,685 | 37,162,663 | 36,277,420 | 885,243 |
| Student Support Services | 4,818,059 | 5,171,261 | 5,025,436 | 145,825 |
| Instructional Staff Services | 7,675,029 | 7,592,602 | 6,688,865 | 903,737 |
| General Administration | 2,461,739 | 2,573,289 | 2,595,702 | (22,413) |
| School Administration | 13,866,629 | 14,694,707 | 14,042,602 | 652,105 |
| Business Services | 1,989,672 | 1,925,600 | 2,694,665 | (769,065) |
| Operations and Maintenance | 15,251,542 | 15,630,690 | 15,757,590 | (126,900) |
| Pupil Transportation | 6,663,391 | 6,654,548 | 6,829,811 | (175,263) |
| Central Support Services | 4,994,458 | 5,253,552 | 5,724,368 | (470,816) |
| Other Supporting Services | 83,843 | - | 152,445 | (152,445) |
| Enterprise Operations | - | 82,122 | 107,008 | (24,886) |
| Community Services | 3,775,854 | 3,849,078 | 3,757,258 | 91,820 |
| Adult Education | 28,759 | 9,424 | 13,555 | (4,131) |
| Reserves | 9,425,371 | 9,728,003 | - | 9,728,003 |
| Debt Service | | | | |
| Principal | 946,915 | 946,915 | 490,000 | 456,915 |
| Interest | - | - | 224,208 | (224,208) |
| TOTAL EXPENDITURES | <u>210,731,743</u> | <u>213,246,646</u> | <u>200,650,445</u> | <u>12,596,201</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | <u>(2,628,601)</u> | <u>(4,256,555)</u> | <u>12,134,719</u> | <u>16,391,274</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers Out | <u>(7,360,538)</u> | <u>(7,829,030)</u> | <u>(7,674,105)</u> | <u>154,925</u> |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>(7,360,538)</u> | <u>(7,829,030)</u> | <u>(7,674,105)</u> | <u>154,925</u> |
| NET CHANGE IN FUND BALANCE | <u>(9,989,139)</u> | <u>(12,085,585)</u> | <u>4,460,614</u> | <u>16,546,199</u> |
| Salaries and Benefits Earned but Unpaid | | | | |
| Beginning | - | - | (16,978,199) | (16,978,199) |
| Ending | - | - | 17,127,456 | 17,127,456 |
| FUND BALANCE, Beginning | <u>26,860,685</u> | <u>30,400,100</u> | <u>14,398,819</u> | <u>(16,001,281)</u> |
| FUND BALANCE, Ending | <u>\$ 16,871,546</u> | <u>\$ 18,314,515</u> | <u>\$ 19,008,690</u> | <u>\$ 694,175</u> |

See the accompanying Independent Auditors' Report.

BOULDER VALLEY SCHOOL DISTRICT RE-2

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2005

NOTE 1: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets

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

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

Colorado Budget Law requires that all funds have legally adopted budgets and appropriations. 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 of Schools. Revisions and/or supplemental appropriations that alter the total expenditures of any fund must be approved by the Board of Education.

The budget is used as a management control device for all funds. Budgets for all funds were adopted on a basis consistent with generally accepted accounting principles ("GAAP") except as follows:

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

Payments from the General Fund to the Insurance Reserve Fund are treated as a transfer for budgetary purposes and as an expenditure and revenue for GAAP purposes.

Budget to GAAP differences for these funds are as follows:

BOULDER VALLEY SCHOOL DISTRICT RE-2

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2005

NOTE 1: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

| | <u>General Fund</u> | <u>Grants Fund</u> |
|--|----------------------------------|-------------------------------------|
| Expenditures | | |
| Total Expenditures, GAAP Basis | \$ 203,943,114 | \$ 12,821,334 |
| Change in Salaries Earned but Unpaid | 149,257 | (401,504) |
| Transfers to Insurance Reserve Fund | <u>(3,441,926)</u> | <u>-</u> |
| Expenditures, Budgetary Basis | <u>\$ 200,650,445</u> | <u>\$ 12,419,830</u> |
| | <u>Grants Fund</u> | Internal <u>Service Fund</u> |
| Revenues | | |
| Revenues, GAAP Basis | \$ 12,821,334 | \$ 3,454,766 |
| Salaries Earned but Unpaid | (846,246) | - |
| Premiums and Services | <u>-</u> | <u>(3,441,926)</u> |
| Revenues, Budgetary Basis | <u>\$ 11,975,088</u> | <u>\$ 12,840</u> |
| | <u>General Fund</u> | Internal <u>Service Fund</u> |
| Operating Transfers | | |
| Operating Transfers, GAAP Basis | \$ (4,232,179) | \$ - |
| Premiums and Services | <u>(3,441,926)</u> | <u>3,441,926</u> |
| Operating Transfers, Budgetary Basis | <u>\$ (7,674,105)</u> | <u>\$ 3,441,926</u> |

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

GENERAL FUND

BOULDER VALLEY SCHOOL DISTRICT RE-2

GENERAL FUND
COMBINING BALANCE SHEET
June 30, 2005

| | <u>GENERAL FUND</u> | <u>SUMMER SCHOOL FUND</u> | <u>ATHLETICS FUND</u> | <u>COMMUNITY SCHOOLS FUND</u> |
|--|-------------------------|-----------------------------------|---------------------------|---------------------------------------|
| ASSETS | | | | |
| Cash and Investments | \$ 32,949,097 | \$ - | \$ 130,212 | \$ 661,804 |
| Restricted Cash and Investments | 789,941 | - | - | - |
| Accounts Receivable | 291,705 | - | 41,001 | - |
| Due From Other Governments | 4,123,627 | - | - | - |
| Taxes Receivable | 5,865,360 | - | - | - |
| Due from Other Funds | 1,023,817 | - | - | - |
| Inventories | 437,313 | - | - | - |
| Prepaid Items and Deposits | 16,799 | - | - | 1,272 |
| TOTAL ASSETS | <u>\$ 45,497,659</u> | <u>\$ -</u> | <u>\$ 171,213</u> | <u>\$ 663,076</u> |
| LIABILITIES AND FUND BALANCES | | | | |
| LIABILITIES | | | | |
| Accounts Payable | \$ 8,206,872 | \$ - | \$ - | \$ (3) |
| Accrued Salaries and Benefits | 17,143,058 | - | 1,888 | 21,981 |
| Deferred Revenues | - | - | - | 109,548 |
| Deferred Property Taxes | 2,595,722 | - | - | - |
| TOTAL LIABILITIES | <u>27,945,652</u> | <u>-</u> | <u>1,888</u> | <u>131,526</u> |
| FUND BALANCES | | | | |
| Reserved for Inventories | 437,313 | - | - | - |
| Reserved for Prepaid Items | 16,799 | - | - | 1,272 |
| Reserved for Multiple Year Obligations | 200,000 | - | - | - |
| Reserved for Emergencies | 5,595,624 | - | 75,205 | 109,029 |
| Unreserved | 11,302,271 | - | 94,120 | 421,249 |
| TOTAL FUND BALANCES | <u>17,552,007</u> | <u>-</u> | <u>169,325</u> | <u>531,550</u> |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$ 45,497,659</u> | <u>\$ -</u> | <u>\$ 171,213</u> | <u>\$ 663,076</u> |

See the accompanying Independent Auditors' Report.

| <u>TUITION PRESCHOOL FUND</u> | <u>COLORADO PRESCHOOL FUND</u> | <u>CHARTER SCHOOLS UNALLOCATED</u> | <u>TOTAL GENERAL FUND</u> |
|---------------------------------------|--|--|-----------------------------------|
| \$ 25,697 | \$ 19,656 | \$ 724,827 | \$ 34,511,293 |
| - | - | - | 789,941 |
| - | - | 15,602 | 348,308 |
| - | - | - | 4,123,627 |
| - | - | - | 5,865,360 |
| - | - | - | 1,023,817 |
| - | - | - | 437,313 |
| - | - | - | 18,071 |
| <u>\$ 25,697</u> | <u>\$ 19,656</u> | <u>\$ 740,429</u> | <u>\$ 47,117,730</u> |
| \$ - | \$ - | \$ - | \$ 8,206,869 |
| 1,740 | 2,426 | - | 17,171,093 |
| 20,000 | 5,808 | - | 135,356 |
| - | - | - | 2,595,722 |
| <u>21,740</u> | <u>8,234</u> | <u>-</u> | <u>28,109,040</u> |
| - | - | - | 437,313 |
| - | - | - | 18,071 |
| - | - | - | 200,000 |
| 6,444 | 11,285 | - | 5,797,587 |
| (2,487) | 137 | 740,429 | 12,555,719 |
| <u>3,957</u> | <u>11,422</u> | <u>740,429</u> | <u>19,008,690</u> |
| <u>\$ 25,697</u> | <u>\$ 19,656</u> | <u>\$ 740,429</u> | <u>\$ 47,117,730</u> |

BOULDER VALLEY SCHOOL DISTRICT RE-2

GENERAL FUND
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
Year Ended June 30, 2005

| | <u>GENERAL FUND</u> | <u>SUMMER SCHOOL FUND</u> | <u>ATHLETICS FUND</u> | <u>COMMUNITY SCHOOLS FUND</u> |
|---|-----------------------------|-----------------------------------|---------------------------|---------------------------------------|
| REVENUES | | | | |
| Local Sources | \$ 151,087,379 | \$ 9,892 | \$ 821,299 | \$ 4,220,538 |
| State Sources | <u>56,370,559</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| TOTAL REVENUES | <u>207,457,938</u> | <u>9,892</u> | <u>821,299</u> | <u>4,220,538</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Instruction - Regular Programs | 100,120,255 | - | - | - |
| Instruction - Special Programs | 33,507,869 | - | 2,375,248 | - |
| Supporting Services | 5,025,436 | - | - | - |
| Instructional Staff Services | 6,688,865 | - | - | - |
| General Administration | 2,559,575 | - | 36,127 | - |
| School Administration | 14,039,748 | - | 2,854 | - |
| Business Services | 2,694,665 | - | - | - |
| Operations and Maintenance | 15,757,590 | - | - | - |
| Pupil Transportation | 6,829,811 | - | - | - |
| Central Support Services | 9,166,294 | - | - | - |
| Other Support Services | 152,445 | - | - | - |
| Facility Acquisition | 107,008 | - | - | - |
| Community Services | - | - | - | 3,533,704 |
| Adult Education | 13,555 | - | - | - |
| Debt Service | | | | |
| Principal | 490,000 | - | - | - |
| Interest and Fiscal Charges | <u>224,208</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| TOTAL EXPENDITURES | <u>197,377,324</u> | <u>-</u> | <u>2,414,229</u> | <u>3,533,704</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | <u>10,080,614</u> | <u>9,892</u> | <u>(1,592,930)</u> | <u>686,834</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | 583,750 | - | 1,592,451 | - |
| Transfers Out | <u>(6,230,355)</u> | <u>-</u> | <u>-</u> | <u>(583,750)</u> |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>(5,646,605)</u> | <u>-</u> | <u>1,592,451</u> | <u>(583,750)</u> |
| NET CHANGE IN FUND BALANCES | 4,434,009 | 9,892 | (479) | 103,084 |
| FUND BALANCES (DEFICITS), Beginning | <u>13,117,998</u> | <u>(9,892)</u> | <u>169,804</u> | <u>428,466</u> |
| FUND BALANCES, Ending | \$ <u><u>17,552,007</u></u> | \$ <u><u>-</u></u> | \$ <u><u>169,325</u></u> | \$ <u><u>531,550</u></u> |

See the accompanying Independent Auditors' Report.

| <u>TUITION PRESCHOOL FUND</u> | <u>COLORADO PRESCHOOL FUND</u> | <u>CHARTER SCHOOLS UNALLOCATED</u> | <u>TOTAL GENERAL FUND</u> |
|---------------------------------------|--|--|-----------------------------------|
| \$ 191,889 | \$ - | \$ 83,608 | \$ 156,414,605 |
| - | - | - | 56,370,559 |
| <u>191,889</u> | <u>-</u> | <u>83,608</u> | <u>212,785,164</u> |
| - | - | - | 100,120,255 |
| - | 394,303 | - | 36,277,420 |
| - | - | - | 5,025,436 |
| - | - | - | 6,688,865 |
| - | - | - | 2,595,702 |
| - | - | - | 14,042,602 |
| - | - | - | 2,694,665 |
| - | - | - | 15,757,590 |
| - | - | - | 6,829,811 |
| - | - | - | 9,166,294 |
| - | - | - | 152,445 |
| - | - | - | 107,008 |
| 223,554 | - | - | 3,757,258 |
| - | - | - | 13,555 |
| - | - | - | 490,000 |
| - | - | - | 224,208 |
| <u>223,554</u> | <u>394,303</u> | <u>-</u> | <u>203,943,114</u> |
| <u>(31,665)</u> | <u>(394,303)</u> | <u>83,608</u> | <u>8,842,050</u> |
| - | 405,725 | - | 2,581,926 |
| - | - | - | (6,814,105) |
| - | 405,725 | - | (4,232,179) |
| (31,665) | 11,422 | 83,608 | 4,609,871 |
| 35,622 | - | 656,821 | 14,398,819 |
| <u>\$ 3,957</u> | <u>\$ 11,422</u> | <u>\$ 740,429</u> | <u>\$ 19,008,690</u> |

NON MAJOR FUNDS

Special Revenue Fund

Governmental Designated-Purpose Grants Fund

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

Capital Projects Fund

Capital Reserve Fund

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

BOULDER VALLEY SCHOOL DISTRICT RE-2

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

June 30, 2005

| | <u>SPECIAL REVENUE</u> | <u>CAPITAL PROJECTS</u> | |
|---|-----------------------------|-------------------------------------|-----------------------------|
| | <u>GRANTS FUND</u> | <u>CAPITAL RESERVE FUND</u> | <u>TOTAL</u> |
| ASSETS | | | |
| Cash and Investments | \$ - | \$ 1,735,897 | \$ 1,735,897 |
| Accounts Receivable | - | 47,719 | 47,719 |
| Grants Receivable | 2,534,047 | - | 2,534,047 |
| Prepaid Items | 50,480 | 490 | 50,970 |
| | <u> </u> | <u> </u> | <u> </u> |
| TOTAL ASSETS | \$ <u>2,584,527</u> | \$ <u>1,784,106</u> | \$ <u>4,368,633</u> |
| LIABILITIES AND FUND BALANCES | | | |
| LIABILITIES | | | |
| Accounts Payable | \$ 3,575 | \$ - | \$ 3,575 |
| Accrued Salaries and Benefits | 1,247,570 | 54 | 1,247,624 |
| Due to Other Funds | 1,023,817 | - | 1,023,817 |
| Deferred Revenues | 309,565 | - | 309,565 |
| | <u> </u> | <u> </u> | <u> </u> |
| TOTAL LIABILITIES | <u>2,584,527</u> | <u>54</u> | <u>2,584,581</u> |
| FUND BALANCES | | | |
| Reserved for Prepaid Items | - | 490 | 490 |
| Reserved for Emergencies | - | 208,538 | 208,538 |
| Unreserved, reported in Capital Projects Fund | - | 1,575,024 | 1,575,024 |
| | <u> </u> | <u> </u> | <u> </u> |
| TOTAL FUND BALANCES | <u>-</u> | <u>1,784,052</u> | <u>1,784,052</u> |
| TOTAL LIABILITIES AND FUND BALANCES | \$ <u>2,584,527</u> | \$ <u>1,784,106</u> | \$ <u>4,368,633</u> |

See the accompanying Independent Auditors' Report.

BOULDER VALLEY SCHOOL DISTRICT RE-2

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS**

Year Ended June 30, 2005

| | <u>SPECIAL REVENUE</u> | <u>CAPITAL PROJECTS</u> | |
|---|----------------------------|-------------------------------------|---------------------|
| | <u>GRANTS FUND</u> | <u>CAPITAL RESERVE FUND</u> | <u>TOTAL</u> |
| REVENUES | | | |
| Local Sources | \$ 625,824 | \$ 649,396 | \$ 1,275,220 |
| State Sources | 1,708,940 | - | 1,708,940 |
| Federal Sources | 10,486,570 | - | 10,486,570 |
| | | | |
| TOTAL REVENUES | <u>12,821,334</u> | <u>649,396</u> | <u>13,470,730</u> |
| | | | |
| EXPENDITURES | | | |
| Current | | | |
| Instruction - Regular Programs | 3,495,367 | - | 3,495,367 |
| Instruction - Special Programs | 6,864,246 | - | 6,864,246 |
| Student Support Services | 306,910 | - | 306,910 |
| Instructional Staff Services | 1,254,212 | - | 1,254,212 |
| General Administration | 119,896 | - | 119,896 |
| School Administration | 249,867 | - | 249,867 |
| Operations and Maintenance | 2,110 | - | 2,110 |
| Pupil Transportation | 57,693 | - | 57,693 |
| Central Support Services | 20,046 | - | 20,046 |
| Community Services | 285,234 | - | 285,234 |
| Education for Adults | 165,753 | - | 165,753 |
| Capital Outlay | - | 5,525,552 | 5,525,552 |
| | | | |
| TOTAL EXPENDITURES | <u>12,821,334</u> | <u>5,525,552</u> | <u>18,346,886</u> |
| | | | |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | <u>-</u> | <u>(4,876,156)</u> | <u>(4,876,156)</u> |
| | | | |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers In | - | 4,232,179 | 4,232,179 |
| | | | |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>-</u> | <u>4,232,179</u> | <u>4,232,179</u> |
| | | | |
| NET CHANGE IN FUND BALANCES | - | (643,977) | (643,977) |
| | | | |
| FUND BALANCES, Beginning | <u>-</u> | <u>2,428,029</u> | <u>2,428,029</u> |
| | | | |
| FUND BALANCES, Ending | <u>\$ -</u> | <u>\$ 1,784,052</u> | <u>\$ 1,784,052</u> |

See the accompanying Independent Auditors' Report.

BOULDER VALLEY SCHOOL DISTRICT RE-2

GRANTS FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2005

| | <u>ORIGINAL</u> | <u>FINAL</u> | <u>ACTUAL</u> | VARIANCE |
|--|------------------------|----------------------|----------------------|-------------------|
| | <u>BUDGET</u> | <u>BUDGET</u> | | Positive |
| | | | | (Negative) |
| REVENUES | | | | |
| Local Sources | \$ - | \$ - | \$ 625,824 | \$ 625,824 |
| State Sources | - | - | 1,708,940 | 1,708,940 |
| Federal Sources | 19,000,000 | 19,000,000 | 9,640,324 | (9,359,676) |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| TOTAL REVENUES | 19,000,000 | 19,000,000 | 11,975,088 | (7,024,912) |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| EXPENDITURES | | | | |
| Current | | | | |
| Instruction - Regular Programs | 19,000,000 | 19,000,000 | 3,495,367 | 15,504,633 |
| Instruction - Special Programs | - | - | 6,462,742 | (6,462,742) |
| Student Support Services | - | - | 306,910 | (306,910) |
| Instructional Staff Services | - | - | 1,254,212 | (1,254,212) |
| General Administration | - | - | 119,896 | (119,896) |
| School Administration | - | - | 249,867 | (249,867) |
| Operations and Maintenance | - | - | 2,110 | (2,110) |
| Pupil Transportation | - | - | 57,693 | (57,693) |
| Central Support Services | - | - | 20,046 | (20,046) |
| Community Services | - | - | 285,234 | (285,234) |
| Education for Adults | - | - | 165,753 | (165,753) |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| TOTAL EXPENDITURES | 19,000,000 | 19,000,000 | 12,419,830 | 6,580,170 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| NET CHANGE IN FUND BALANCE | - | - | (444,742) | (444,742) |
| Salaries and Benefits Earned but Unpaid | | | | |
| Beginning | - | - | 846,246 | 846,246 |
| Ending | - | - | (1,247,750) | (1,247,750) |
| Revenues Accrued Due to Salaries and Benefits Earned but Unpaid | - | - | 846,246 | 846,246 |
| FUND BALANCE, Beginning | <hr/> | <hr/> | <hr/> | <hr/> |
| FUND BALANCE, Ending | \$ <hr/> | \$ <hr/> | \$ <hr/> | \$ <hr/> |

See the accompanying Independent Auditor's Report.

BOULDER VALLEY SCHOOL DISTRICT RE-2

CAPITAL RESERVE FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2005

| | <u>ORIGINAL BUDGET</u> | <u>FINAL BUDGET</u> | <u>ACTUAL</u> | VARIANCE Positive (Negative) |
|---|----------------------------|-------------------------|----------------------------|---|
| REVENUES | | | | |
| Local Sources | \$ 212,000 | \$ 522,632 | \$ 649,396 | \$ 126,764 |
| EXPENDITURES | | | | |
| Capital Outlay | | | | |
| Salaries and Benefits | 632,800 | 632,800 | 553,189 | 79,611 |
| Building Improvements | 720,000 | 812,000 | 739,915 | 72,085 |
| Instructional Technology | 85,300 | 85,300 | 68,746 | 16,554 |
| Operating Departments | 2,971,046 | 2,977,046 | 1,731,830 | 1,245,216 |
| School Projects | 1,989,684 | 2,444,108 | 2,431,872 | 12,236 |
| Reserves | 222,865 | 208,538 | - | 208,538 |
| TOTAL EXPENDITURES | <u>6,621,695</u> | <u>7,159,792</u> | <u>5,525,552</u> | <u>1,634,240</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | (6,409,695) | (6,637,160) | (4,876,156) | 1,761,004 |
| OTHER FINANCING SOURCES | | | | |
| Transfers In | <u>3,665,645</u> | <u>4,209,131</u> | <u>4,232,179</u> | <u>23,048</u> |
| NET CHANGE IN FUND BALANCE | (2,744,050) | (2,428,029) | (643,977) | 1,784,052 |
| FUND BALANCE, Beginning | <u>2,744,050</u> | <u>2,428,029</u> | <u>2,428,029</u> | <u>-</u> |
| FUND BALANCE, Ending | \$ <u><u>-</u></u> | \$ <u><u>-</u></u> | \$ <u><u>1,784,052</u></u> | \$ <u><u>1,784,052</u></u> |

See the accompanying Independent Auditor's Report.

BOULDER VALLEY SCHOOL DISTRICT RE-2

BOND REDEMPTION FUND
BUDGETARY COMPARISON SCHEDULE
 Year Ended June 30, 2005

| | <u>ORIGINAL</u> | <u>FINAL</u> | <u>ACTUAL</u> | VARIANCE |
|-----------------------------------|------------------------|----------------------|----------------------|-------------------|
| | <u>BUDGET</u> | <u>BUDGET</u> | | Positive |
| | | | | (Negative) |
| REVENUES | | | | |
| Taxes | \$ 12,152,320 | \$ 11,855,428 | \$ 11,843,437 | \$ (11,991) |
| Earnings on Investments | 100,000 | 100,000 | 240,237 | 140,237 |
| TOTAL REVENUES | <u>12,252,320</u> | <u>11,955,428</u> | <u>12,083,674</u> | <u>128,246</u> |
| EXPENDITURES | | | | |
| Debt Service | | | | |
| Principal | 6,755,000 | 6,755,000 | 6,755,000 | - |
| Interest and Fiscal Charges | 6,845,708 | 6,845,708 | 6,827,057 | 18,651 |
| TOTAL EXPENDITURES | <u>13,600,708</u> | <u>13,600,708</u> | <u>13,582,057</u> | <u>18,651</u> |
| NET CHANGE IN FUND BALANCE | (1,348,388) | (1,645,280) | (1,498,383) | 146,897 |
| FUND BALANCE, Beginning | <u>16,968,194</u> | <u>17,075,783</u> | <u>17,075,783</u> | - |
| FUND BALANCE, Ending | \$ <u>15,619,806</u> | \$ <u>15,430,503</u> | \$ <u>15,577,400</u> | \$ <u>146,897</u> |

See the accompanying Independent Auditor's Report.

BOULDER VALLEY SCHOOL DISTRICT RE-2

FOOD SERVICES FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2005

| | <u>ORIGINAL BUDGET</u> | <u>FINAL BUDGET</u> | <u>ACTUAL</u> | VARIANCE Positive (Negative) |
|------------------------------------|----------------------------|--------------------------|----------------------------|---|
| OPERATING REVENUES | | | | |
| Regular School Lunch | \$ 1,859,548 | \$ 1,917,248 | \$ 1,624,084 | \$ (293,164) |
| Sandwich Line | 1,896,711 | 1,885,000 | 1,740,442 | (144,558) |
| Other Revenue | <u>2,500</u> | <u>2,500</u> | <u>5,738</u> | <u>3,238</u> |
| TOTAL OPERATING REVENUES | <u>3,758,759</u> | <u>3,804,748</u> | <u>3,370,264</u> | <u>(434,484)</u> |
| OPERATING EXPENSES | | | | |
| Salaries | 2,069,375 | 2,053,527 | 1,951,366 | 102,161 |
| Benefits | 512,969 | 555,760 | 526,462 | 29,298 |
| Purchased Food | 2,010,126 | 2,118,516 | 1,980,075 | 138,441 |
| USDA Donated Commodities | 193,262 | 167,012 | 137,992 | 29,020 |
| Nonfood Supplies | 129,669 | 126,026 | 119,141 | 6,885 |
| Purchased Services | 35,725 | 36,205 | 27,617 | 8,588 |
| Depreciation | 70,000 | 70,000 | 45,535 | 24,465 |
| Other | 65,625 | 94,507 | 62,595 | 31,912 |
| Indirect Costs | 117,755 | 117,755 | 117,755 | - |
| Reserves | <u>156,135</u> | <u>160,179</u> | <u>-</u> | <u>160,179</u> |
| TOTAL OPERATING EXPENSES | <u>5,360,641</u> | <u>5,499,487</u> | <u>4,968,538</u> | <u>530,949</u> |
| OPERATING INCOME (LOSS) | <u>(1,601,882)</u> | <u>(1,694,739)</u> | <u>(1,598,274)</u> | <u>96,465</u> |
| NONOPERATING REVENUES | | | | |
| USDA Donated Commodities | 167,012 | 167,012 | 183,862 | 16,850 |
| Federal Reimbursement | 1,282,703 | 1,326,869 | 1,295,430 | (31,439) |
| State Matching Funds | <u>51,000</u> | <u>51,000</u> | <u>54,408</u> | <u>3,408</u> |
| TOTAL NONOPERATING REVENUES | <u>1,500,715</u> | <u>1,544,881</u> | <u>1,533,700</u> | <u>(11,181)</u> |
| NET INCOME (LOSS) | <u>(101,167)</u> | <u>(149,858)</u> | <u>(64,574)</u> | <u>85,284</u> |
| NET ASSETS, Beginning | <u>1,394,382</u> | <u>1,117,974</u> | <u>1,117,976</u> | <u>2</u> |
| NET ASSETS, Ending | \$ <u><u>1,293,215</u></u> | \$ <u><u>968,116</u></u> | \$ <u><u>1,053,402</u></u> | \$ <u><u>85,286</u></u> |

See the accompanying Independent Auditors' Report.

BOULDER VALLEY SCHOOL DISTRICT RE-2

INSURANCE RESERVE FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2005

| | <u>ORIGINAL BUDGET</u> | <u>FINAL BUDGET</u> | <u>ACTUAL</u> | VARIANCE Positive (Negative) |
|---------------------------------|----------------------------|-------------------------|--------------------------|---|
| OPERATING REVENUES | | | | |
| Other Revenue | \$ 10,000 | \$ 11,000 | \$ 12,840 | \$ 1,840 |
| OPERATING EXPENSES | | | | |
| Salaries | 774,552 | 859,369 | 867,558 | (8,189) |
| Benefits | 209,394 | 191,477 | 207,561 | (16,084) |
| Property Insurance Premiums | 940,302 | 900,000 | 870,138 | 29,862 |
| Workers Compensation Premiums | 1,165,000 | 1,220,644 | 1,220,644 | - |
| Deductible Reserves | 200,000 | 200,000 | 95,602 | 104,398 |
| Other | 17,500 | 21,356 | 52,465 | (31,109) |
| Reserves | 99,202 | 101,785 | - | 101,785 |
| TOTAL OPERATING EXPENSES | <u>3,405,950</u> | <u>3,494,631</u> | <u>3,313,968</u> | <u>180,663</u> |
| OPERATING LOSS | (3,395,950) | (3,483,631) | (3,301,128) | 182,503 |
| TRANSFERS IN | | | | |
| General Fund | 3,299,522 | 3,441,926 | 3,441,926 | - |
| NET INCOME (LOSS) | (96,428) | (41,705) | 140,798 | 182,503 |
| NET ASSETS, Beginning | <u>96,428</u> | <u>41,705</u> | <u>41,706</u> | <u>1</u> |
| NET ASSETS, Ending | \$ <u><u>-</u></u> | \$ <u><u>-</u></u> | \$ <u><u>182,504</u></u> | \$ <u><u>182,504</u></u> |

See the accompanying Independent Auditors' Report.

BOULDER VALLEY SCHOOL DISTRICT RE-2

PRIVATE PURPOSE TRUSTS

SCHEDULE OF ADDITIONS, DEDUCTIONS AND BALANCE AVAILABLE FOR SCHOLARSHIPS

Year Ended June 30, 2005

| | Balances | | Additions | | Deductions | | Balances |
|----------------------------------|-------------------|----|------------------|----|-------------------|----|-------------------|
| | 6/30/04 | | | | | | 6/30/05 |
| SCHOLARSHIP FUND | | | | | | | |
| Parmelee Greiner Scholarship | \$ 4,888 | \$ | 4,055 | \$ | - | \$ | 8,943 |
| Hoelscher Scholarship | 1,673 | | 22 | | 50 | | 1,645 |
| TEC Scholarships | 712 | | 1,009 | | 500 | | 1,221 |
| CASB Scholarship Hilty Award | 664 | | 8 | | - | | 672 |
| Cameron Memorial Fund | 61 | | 1 | | - | | 62 |
| Jerry Buck Scholarship | 3,084 | | 40 | | - | | 3,124 |
| Armijo Memorial Fund | 1,096 | | 518 | | 250 | | 1,364 |
| Hamilton Scholarship Fund | 10,495 | | 136 | | 500 | | 10,131 |
| Banman Memorial Scholarship | 135 | | 2 | | - | | 137 |
| Armstrong Tech Theater Award | 5,531 | | 71 | | 1,000 | | 4,602 |
| Urquidez Scholarship | 1,655 | | 21 | | - | | 1,676 |
| CASB Scholarship Sandstead Award | 1,680 | | 22 | | - | | 1,702 |
| Baldwin Memorial Scholarship | 36 | | 1 | | - | | 37 |
| Taylor Memorial Scholarship | 8,526 | | 461 | | 100 | | 8,887 |
| CASB Scholarship Young Award | 159 | | 2 | | - | | 161 |
| E. Scates Scholarship | - | | 23,331 | | 1,000 | | 22,331 |
| Monarch HS Class of 2001 | 18,541 | | 234 | | 700 | | 18,075 |
| | <u>18,541</u> | | <u>234</u> | | <u>700</u> | | <u>18,075</u> |
| TOTALS | \$ <u>58,936</u> | \$ | \$ <u>29,934</u> | \$ | \$ <u>4,100</u> | \$ | \$ <u>84,770</u> |
| TRUST FUND | | | | | | | |
| Carlson Scholarship | \$ 14,626 | \$ | 189 | \$ | - | \$ | 14,815 |
| Bostrom Scholarship Fund | 16,299 | | 210 | | 500 | | 16,009 |
| Japanese Exchange | 130,000 | | 8,784 | | 7,705 | | 131,079 |
| | <u>130,000</u> | | <u>8,784</u> | | <u>7,705</u> | | <u>131,079</u> |
| TOTALS | \$ <u>160,925</u> | \$ | \$ <u>9,183</u> | \$ | \$ <u>8,205</u> | \$ | \$ <u>161,903</u> |

See the accompanying Independent Auditors' Report.

BOULDER VALLEY SCHOOL DISTRICT RE-2

AGENCY FUND

SCHEDULE OF ADDITIONS, DEDUCTIONS AND BALANCE DUE TO STUDENT GROUPS

Year Ended June 30, 2005

| | <u>Balances</u> | | <u>Additions</u> | | <u>Deductions</u> | | <u>Balances</u> |
|--|------------------|----|------------------|----|-------------------|----|------------------|
| | 6/30/04 | | | | | | 6/30/05 |
| Angevine Middle Student Activities | \$ 15,845 | \$ | 81,385 | \$ | 75,641 | \$ | 21,589 |
| Arapahoe Ridge High Student Activities | 10,890 | | 11,009 | | 10,139 | | 11,760 |
| Aspen Creek K-8 Student Activities | 43,213 | | 131,871 | | 138,595 | | 36,489 |
| Boulder High Student Activities | 241,991 | | 1,128,144 | | 1,148,102 | | 222,033 |
| Boulder TEC Student Activities | 18,949 | | 45,119 | | 38,353 | | 25,715 |
| Broomfield Heights Middle Student Activities | 40,699 | | 114,084 | | 99,317 | | 55,466 |
| Broomfield High Student Activities | 159,555 | | 844,797 | | 840,738 | | 163,614 |
| Casey Middle Student Activities | 31,963 | | 132,692 | | 128,886 | | 35,769 |
| Centaurus High Student Activities | 201,700 | | 612,859 | | 604,632 | | 209,927 |
| Centennial Middle Student Activities | 34,310 | | 152,975 | | 142,430 | | 44,855 |
| Community Schools Student Activities | 758 | | 19,169 | | 18,719 | | 1,208 |
| Douglass Elementary Student Activities | 11,112 | | 25,109 | | 25,167 | | 11,054 |
| Eldorado K-8 Student Activities | 35,166 | | 111,721 | | 109,443 | | 37,444 |
| Fairview High Student Activities | 387,572 | | 1,288,976 | | 1,255,396 | | 421,152 |
| Foothills Elementary Student Activities | 15,075 | | 81,657 | | 84,809 | | 11,923 |
| Heatherwood Elementary Student Activities | 2,744 | | 1,311 | | 2,017 | | 2,038 |
| Louisville Middle Student Activities | 83,414 | | 149,157 | | 149,547 | | 83,024 |
| Manhattan Middle Student Activities | 61,864 | | 198,606 | | 222,637 | | 37,833 |
| Mesa Elementary Student Activities | 45,599 | | 121,237 | | 135,543 | | 31,293 |
| Monarch High Student Activities | 237,005 | | 981,465 | | 990,886 | | 227,584 |
| Monarch K-8 Student Activities | 48,280 | | 121,060 | | 119,371 | | 49,969 |
| Nederland Middle/Sr. Student Activities | 36,761 | | 185,934 | | 181,307 | | 41,388 |
| Nevin Platt Middle Student Activities | 37,605 | | 219,387 | | 216,877 | | 40,115 |
| New Vista High Student Activities | 36,711 | | 118,797 | | 125,716 | | 29,792 |
| Southern Hills Middle Student Activities | 19,806 | | 112,826 | | 105,483 | | 27,149 |
| Subtotal | <u>1,858,587</u> | | <u>6,991,347</u> | | <u>6,969,751</u> | | <u>1,880,183</u> |
| | | | | | | | |
| Angevine Middle School | 1,052 | | 490 | | 490 | | 1,052 |
| Arapahoe Ridge High School | 2,905 | | 2,734 | | 3,263 | | 2,376 |
| Bear Creek Elementary School | 4,533 | | 28,425 | | 30,967 | | 1,991 |
| Birch Elementary School | 5,872 | | 51,140 | | 42,793 | | 14,219 |
| Boulder Community School of Integrated Studies | 1,480 | | 461 | | 283 | | 1,658 |
| Boulder High School | 997 | | 21,362 | | 22,186 | | 173 |
| Boulder TEC | - | | 5,233 | | 5,192 | | 41 |
| Broomfield Heights Middle School | - | | 1,023 | | - | | 1,023 |
| Broomfield High School | (21,432) | | 68,494 | | 43,124 | | 3,938 |
| Casey Middle School | 9,867 | | 8,055 | | 15,256 | | 2,666 |
| Centaurus High School | 5,044 | | 3,572 | | 7,898 | | 718 |
| Centennial Middle School | (3,472) | | 22,318 | | 17,258 | | 1,588 |
| Coal Creek Elementary School | 9,803 | | 10,495 | | 18,050 | | 2,248 |

See the accompanying Independent Auditors' Report.

| | Balances 6/30/04 | Additions | Deductions | Balances 6/30/05 |
|---|-----------------------------|---------------------|---------------------|-----------------------------|
| Columbine Elementary School | 7,876 | 17,243 | 17,651 | 7,468 |
| Community Montessori School | 17,607 | 7,380 | 35,515 | (10,528) |
| Creekside at Martin Park Elementary School | 9,101 | 56,956 | 35,863 | 30,194 |
| Crest View Elementary School | 3,570 | 15,826 | 14,355 | 5,041 |
| Douglass Elementary School | 10,465 | 64,625 | 58,799 | 16,291 |
| Eisenhower Elementary School | 33,735 | 50,644 | 69,586 | 14,793 |
| Eldorado K-8 School | (3,846) | 12,666 | 12,328 | (3,508) |
| Emerald Elementary School | 11,894 | 32,816 | 27,019 | 17,691 |
| Fairview High School | 4,506 | 9,000 | 26,003 | (12,497) |
| Fireside Elementary School | 12,750 | 26,868 | 26,286 | 13,332 |
| Flatirons Elementary School | 29,369 | 7,338 | 4,138 | 32,569 |
| Foothill Elementary School | 8,864 | 21,630 | 4,903 | 25,591 |
| Gold Hill Elementary | 515 | 2,200 | 2,072 | 643 |
| Halcyon | 57 | - | - | 57 |
| Heatherwood Elementary School | 22,202 | 68,214 | 67,042 | 23,374 |
| High Peaks Elementary School | 5,285 | 3,197 | 1,217 | 7,265 |
| Jamestown Elementary | 212 | 496 | - | 708 |
| Kohl Elementary School | 17,078 | 30,593 | 31,481 | 16,190 |
| Lafayette Elementary School | 6,810 | 61,699 | 41,963 | 26,546 |
| Louisville Elementary School | 12,122 | 6,015 | 4,076 | 14,061 |
| Louisville Middle School | 7,922 | 3,905 | 3,260 | 8,567 |
| Manhattan Middle School of Arts & Academics | 2,829 | 3,115 | 13,332 | (7,388) |
| Mesa Elementary School | 485 | 28,125 | 28,981 | (371) |
| Monarch High School | (3,577) | 24,897 | 25,397 | (4,077) |
| Monarch K-8 School | (627) | - | - | (627) |
| Nederland Elementary School | 12,113 | 52,251 | 48,996 | 15,368 |
| Nederland Middle/High School | 5,239 | 19,623 | 18,448 | 6,414 |
| Nevin Platt Middle School | 1,130 | 1,597 | 2,302 | 425 |
| New Vista High School | 30,883 | 12,526 | 23,049 | 20,360 |
| Other Departments | 843,181 | 648,117 | 558,759 | 932,539 |
| Pioneer Elementary School | (28) | 18,011 | 21,007 | (3,024) |
| Ryan Elementary School | 7,988 | 27,386 | 24,709 | 10,665 |
| Sanchez Elementary School | 17,292 | 61,451 | 35,860 | 42,883 |
| Southern Hills Middle School | (968) | 1,126 | 158 | - |
| Superior Elementary School | 26,238 | 41,644 | 41,982 | 25,900 |
| University Hill Elementary School | 31,755 | 33,541 | 29,906 | 35,390 |
| Whittier Elementary School | 5,502 | 5,587 | 11,198 | (109) |
| Subtotal | <u>1,214,178</u> | <u>1,702,110</u> | <u>1,574,401</u> | <u>1,341,887</u> |
| TOTALS | <u>\$ 3,072,765</u> | <u>\$ 8,693,457</u> | <u>\$ 8,544,152</u> | <u>\$ 3,222,070</u> |

BOULDER VALLEY SCHOOL DISTRICT RE-2

COMPONENT UNITS
COMBINING STATEMENT OF NET ASSETS
June 30, 2005

| | <u>BOULDER PREP</u> | <u>HORIZONS</u> | <u>PEAK TO PEAK</u> | <u>SUMMIT</u> | <u>TOTAL COMPONENT UNITS</u> |
|---|-------------------------|-----------------|-------------------------|---------------|--------------------------------------|
| ASSETS | | | | | |
| Cash and Investments | \$ 62,933 | \$ 333,180 | \$ 2,606,500 | \$ 435,076 | \$ 3,437,689 |
| Restricted Cash and Investments | - | - | 2,842,138 | - | 2,842,138 |
| Accounts Receivable | - | - | 8,748 | - | 8,748 |
| Inventories | - | 8,305 | 2,450 | - | 10,755 |
| Prepaid Items | 7,228 | - | - | - | 7,228 |
| Debt Issuance Costs | - | - | 665,537 | - | 665,537 |
| Capital Assets, Net of Accumulated Depreciation | 14,857 | - | 14,306,312 | 49,860 | 14,371,029 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| TOTAL ASSETS | 85,018 | 341,485 | 20,431,685 | 484,936 | 21,343,124 |
| LIABILITIES | | | | | |
| Accounts Payable | - | - | 69,918 | - | 69,918 |
| Accrued Salaries and Benefits | - | 206,490 | 305,130 | 106,513 | 618,133 |
| Accrued Interest Payable | - | - | 430,666 | - | 430,666 |
| Deferred Revenues | - | - | 34,986 | - | 34,986 |
| Noncurrent Liabilities | | | | | |
| Due Within One Year | - | - | 390,000 | - | 390,000 |
| Due in More Than One Year | - | - | 18,112,377 | - | 18,112,377 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| TOTAL LIABILITIES | - | 206,490 | 19,343,077 | 106,513 | 19,656,080 |
| NET ASSETS | | | | | |
| Invested in Capital Assets, Net of Related Debt | 14,857 | - | (3,140,528) | 49,860 | (3,075,811) |
| Restricted for Debt Service | - | - | 3,150,666 | - | 3,150,666 |
| Restricted for Emergencies | 16,453 | 53,824 | 238,866 | 49,647 | 358,790 |
| Unrestricted | 53,708 | 81,171 | 839,604 | 278,916 | 1,253,399 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| TOTAL NET ASSETS | \$ 85,018 | \$ 134,995 | \$ 1,088,608 | \$ 378,423 | \$ 1,687,044 |

See the accompanying Independent Auditors' Report.

BOULDER VALLEY SCHOOL DISTRICT RE-2

COMPONENT UNITS
COMBINING STATEMENT OF ACTIVITIES
Year Ended June 30, 2005

| | <u>BOULDER PREP</u> | <u>HORIZONS</u> | <u>PEAK TO PEAK</u> | <u>SUMMIT</u> | <u>TOTAL COMPONENT UNITS</u> |
|------------------------------------|--------------------------------|------------------------|--------------------------------|----------------------|---|
| EXPENSES | | | | | |
| Instruction - Regular Programs | \$ 299,128 | \$ 1,364,692 | \$ 3,233,682 | \$ 1,074,941 | \$ 5,972,443 |
| Instruction - Special Programs | 7,934 | 353,426 | 110,942 | 40,208 | 512,510 |
| Student Support Services | 199,247 | - | 302,601 | 44,148 | 545,996 |
| Instructional Staff Services | 77,946 | 10,588 | 112,597 | 96,416 | 297,547 |
| General Administration | 10,754 | - | 183,647 | 730 | 195,131 |
| School Administration | 85,910 | 357,731 | 830,206 | 294,737 | 1,568,584 |
| Business Services | 17,432 | - | 3,907 | - | 21,339 |
| Operations and Maintenance | 88,304 | 113,534 | 725,415 | 30,880 | 958,133 |
| Central Support Services | 540 | - | 27,382 | 5,758 | 33,680 |
| Other Support Services | - | - | 938,273 | - | 938,273 |
| Community Services | - | - | 58,643 | - | 58,643 |
| District Charges for Services | 141,530 | 468,991 | 1,798,719 | 696,834 | 3,106,074 |
| Interest | - | - | 1,352,610 | - | 1,352,610 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| TOTAL EXPENSES | 928,725 | 2,668,962 | 9,678,624 | 2,284,652 | 15,560,963 |
| PROGRAM REVENUES | | | | | |
| Charges for Services | - | 96,004 | 516,087 | 16,860 | 628,951 |
| Operating Grants and Contributions | 211,792 | 163,743 | 549,183 | 5,098 | 929,816 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| TOTAL PROGRAM REVENUES | 211,792 | 259,747 | 1,065,270 | 21,958 | 1,558,767 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| NET (EXPENSE) REVENUE | 716,933 | 2,409,215 | 8,613,354 | 2,262,694 | 14,002,196 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| GENERAL REVENUES | | | | | |
| Per Pupil Revenues | 633,802 | 2,122,189 | 8,115,213 | 2,141,870 | 13,013,074 |
| Capital Construction Funding | 14,454 | - | 196,630 | - | 211,084 |
| Investment Earnings | - | 1,971 | 114,520 | - | 116,491 |
| Other Revenues | 60,355 | 29,065 | 172,650 | 121,976 | 384,046 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| TOTAL GENERAL REVENUES | 708,611 | 2,153,225 | 8,599,013 | 2,263,846 | 13,724,695 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| CHANGE IN NET ASSETS | (8,322) | (255,990) | (14,341) | 1,152 | (277,501) |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| NET ASSETS, Beginning | 93,340 | 390,985 | 1,102,949 | 377,271 | 1,964,545 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| NET ASSETS, Ending | \$ 85,018 | \$ 134,995 | \$ 1,088,608 | \$ 378,423 | \$ 1,687,044 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |

See the accompanying Independent Auditors' Report.

BOULDER VALLEY SCHOOL DISTRICT RE-2

COMPONENT UNITS
COMBINING BALANCE SHEET
June 30, 2005

| | <u>BOULDER PREP</u> | <u>HORIZONS</u> | <u>PEAK TO PEAK</u> | <u>SUMMIT</u> | <u>TOTAL COMPONENT UNITS</u> |
|--|-------------------------|-------------------|-------------------------|-------------------|--------------------------------------|
| ASSETS | | | | | |
| Cash and Investments | \$ 62,933 | \$ 333,180 | \$ 2,606,500 | \$ 435,076 | \$ 3,437,689 |
| Restricted Cash and Investments | - | - | 2,842,138 | - | 2,842,138 |
| Accounts Receivable | - | - | 8,748 | - | 8,748 |
| Inventories | - | 8,305 | 2,450 | - | 10,755 |
| Prepays Items | 7,228 | - | - | - | 7,228 |
| TOTAL ASSETS | <u>\$ 70,161</u> | <u>\$ 341,485</u> | <u>\$ 5,459,836</u> | <u>\$ 435,076</u> | <u>\$ 6,306,558</u> |
| LIABILITIES AND FUND BALANCES | | | | | |
| LIABILITIES | | | | | |
| Accounts Payable | \$ - | \$ - | \$ 69,918 | \$ - | \$ 69,918 |
| Accrued Salaries and Benefits | - | 206,490 | 305,130 | 106,513 | 618,133 |
| Deferred Revenues | - | - | 34,986 | - | 34,986 |
| TOTAL LIABILITIES | <u>-</u> | <u>206,490</u> | <u>410,034</u> | <u>106,513</u> | <u>723,037</u> |
| FUND BALANCES | | | | | |
| Reserved for Debt Service | - | - | 3,150,666 | - | 3,150,666 |
| Reserved for Emergencies | 16,453 | 53,824 | 238,866 | 49,647 | 358,790 |
| Unreserved | 53,708 | 81,171 | 1,660,270 | 278,916 | 2,074,065 |
| TOTAL FUND BALANCES | <u>70,161</u> | <u>134,995</u> | <u>5,049,802</u> | <u>328,563</u> | <u>5,583,521</u> |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$ 70,161</u> | <u>\$ 341,485</u> | <u>\$ 5,459,836</u> | <u>\$ 435,076</u> | <u>\$ 6,306,558</u> |

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

| | | | | | |
|--------------------------|------------------|-------------------|---------------------|-------------------|---------------------|
| Fund Balances | \$ 70,161 | \$ 134,995 | \$ 5,049,802 | \$ 328,563 | \$ 5,583,521 |
| Capital Assets | 14,857 | - | 14,306,312 | 49,860 | 14,371,029 |
| Long-Term Debt | - | - | (23,300,000) | - | (23,300,000) |
| Accrued Interest Payable | - | - | (430,666) | - | (430,666) |
| Debt Premium | - | - | (511,513) | - | (511,513) |
| Loss on Refunding | - | - | 5,309,136 | - | 5,309,136 |
| Debt Issuance Costs | - | - | 665,537 | - | 665,537 |
| Net Assets | <u>\$ 85,018</u> | <u>\$ 134,995</u> | <u>\$ 1,088,608</u> | <u>\$ 378,423</u> | <u>\$ 1,687,044</u> |

See the accompanying Independent Auditors' Report.

BOULDER VALLEY SCHOOL DISTRICT RE-2

COMPONENT UNITS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
Year Ended June 30, 2005

| | <u>BOULDER PREP</u> | <u>HORIZONS</u> | <u>PEAK TO PEAK</u> | <u>SUMMIT</u> | <u>TOTAL COMPONENT UNITS</u> |
|---------------------------------|-------------------------|-------------------|-------------------------|-------------------|--------------------------------------|
| REVENUES | | | | | |
| Local Sources | \$ 737,710 | \$ 2,358,394 | \$ 9,283,025 | \$ 2,253,798 | \$ 14,632,927 |
| State Sources | 181,524 | 47,338 | 203,893 | 26,908 | 459,663 |
| Federal Sources | 1,169 | 7,240 | 177,365 | 5,098 | 190,872 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| TOTAL REVENUES | 920,403 | 2,412,972 | 9,664,283 | 2,285,804 | 15,283,462 |
| EXPENDITURES | | | | | |
| Current | | | | | |
| Instruction - Regular Programs | 294,176 | 1,364,692 | 3,233,682 | 1,074,941 | 5,967,491 |
| Instruction - Special Programs | 7,934 | 353,426 | 110,942 | 40,208 | 512,510 |
| Student Support Services | 199,247 | - | 302,601 | 44,148 | 545,996 |
| Instructional Staff Services | 77,946 | 10,588 | 112,597 | 96,416 | 297,547 |
| General Administration | 10,754 | - | 183,647 | 730 | 195,131 |
| School Administration | 85,910 | 357,731 | 807,124 | 288,505 | 1,539,270 |
| Business Services | 17,432 | - | 3,907 | - | 21,339 |
| Operations and Maintenance | 88,304 | 113,534 | 725,415 | 30,880 | 958,133 |
| Central Support Services | 540 | - | 27,382 | 5,758 | 33,680 |
| Other Support Service | - | - | 267,165 | - | 267,165 |
| Community Services | - | - | 58,643 | - | 58,643 |
| District Charges for Services | 141,530 | 468,991 | 1,798,719 | 696,834 | 3,106,074 |
| Capital Outlay | - | - | 1,723,455 | - | 1,723,455 |
| Debt Service | | | | | |
| Interest and Fiscal Charges | - | - | 921,944 | - | 921,944 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| TOTAL EXPENDITURES | 923,773 | 2,668,962 | 10,277,223 | 2,278,420 | 16,148,378 |
| NET CHANGE IN FUND BALANCES | (3,370) | (255,990) | (612,940) | 7,384 | (864,916) |
| FUND BALANCES, Beginning | <hr/> 73,531 | <hr/> 390,985 | <hr/> 5,662,742 | <hr/> 321,179 | <hr/> 6,448,437 |
| FUND BALANCES, Ending | \$ <u>70,161</u> | \$ <u>134,995</u> | \$ <u>5,049,802</u> | \$ <u>328,563</u> | \$ <u>5,583,521</u> |

Amounts reported in the statement of activities are different because:

| | | | | | |
|-------------------------------------|-------------------|---------------------|--------------------|-----------------|---------------------|
| Net Change in Fund Balances | \$ (3,370) | \$ (255,990) | \$ (612,940) | \$ 7,384 | \$ (864,916) |
| Capital Outlay | - | - | 1,723,455 | - | 1,723,455 |
| Depreciation Expense | (4,952) | - | (504,716) | (6,232) | (515,900) |
| Accrued Interest | - | - | (430,666) | - | (430,666) |
| Amortization of Debt Premium | - | - | 17,740 | - | 17,740 |
| Amortization of Loss on Refunding | - | - | (184,132) | - | (184,132) |
| Amortization of Debt Issuance Costs | - | - | (23,082) | - | (23,082) |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Change in Net Assets | \$ <u>(8,322)</u> | \$ <u>(255,990)</u> | \$ <u>(14,341)</u> | \$ <u>1,152</u> | \$ <u>(277,501)</u> |

See the accompanying Independent Auditors' Report.

STATISTICAL SECTION

**BOULDER VALLEY SCHOOL DISTRICT RE-2
GENERAL FUND EXPENDITURES BY OBJECT
Last Ten Years**

(Unaudited)

| | <u>Actual 1995/96</u> | <u>Actual 1996/97 (a)</u> | <u>Actual 1997/98</u> | <u>Actual 1998/99</u> |
|--|---------------------------|-------------------------------|---------------------------|---------------------------|
| Salaries | \$ 81,531,594 | \$ 91,353,222 | \$ 97,385,100 | \$ 104,732,608 |
| Percent change from prior year | (1.39) | 12.05 | 6.60 | 7.54 |
| Employee benefits | 14,702,980 | 16,030,722 | 16,642,275 | 17,843,964 |
| Percent change from prior year | (7.22) | 9.03 | 3.81 | 7.22 |
| Purchased services | 11,695,375 | 11,057,256 | 7,187,545 | 8,955,449 |
| Percent change from prior year | 50.46 | (5.46) | (35.00) | 24.60 |
| Supplies and materials | 2,660,743 | 4,817,209 | 7,277,785 | 8,054,703 |
| Percent change from prior year | (48.90) | 81.05 | 51.08 | 10.68 |
| Capital outlay | 362,504 | 496,083 | 435,089 | 628,495 |
| Percent change from prior year | 38.87 | 36.85 | (12.30) | 44.45 |
| Other | 376,343 | 1,579,599 | 802,476 | 1,244,665 |
| Percent change from prior year | (19.28) | 319.72 | (49.20) | 55.10 |
| Net allocations to charter schools | - | - | - | - |
| Percent change from prior year | - | - | - | - |
| Pre-PERA retirement | 11,436 | 12,238 | 13,000 | 3,281 |
| Percent change from prior year | (47.93) | 7.01 | 6.23 | (74.76) |
| County fees for tax collection | 420,420 | 432,080 | 466,996 | 525,629 |
| Percent change from prior year | 5.01 | 2.77 | 8.08 | 12.56 |
| Retirement payoffs | 762,836 | 406,504 | 849,607 | 764,660 |
| Percent change from prior year | 11.70 | (46.71) | 109.00 | (10.00) |
| TOTAL GENERAL OPERATING FUND EXPENDITURES | <u>\$ 112,524,231</u> | <u>\$ 126,184,913</u> | <u>\$ 131,059,873</u> | <u>\$ 142,753,454</u> |
| PERCENT CHANGE FROM PRIOR YEAR | <u>1.81%</u> | <u>12.14%</u> | <u>3.86%</u> | <u>8.92%</u> |

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

Source: Boulder Valley School District RE-2 Audited Financial Statements 1995/96-2004/05.

TABLE I

| Actual 1999/00 | Actual 2000/01 | Actual 2001/02 | Actual 2002/03 | Actual 2003/04 | Actual 2004/05 |
|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| \$ 114,512,943 9.34 | \$ 119,789,541 4.61 | \$ 123,794,477 3.34 | \$ 130,450,470 5.38 | \$ 132,352,763 1.46 | 134,536,810 1.65 |
| 20,286,097 13.69 | 21,410,503 5.54 | 22,611,621 5.61 | 22,876,106 1.17 | 26,224,978 14.64 | 25,172,117 (4.01) |
| 7,468,825 (16.60) | 7,568,103 1.33 | 6,612,818 (12.62) | 6,645,457 0.49 | 6,983,768 5.09 | 7,127,064 2.05 |
| 9,209,969 14.34 | 9,846,458 6.91 | 8,550,185 (13.16) | 8,413,461 (1.60) | 8,354,910 (0.70) | 10,436,112 24.91 |
| 1,432,177 127.87 | 1,452,045 1.39 | 1,813,620 24.90 | 1,192,985 (34.22) | 1,316,451 10.35 | 1,045,107 (20.61) |
| 3,177,706 155.31 | 2,754,619 (13.31) | 3,397,436 23.34 | 3,288,447 (3.21) | 4,120,251 25.29 | 4,555,726 10.57 |
| - - | - - | 5,844,475 - | 9,160,211 56.73 | 12,283,334 34.09 | 13,245,054 7.83 |
| - (100.00) | - - | - - | - - | - - | - - |
| 276,694 (47.36) | 281,337 1.68 | 295,412 5.00 | 336,150 13.79 | 342,289 1.83 | 338,581 (1.08) |
| 914,668 19.62 | 1,024,725 12.03 | 551,681 (46.16) | 610,564 10.67 | 574,550 (5.90) | 920,753 60.26 |
| <u>\$ 157,279,079</u> | <u>\$ 164,127,331</u> | <u>\$ 173,471,725</u> | <u>\$ 182,973,851</u> | <u>\$ 192,553,294</u> | <u>\$ 197,377,324</u> |
| <u>10.18%</u> | <u>4.35%</u> | <u>5.69%</u> | <u>5.48%</u> | <u>5.24%</u> | <u>2.51%</u> |

**BOULDER VALLEY SCHOOL DISTRICT RE-2
GENERAL FUND REVENUE BY SOURCE
Last Ten Years**

(Unaudited)

| | <u>Actual 1995/96</u> | <u>Actual 1996/97 (a)</u> | <u>Actual 1997/98</u> | <u>Actual 1998/99</u> |
|---|------------------------------|-------------------------------|------------------------------|------------------------------|
| Local Revenue | | | | |
| Current property taxes | \$ 83,979,637 | \$ 86,433,327 | \$ 92,650,365 | \$ 105,206,316 |
| Specific ownership taxes | 6,776,864 | 7,205,038 | 7,746,082 | 9,961,118 |
| Delinquent taxes and penalties | 167,769 | 117,529 | 194,816 | 93,653 |
| Tuition | 191,701 | 269,515 | 3,304,518 | 3,408,518 |
| Interest income | 478,482 | 421,707 | 418,924 | 499,766 |
| Miscellaneous | 1,923,444 | 994,988 | 1,149,519 | 3,780,598 |
| Total local revenue | 93,517,897 | 95,442,104 | 105,464,224 | 122,949,969 |
| State Revenue | | | | |
| State equalization | 21,199,877 | 23,664,149 | 24,506,373 | 27,821,878 |
| Special education | 2,772,541 | 2,771,485 | 2,939,892 | 2,956,640 |
| Transportation | 1,613,185 | 1,562,182 | 1,448,265 | 1,353,305 |
| Vocational education | 805,146 | 782,306 | 927,638 | 697,546 |
| Medicaid | - | - | - | - |
| Miscellaneous | 149,950 | 251,213 | 330,697 | 340,482 |
| Total state revenue | 26,540,699 | 29,031,335 | 30,152,865 | 33,169,851 |
| Federal Revenue | 24,273 | - | 6,075 | 17,086 |
| TOTAL GENERAL FUND REVENUE | <u>\$ 120,082,869</u> | <u>\$ 124,473,439</u> | <u>\$ 135,623,164</u> | <u>\$ 156,136,906</u> |
| PERCENT CHANGE FROM PRIOR YEAR | <u>4.74%</u> | <u>3.66%</u> | <u>8.96%</u> | <u>15.13%</u> |

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

Source: Boulder Valley School District RE-2 Audited Financial Statements 1995/96-2004/05.

TABLE II

| <u>Actual 1999/00</u> | <u>Actual 2000/01</u> | <u>Actual 2001/02</u> | <u>Actual 2002/03</u> | <u>Actual 2003/04</u> | <u>Actual 2004/05</u> |
|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| \$ 108,575,064 | \$ 111,867,694 | \$ 117,861,142 | \$ 132,645,345 | \$ 136,429,558 | \$ 135,047,456 |
| 11,324,836 | 11,936,063 | 12,221,725 | 11,605,270 | 11,551,266 | 11,254,363 |
| 322,645 | 837,968 | 921,330 | 387,791 | 336,249 | 139,537 |
| 3,191,887 | 3,110,424 | 170,581 | 142,288 | 108,654 | 247,160 |
| 507,953 | 802,566 | 252,916 | 152,177 | 80,227 | 314,937 |
| 1,310,833 | 2,013,252 | 712,996 | 969,381 | 3,671,360 | 4,083,926 |
| 125,233,218 | 130,567,967 | 132,140,690 | 145,902,252 | 152,177,314 | 151,087,379 |
| 29,110,241 | 31,174,893 | 35,352,777 | 42,286,795 | 45,499,801 | 49,648,368 |
| 3,005,528 | 3,076,734 | 3,253,442 | 3,458,753 | 3,562,820 | 3,580,231 |
| 1,534,018 | 1,605,018 | 1,641,720 | 1,740,381 | 1,666,126 | 1,817,823 |
| 729,487 | 997,821 | 1,093,446 | 836,724 | 740,919 | 863,334 |
| - | - | - | 211,016 | 195,883 | 181,471 |
| 149,359 | 127,057 | 861,089 | 322,123 | 309,221 | 279,332 |
| 34,528,633 | 36,981,523 | 42,202,474 | 48,855,792 | 51,974,770 | 56,370,559 |
| - | - | - | - | - | - |
| <u>\$ 159,761,851</u> | <u>\$ 167,549,490</u> | <u>\$ 174,343,164</u> | <u>\$ 194,758,044</u> | <u>\$ 204,152,084</u> | <u>\$ 207,457,938</u> |
| <u>2.32%</u> | <u>4.87%</u> | <u>4.05%</u> | <u>11.71%</u> | <u>4.82%</u> | <u>1.62%</u> |

**BOULDER VALLEY SCHOOL DISTRICT RE-2
PROPERTY TAX LEVIES AND COLLECTIONS - ALL FUNDS
Last Ten Years**

(Unaudited)

| <u>Levy Year</u> | <u>Collection Year</u> | <u>Total Tax Levied</u> | <u>Total Current Tax Collections</u> | <u>Total Current Tax Collections as a Percentage of Total Tax Levied</u> | <u>Delinquent Tax Collections</u> | <u>Delinquent Tax Collections as a Percentage of Total Tax Levied</u> |
|------------------|------------------------|-------------------------|--------------------------------------|--|-----------------------------------|---|
| 1994 | 1995 | 91,670,259 | 92,168,033 | 99.45 | 187,108 | 0.20 |
| 1995 | 1996 | 95,233,893 | 94,791,270 | 99.54 | 171,986 | 0.18 |
| 1996 | 1997 | 101,016,769 | 99,430,408 | 98.43 | 194,817 | 0.19 |
| 1997 | 1998 | 106,247,007 | 103,162,683 | 97.10 | 93,653 | 0.09 |
| 1998 | 1999 | 120,618,953 | 119,967,464 | 99.46 | 142,920 | 0.12 |
| 1999 | 2000 | 123,278,175 | 123,084,710 | 99.84 | 356,068 | 0.29 |
| 2000 | 2001 | 127,106,029 | 126,382,188 | 99.43 | 71,953 | 0.06 |
| 2001 | 2002 | 131,684,926 | 130,756,272 | 99.29 | 387,790 | 0.29 |
| 2002 | 2003 | 148,573,194 | 147,631,486 | 99.37 | 336,249 | 0.23 |
| 2003 | 2004 | 152,358,542 | 155,208,574 | 101.87 | 139,537 | 0.09 |

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

**BOULDER VALLEY SCHOOL DISTRICT RE-2
ASSESSED AND ESTIMATED ACTUAL VALUE
OF TAXABLE PROPERTY
Last Ten Years**

(Unaudited)

| Levy Year | Property Values | | | | |
|--------------|--|---|---|--|------------------------------|
| | Amount Assessed in Boulder County | Amount Assessed in Broomfield County | Amount Assessed in Gilpin County | Total Assessed Valuation Amount | Estimated Actual Value |
| 1995 | 2,070,225,420 | - | 16,406,770 | 2,086,632,190 | 13,416,773,470 |
| 1996 | 2,143,943,580 | - | 17,166,510 | 2,161,110,090 | 14,815,570,254 |
| 1997 | 2,281,778,250 | - | 19,381,190 | 2,301,159,440 | 15,207,498,800 |
| 1998 | 2,375,324,790 | - | 19,999,560 | 2,395,324,350 | 15,879,878,955 |
| 1999 | 2,776,736,100 | - | 25,040,610 | 2,801,776,710 | 18,407,178,810 |
| 2000 | 2,937,953,310 | - | 25,582,000 | 2,963,535,310 | 20,616,439,773 |
| 2001 | 3,215,728,800 | 537,935,180 | 29,624,610 | 3,783,288,590 | 26,157,867,737 |
| 2002 | 3,255,103,009 | 569,409,440 | 32,127,420 | 3,856,639,869 | 26,525,947,278 |
| 2003 | 3,339,113,674 | 604,917,750 | 38,677,800 | 3,982,709,224 | 30,780,211,997 |
| 2004 | 3,360,484,781 | 583,745,160 | 38,544,450 | 3,982,774,391 | 31,059,099,814 |

Source: Boulder County, Broomfield County and Gilpin County Assessor's Offices.

**BOULDER VALLEY SCHOOL DISTRICT RE-2
RATIO OF NET GENERAL BONDED DEBT TO
ASSESSED VALUE AND NET BONDED DEBT PER CAPITA
Last Ten Years**

(Unaudited)

| | <u>June 1996</u> | <u>June 1997</u> | <u>June 1998</u> | <u>June 1999</u> |
|--|----------------------|----------------------|----------------------|----------------------|
| Gross bonded deb | \$ 124,795,000 | \$ 119,515,000 | \$ 119,015,000 | \$ 176,270,000 |
| Debt service moneys available | 10,223,940 | 12,464,494 | 13,211,549 | 14,467,115 |
| Net bonded debt outstanding | 114,571,060 | 107,050,506 | 105,803,451 | 161,802,885 |
| District's estimated population | Not available | Not available | Not available | Not available |
| Boulder County per capita income | Not available | Not available | Not available | Not available |
| District's total assessed valuation * | 2,086,632,190 * | 2,161,110,090 * | 2,301,159,440 * | 2,395,324,350 |
| Net bonded debt per capita | Not available | Not available | Not available | Not available |
| Net bonded debt as a percent of assessed valuation | 5.49 | 4.95 | 4.60 | 6.75 |
| Total per capita income as a percent of net bonded debt | Not available | Not available | Not available | Not available |

* Assessed valuation as of December 31 of the previous yea

Source: Boulder Valley District RE-2 Audited Financial Statements 1995/96 to 2004/05.

TABLE V

| June 2000 | June 2001 | June 2002 | June 2003 | June 2004 | June 2005 |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$ 170,405,000 | \$ 165,070,000 | \$ 159,500,000 | \$ 153,515,000 | \$ 147,065,000 | \$ 140,310,000 |
| 14,172,985 | 14,952,229 | 14,973,430 | 15,131,986 | 17,075,783 | 15,577,400 |
| 156,232,015 | 150,117,771 | 144,526,570 | 138,383,014 | 129,989,217 | 124,732,600 |
| Not available | 189,000 | 202,000 | 202,000 | 207,000 | 211,000 |
| Not available | 37,523 | 39,347 | 40,840 | 41,936 | 38,028 |
| 2,801,776,710 | 2,963,535,310 | 3,783,288,590 | 3,856,639,869 | 3,982,709,224 | 3,982,774,391 |
| Not available | 794.27 | 715.48 | 685.06 | 627.97 | 591.15 |
| 5.58 | 5.07 | 3.82 | 3.59 | 3.26 | 3.13 |
| Not available | 0.02 | 0.03 | 0.03 | 0.03 | 0.03 |

**BOULDER VALLEY SCHOOL DISTRICT RE-2
COMPUTATION OF LEGAL DEBT MARGIN**

(Unaudited)

| | |
|--|------------------------------|
| 2004 taxable assessed valuation | \$ 3,982,774,391 |
| Debt limit percentage (1) | <u>20%</u> |
| Legal debt limit | 796,554,878 |
| Amount of debt applicable to debt limit - total bonded debt as of June 30, 2005 | <u>140,310,000</u> |
| LEGAL DEBT MARGIN | <u><u>\$ 656,244,878</u></u> |

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

Source: Boulder Valley School District RE-2.

BOULDER VALLEY SCHOOL DISTRICT RE-2
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
GENERAL BONDED DEBT TO TOTAL GENERAL FUND EXPENDITURES
Last Ten Years

(Unaudited)

| <u>Fiscal Year</u> | <u>Principal</u> | <u>Interest and Other Expenditures</u> | <u>Total Debt Service</u> | <u>Total General Fund Expenditures (b)</u> | <u>Ratio of Debt Service to Total General Fund Expenditures</u> |
|--------------------|------------------|--|---------------------------|--|---|
| 1995/96 | 4,165,000 | 7,589,905 | 11,754,905 | 112,524,231 | 10.46 |
| 1996/97 | 5,280,000 | 7,310,668 | 12,590,668 | 119,362,800 | 10.55 |
| 1997/98 | 69,310,000 (a) | 11,960,474 | 81,270,474 | 129,460,071 | 62.78 |
| 1998/99 | 6,400,000 | 7,065,854 | 13,465,854 | 142,753,454 | 9.43 |
| 1999/00 | 5,865,000 | 8,886,603 | 14,751,603 | 157,279,079 | 9.38 |
| 2000/01 | 5,335,000 | 8,601,250 | 13,936,250 | 164,127,331 | 8.49 |
| 2001/02 | 5,625,000 | 8,341,108 | 13,966,108 | 173,471,725 | 8.05 |
| 2002/03 | 5,985,000 | 7,382,241 | 13,367,241 | 182,973,851 | 7.31 |
| 2003/04 | 6,450,000 | 7,119,222 | 13,569,222 | 192,553,294 | 7.05 |
| 2004/05 | 6,755,000 | 6,827,057 | 13,582,057 | 197,377,324 | 6.88 |

(a) Refunding of debt occurred

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

Source: Boulder Valley School District RE-2 Audited Financial Statements 1995/96-2004/0:

**BOULDER VALLEY SCHOOL DISTRICT RE-2
DISTRICT MILL LEVY HISTORY
Last Ten Years**

(Unaudited)

| Levy Year | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 |
|----------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Collection Year | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
| General Fund | 40.640 | 40.437 | 40.525 | 44.356 | 38.978 | 38.191 | 31.274 | 35.006 | 34.378 | 34.418 |
| Bond Redemption Fund | 5.000 | 6.306 | 4.819 | 6.000 | 5.022 | 4.699 | 3.533 | 3.518 | 3.877 | 3.005 |
| TOTAL LEVY | <u>45.640</u> | <u>46.743</u> | <u>45.344</u> | <u>50.356</u> | <u>44.000</u> | <u>42.890</u> | <u>34.807</u> | <u>38.524</u> | <u>38.255</u> | <u>37.423</u> |

Source: Boulder, Broomfield and Gilpin Counties Abstracts of Assessment and Summary of Tax Levies, 1995-2004.

**BOULDER VALLEY SCHOOL DISTRICT RE-2
PROPERTY TAX RATES (MILLS)*
DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Years**

(Unaudited)

| Levy Year | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Boulder Valley School District RE-2 | 45.640 | 46.743 | 46.743 | 45.344 | 44.000 | 42.890 | 34.807 | 38.524 | 38.255 | 37.423 |
| Boulder County | 20.897 | 21.447 | 21.243 | 21.762 | 19.382 | 19.835 | 17.621 | 20.087 | 20.088 | 21.267 |
| City of Boulder | 9.189 | 9.666 | 11.428 | 11.438 | 10.502 | 10.908 | 9.301 | 9.640 | 9.860 | 10.005 |
| City and County of Broomfield | 13.894 | 13.894 | 13.894 | 13.894 | 13.894 | 13.894 | 28.986 | 28.986 | 28.968 | 28.968 |
| City of Lafayette | 13.629 | 13.009 | 13.817 | 13.034 | 11.352 | 11.860 | 11.130 | 10.994 | 10.832 | 10.710 |
| City of Louisville | 5.457 | 5.246 | 5.246 | 5.184 | 4.643 | 4.767 | 5.292 | 5.184 | 6.710 | 6.710 |
| Northern Colorado Water Conservancy District | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| Town of Jamestown | 7.244 | 12.621 | 13.390 | 12.320 | 13.289 | 13.289 | 12.343 | 14.843 | 14.680 | 21.400 |
| Town of Nederland | 14.440 | 14.440 | 15.486 | 16.210 | 14.982 | 15.546 | 15.408 | 15.455 | 14.462 | 14.765 |
| Town of Superior | 2.709 | 2.737 | 2.727 | 2.727 | 2.279 | 2.144 | 1.836 | 1.906 | 8.805 | 8.805 |
| Town of Ward | 5.416 | 5.416 | 4.807 | 5.481 | 4.232 | 4.230 | 3.662 | 3.474 | 2.616 | 2.709 |
| Urban Drainage & Flood Control District | 0.696 | 0.696 | 0.668 | 0.676 | 0.583 | 0.594 | 0.521 | 0.531 | 0.533 | 0.538 |
| TOTAL | 140.211 | 146.915 | 150.449 | 149.070 | 140.138 | 140.957 | 141.907 | 150.624 | 156.809 | 164.300 |

* Does not include all Special Districts.

Source: Boulder County Abstract of Assessment and Summary of Tax Levies, 1995-2004.

**BOULDER VALLEY SCHOOL DISTRICT RE-2
COMPUTATION OF OVERLAPPING BONDED
GENERAL OBLIGATION DEBT
June 30, 2005**

(Unaudited)

| | Gross | Net | Net Outstanding | | |
|--|-------------|---------------------|--------------------------|-----------------------|--|
| | Outstanding | Outstanding | General Obligation Debt | | |
| | General | General | Chargeable to Properties | | |
| Obligation | Obligation | within the District | | | |
| Debt (1) | Debt (1) | Percent | Amount | | |
| Baseline Water District | \$ 5,598 | \$ - | 100.00 | \$ - | |
| Boulder Central General Improvement District | 27,485,000 | 27,485,000 | 100.00 | 27,485,000 | |
| Boulder Rural Fire Protection District | - | - | 100.00 | - | |
| Brownsville Water & Sanitation District | - | - | 34.90 | - | |
| Cherryvale Fire Protection District | - | - | 100.00 | - | |
| City of Boulder | 66,180,000 | 66,180,000 | 74.80 | 49,502,640 | |
| City of Broomfield | 3,845,000 | 3,685,000 | 100.00 | 3,685,000 | |
| City of Lafayette | 14,980,000 | 9,885,000 | 100.00 | 9,885,000 | |
| City of Louisville | 8,878,530 | 8,878,530 | 100.00 | 8,878,530 | |
| Coal Creek Canyon Fire Protection District | - | - | 10.80 | - | |
| Colorado Tech Center Metropolitan District | 11,510,814 | 11,510,814 | 87.20 | 10,037,430 | |
| Four Mile Canyon Fire District | - | - | 100.00 | - | |
| Gilpin County Library District | 275,000 | 275,000 | 100.00 | 275,000 | |
| Gold Hill Fire Protection District | - | - | 100.00 | - | |
| Gunbarrel Improvement District | 415,000 | 415,000 | 100.00 | 415,000 | |
| High Country Fire Protection District | - | - | 88.80 | - | |
| Interlocken Consolidated Metropolitan District | 92,782,993 | 92,782,993 | 100.00 | 92,782,993 | |
| Louisville Fire Protection District | - | - | 100.00 | - | |
| Mountain View Fire Protection District | 755,000 | 755,000 | 6.50 | 49,075 | |
| North Metro Fire Rescue District | - | - | 42.70 | - | |
| Northern Colorado Water Conservancy District | 4,606,523 | - | 100.00 | - | |
| Pine Brook Water District | 5,400,000 | - | 42.20 | - | |
| Pine Brook Hills Fire District | - | - | 100.00 | - | |
| Superior Metropolitan District No. 1 | - | - | 100.00 | - | |
| Superior Metropolitan District No. 2 | 7,120,000 | 7,120,000 | 100.00 | 7,120,000 | |
| Superior Metropolitan District No. 3 | 3,395,000 | 3,395,000 | 100.00 | 3,395,000 | |
| Town of Nederland | 1,981,659 | 1,762,945 | 100.00 | 1,762,945 | |
| University Hills General Improvement District | - | - | 100.00 | - | |
| | | | Total | <u>\$ 215,273,613</u> | |

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

(2) This amount constitutes a contractual obligation of the district.

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

**BOULDER VALLEY SCHOOL DISTRICT RE-2
BOULDER COUNTY POPULATION ESTIMATES**

(Unaudited)

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

(1) Population includes only that portion located in Boulder County. As of 2000, approximately 56% of the 38,272 residents of Broomfield (approximately 21,474 persons) and approximately 68% of the 6,291 residents of Erie (approximately 4,282 persons) resided in Boulder County.

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

Source: Colorado Division of Local Affairs; United States Bureau of the Census. 1950, 1960, 1970, and 1980 are Census figures; 1990 and 2000 figures are estimates from the Colorado Department of Local Affairs.

**BOULDER VALLEY SCHOOL DISTRICT RE-2
CHARACTERISTICS OF EMPLOYMENT IN BOULDER COUNTY**

TABLE XII

(Unaudited)

| <u>Industry</u> | <u>As of December 31, 2003</u> | | <u>As of December 31, 2004</u> | |
|---------------------------------------|---|--|---|--|
| | <u>Estimated Average Monthly Employment</u> | <u>Percent of Total Employment</u> | <u>Estimated Average Monthly Employment</u> | <u>Percent of Total Employment</u> |
| Mining and construction | 6,323 | 4.18 % | 7,044 | 4.59 % |
| Manufacturing | 19,744 | 13.04 | 18,859 | 12.29 |
| Transportation | 1,733 | 1.14 | 1,364 | 0.89 |
| Wholesale and retail trade | 21,676 | 14.31 | 20,842 | 13.59 |
| Information | 9,749 | 6.44 | 9,159 | 5.97 |
| Finance, insurance and real estate | 7,167 | 4.73 | 7,278 | 4.74 |
| Services | 61,524 | 40.62 | 64,858 | 42.28 |
| Government | 23,530 | 15.54 | 24,003 | 15.65 |
| TOTAL | <u>151,446</u> | <u>100.00 %</u> | <u>153,407</u> | <u>100.00 %</u> |

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

**BOULDER VALLEY SCHOOL DISTRICT RE-2
MAJOR EMPLOYERS IN BOULDER AND BROOMFIELD COUNTIES**

TABLE XIII

(Unaudited)

| <u>Company</u> | <u>Activity</u> | <u>Estimated Number of Employees</u> |
|-------------------------------------|---|--|
| University of Colorado | Four-year college and graduate school | 7,100 |
| International Business Machines | Software development, custom information systems | 4,700 |
| Boulder Valley School District RE-2 | One of two public school districts in Boulder County | 4,554 |
| Sun Microsystems, Inc. | Software development and custom information systems | 3,300 |
| Ball Corp. | Electronic space exploration systems and defense products | 2,600 |
| Boulder Community Hospital | Medical facility | 2,600 |
| Level 3 Communications, Inc. | Communications and information services | 2,100 |
| Boulder County | Local Government | 1,843 |
| City of Boulder | Local Government | 1,529 |
| Seagate Technology | Manufacturer of hard disc drives | 1,200 |

Source: Boulder County Business Report Book of Lists and Individual Entities

**BOULDER VALLEY SCHOOL DISTRICT RE-2
PROPERTY VALUES AND CONSTRUCTION
Last Ten Years**

(Unaudited)

| <u>Tax Year</u> | <u>Property Values</u> | | <u>Construction</u> | |
|---------------------|-------------------------------|-----------------------------------|--------------------------------|--------------|
| | <u>Assessed Valuation</u> | <u>Estimated Actual Value</u> | <u>Residential Permits</u> | <u>Value</u> |
| 1995 | 2,086,632,190 | 13,416,773,470 | 3,247 | 250,505,183 |
| 1996 | 2,161,110,090 | 14,815,570,254 | 3,237 | 133,160,668 |
| 1997 | 2,301,159,440 | 15,207,498,800 | 3,030 | 154,316,806 |
| 1998 | 2,395,324,350 | 15,879,878,955 | n/a | n/a |
| 1999 | 2,801,776,710 | 18,407,178,810 | 3,965 | 193,159,717 |
| 2000 | 2,963,535,310 | 20,616,439,773 | 3,602 | 166,897,609 |
| 2001 | 3,783,288,590 | 26,157,867,737 (3) | n/a | n/a |
| 2002 | 3,856,639,869 | 26,525,947,278 (3) | n/a | n/a |
| 2003 | 3,982,709,224 | 30,780,211,997 (3) | n/a | n/a |
| 2004 | 3,982,774,391 | 31,059,099,814 (3) | n/a | n/a |

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

(3) The Assessor's office changed it's accounting system and is, at this time, not able to provide data in this format.

Source: Boulder County Assessor's Office.

TABLE XIV

| Construction | | | |
|-----------------------|--------------|----------------|--------------|
| Nonresidential | | Total | Total |
| Permits | Value | Permits | Value |
| 395 | 56,317,925 | 3,848 | 306,823,108 |
| 472 | 77,131,744 | 3,709 | 210,292,412 |
| 450 | 77,360,518 | 3,480 | 231,677,324 |
| n/a | n/a | n/a | n/a |
| 316 | 84,328,680 | 4,281 | 277,488,397 |
| 212 | 87,399,041 | 3,814 | 254,296,650 |
| n/a | n/a | n/a | n/a |
| n/a | n/a | n/a | n/a |
| n/a | n/a | n/a | n/a |
| n/a | n/a | n/a | n/a |

**BOULDER VALLEY SCHOOL DISTRICT RE-2
PRINCIPAL TAXPAYERS OVER A SPECIFIED
AMOUNT OF ASSESSED VALUATION
December 31, 2004**

(Unaudited)

| <u>Name</u> | <u>Type of Business</u> | <u>2004 Assessed Valuation</u> | <u>Percentage of Total Assessed Valuation</u> |
|---|--|--------------------------------|---|
| Xcel Energy | Supplier of electricity and natural gas to consumers | \$64,779,480 | 1.63 % |
| Flatiron Holding LLC | Regional Retail Center | 45,037,420 | 1.13 % |
| Roche Colorado Corporation | Processing of pharmaceuticals | 32,819,450 | 0.82 % |
| Level 3 Communications | Telecommunications | 31,253,880 | 0.78 % |
| International Business Machines Corporation | Manufacturer of computer software and hardware | 29,541,870 | 0.74 % |
| Qwest | Telecommunications | 27,576,220 | 0.69 % |
| Sun Microsystems | Computer Technology | 16,981,740 | 0.43 % |
| DDR Flatirons LLC | Regional Retail Center | 14,443,700 | 0.36 % |
| Storage Technology Corporation | Manufacturer of peripheral equipment | 13,298,330 | 0.33 % |
| Flatiron Property Holding LLC | Regional Retail Center | 13,192,940 | 0.33 % |
| Hunter Douglas Inc | Manufacturing | 11,929,080 | 0.30 % |
| FSP 380Interlocken Corporation | Interlocken Office Building | 11,192,490 | 0.28 % |
| Sub-total | | 312,046,600 | 7.83 % |
| Taxpayers under \$ | | 3,670,727,791 | 92.17 % |
| TOTAL | | \$ 3,982,774,391 | 100.00 % |

Source: Boulder County Assessor's Office and City of Broomfield Assessor's Office

**BOULDER VALLEY SCHOOL DISTRICT RE-2
INSURANCE IN FORCE
June 30, 2005**

(Unaudited)

As of June 30, 2005, the District maintained the types and amounts of insurance coverage summarized below. The District's insurance premiums are accounted for in the Insurance Reserve Internal Service Fund. Funding of the Insurance Reserve Internal Service Fund comes primarily from a transfer from the General Fund. In addition to the insurance coverage described below, the Colorado Governmental Immunity Act provides the District with substantial protection from liability.

| <u>Coverage Area</u> | <u>Coverage Amounts/Deductibles</u> |
|----------------------|---|
| Property | Coverage: \$460,196,462 per occurrence limit for real and business personal property and inland marine; \$75,000,000 per occurrence and annual aggregate limit for floods and earthquakes; \$12,918,404 terminal per occurrence limit; \$45,000 garagekeepers coverage per accident or occurrence limit; \$50,000 property damage to non-owned property per occurrence limit; \$1,000,000 property in the course of construction or builders' risk limit. Deductibles: \$100,000 real and business personal property, inland marine and non-owned property; \$1,000 terminal per vehicle \$10,000 per occurrence; \$250 garagekeepers per vehicle \$500 per occurrence. |
| Equipment Breakdown | Coverage: \$65,000,000 per accident limit; sublimits apply as follows: \$5,000,000 expediting expense, \$250,000 perishable goods and ammonia contamination, \$2,500,000 hazardous substance, \$100,000 computer equipment. Deductibles: \$10,000 damage to covered property, \$10,000 perishable goods 12 hours indirect coverage (business income/extra expense). |
| School Entity | Coverage: Liability-\$2,000,000 each occurrence or wrongful act limit, \$5,000,000 annual aggregate limit; medical payments-\$1,000 any one person \$10,000 each accident; AHERA and pollution coverage-\$25,000 each occurrence and annual aggregate limit Deductibles: Liability coverage-\$10,000 each occurrence, limit of defense-\$2,000,000 limit per occurrence of wrongful act. |
| Auto Liability | Coverage: Liability, including non-owned auto and hired, borrowed, leased and auto medical payments \$1,000,000 limit per accident; auto medical payments \$5,000 per person limit; limit of defense \$2,000,000 per accident. Deductible: \$10,000 per accident |
| Crime | Coverage: Employee theft \$100,000 per loss coverage, Employee Theft per employee coverage \$100,000 for Chief Operations Officer, Finance Director and Assistant Finance Director, \$25,000 for Board Treasurer and Board Secretary. Theft of Money, Securities and Other Property \$10,000, Counterfeit Currency and Money Order Coverage \$5,000. Public Official Coverage \$25,000 limit per loss Secretary Board of Education, Treasurer Board of Education. Deductibles: Employee theft \$500 per occurrence; forgery or alteration, theft of money, securities, and other property, computer fraud, and counterfeit currency and money order \$100 per occurrence; Public Official coverage \$100 per occurrence. |

Source: Boulder Valley School District RE-2

**BOULDER VALLEY SCHOOL DISTRICT RE-2
DISTRICT ENROLLMENT
June 30, 2005**

(Unaudited)

Boulder Valley School District RE-2's total enrollment for the school years 1995-96 through 2004-05 is as follows:

| <u>School Year</u> * | <u>Enrollment</u> |
|----------------------|-------------------|
| 1995-96 | 25,359 |
| 1996-97 | 25,815 |
| 1997-98 | 26,288 |
| 1998-99 | 26,951 |
| 1999-00 | 27,085 |
| 2000-01 | 27,500 |
| 2001-02 | 27,924 |
| 2002-03 | 27,818 |
| 2003-04 | 27,867 |
| 2004-05 | 27,922 |

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

Source: Boulder Valley School District RE-2.

COMPLIANCE SECTION



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

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

We have audited the financial statements of the of the Boulder Valley School District RE-2 as of and for the year ended June 30, 2005, and have issued our report thereon dated October 7, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

Compliance and Other Matters

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

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

October 7, 2005



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

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

Compliance

We have audited the compliance of the Boulder Valley School District RE-2 with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2005. The Boulder Valley School District RE-2's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, grant agreements and other matters applicable to each of its major federal programs is the responsibility of the Boulder Valley School District RE-2's management. Our responsibility is to express an opinion on the Boulder Valley School District RE-2's compliance based on our audit.

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

In our opinion, the Boulder Valley School District RE-2 complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2005.

Internal Control Over Compliance

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

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

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



October 7, 2005

BOULDER VALLEY SCHOOL DISTRICT RE-2

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2005

Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: unqualified

Internal control over financial reporting:

- Material weaknesses identified? _____ yes x no

- Reportable conditions identified that are not considered to be material weaknesses? _____ yes x none reported

Noncompliance material to financial statements noted?

_____ yes x no

Federal Awards

Internal control over major programs:

- Material weaknesses identified? _____ yes x no

- Reportable conditions identified that are not considered to be material weaknesses? _____ yes x none reported

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

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

_____ yes x no

Identification of major programs:

- 84.010 Title I
- 10.555 National School Lunch Program
- 10.553 School Breakfast Program

Dollar threshold used to distinguish between type A and type B programs: \$354,124

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

Financial Statement Findings

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

Federal Awards Findings and Questioned Costs

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



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

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

We have audited the financial statements of the Boulder Valley School District RE-2, as of and for the year ended June 30, 2005, and have issued our report thereon dated October 7, 2005. These financial statements are the responsibility of the Boulder Valley School District RE-2's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

October 7, 2005

BOULDER VALLEY SCHOOL DISTRICT RE-2

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2005

| Federal Grantor/Pass-Through Grantor Program Title | Federal CFDA Number | Accrued (Deferred) Revenue 6/30/04 | Receipts | Disburse- ments | Accrued (Deferred) Revenue 6/30/05 |
|--|---------------------------|---|----------------------|----------------------|---|
| U.S. Department of Education | | | | | |
| Direct Programs | | | | | |
| Indian Education | 84.060 | \$ 2,210 | \$ 22,175 | \$ 24,453 | \$ 4,488 |
| Bilingual Education | 84.290 | 56,258 | 382,745 | 344,953 | 18,466 |
| Gaining Early Awareness and Readiness for Undergraduate Programs | 84.334 | - | 37,646 | 37,646 | - |
| 21st Century Community Learning Centers | 84.287 | 52,112 | 271,261 | 258,892 | 39,743 |
| Passed Through State Department of Education | | | | | |
| Title I | 84.010 | 538,779 | 2,010,241 | 2,117,374 | 645,912 |
| Adult Education | 84.002 | 30,904 | 127,574 | 119,240 | 22,570 |
| Special Education | 84.027 | 1,042,225 | 5,183,205 | 5,178,560 | 1,037,580 |
| Special Education Preschool | 84.173 | 29,833 | 178,977 | 151,258 | 2,114 |
| Safe and Drug Free Schools and Communities | 84.184 | (19,645) | 3,138 | 22,783 | - |
| Safe and Drug Free Schools and Communities | 84.186 | 18,982 | 135,225 | 149,285 | 33,042 |
| Even Start | 84.213 | 54,413 | 173,769 | 157,079 | 37,723 |
| Innovative Education Program Strategies | 84.298 | 38,928 | 221,267 | 197,302 | 14,963 |
| Comprehensive School Reform Demonstration | 84.332 | 18,039 | 114,407 | 118,909 | 22,541 |
| Education Technology | 84.318 | 7,471 | 34,449 | 27,284 | 306 |
| English Language Acquisition | 84.365 | 37,617 | 232,204 | 254,293 | 59,706 |
| Improving Teacher Quality | 84.367 | 279,330 | 770,757 | 818,632 | 327,205 |
| Passed Through State Department of Human Services | | | | | |
| Vocational Rehabilitation | 84.126 | 30,406 | 150,210 | 161,727 | 41,923 |
| Passed Through State Community College System | | | | | |
| Vocational Education | 84.048 | 31,664 | 135,298 | 138,385 | 34,751 |
| TOTAL U.S. DEPARTMENT OF EDUCATION | | <u>2,249,526</u> | <u>10,184,548</u> | <u>10,278,055</u> | <u>2,343,033</u> |
| U.S. Department of Agriculture | | | | | |
| Passed Through State Department of Human Services | | | | | |
| Food Donation | 10.550 | (45,360) | 178,244 | 183,862 | (39,742) |
| Passed Through State Department of Education | | | | | |
| National School Lunch Program | 10.555 | 139,317 | 993,708 | 1,158,858 | 304,467 |
| School Breakfast Program | 10.553 | 17,799 | 117,690 | 136,572 | 36,681 |
| TOTAL U.S. DEPARTMENT OF AGRICULTURE | | <u>111,756</u> | <u>1,289,642</u> | <u>1,479,292</u> | <u>301,406</u> |
| U.S. Department of Health and Human Services | | | | | |
| Passed Through State Department of Education | | | | | |
| Refugee and Entrant Assistance | 93.576 | 29,953 | 52,576 | 26,785 | 4,162 |
| TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES | | <u>29,953</u> | <u>52,576</u> | <u>26,785</u> | <u>4,162</u> |
| Corporation for National and Community Service | | | | | |
| Passed Through State Department of Education | | | | | |
| Learn and Serve America | 94.004 | - | 20,000 | 20,000 | - |
| TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE | | <u>-</u> | <u>20,000</u> | <u>20,000</u> | <u>-</u> |
| TOTAL FEDERAL FINANCIAL ASSISTANCE | | <u>\$ 2,391,235</u> | <u>\$ 11,546,766</u> | <u>\$ 11,804,132</u> | <u>\$ 2,648,601</u> |

See the accompanying Independent Auditors' Report.

BOULDER VALLEY SCHOOL DISTRICT RE-2

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2005

NOTE 1: BASIS OF PRESENTATION

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

STATE COMPLIANCE

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



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

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

We have audited the financial statements of the Boulder Valley School District RE-2, as of and for the year ended June 30, 2005, and have issued our report thereon dated October 7, 2005. These financial statements are the responsibility of the Boulder Valley School District RE-2's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

October 7, 2005

11/04/2005
01:34 PM

Colorado Department of Education
Fiscal Year 2004-2005
Colorado School District/BOCES
Auditor's Integrity Report

BOULDER BOULDER VALLEY RE 2
District Code: 0480

Revenues, Expenditures, & Fund Balance by Fund

| Fund Type & Number | Beg Fund Balance & Prior Per Adj (6880*) + | 1000 - 5999 Total Revenues & Other Sources - | 0001 - 0999 Total Expenditures & Other Uses = | 6700 - 6799 & Prior Per Adj (6880*) Ending Fund Balance |
|--|--|---|--|---|
| Governmental | | | | |
| 10 General Fund | 14,363,197 | 191,268,393 | 186,638,278 | 18,993,311 |
| 11 Charter School Fund | 6,448,437 | 12,177,388 | 13,042,304 | 5,583,521 |
| 18 Risk Mgmt Sub-Fund of General Fund | 0 | 0 | 0 | 0 |
| 19 Colorado Preschool Program Fund | 0 | 405,725 | 394,303 | 11,422 |
| 20 Special Revenue Fund | 35,622 | 191,889 | 223,554 | 3,957 |
| 21 Capital Reserve Spec Revenue Fund | 0 | 0 | 0 | 0 |
| 22 Govt Designated-Purpose Grants Fund | -0 | 12,821,334 | 12,821,334 | 0 |
| 23 Pupil Activity Special Revenue Fund | 0 | 0 | 0 | 0 |
| 25 Transportation Fund | 0 | 0 | 0 | 0 |
| 30 Debt Service Fund | 0 | 0 | 0 | 0 |
| 31 Bond Redemption Fund | 17,075,784 | 12,083,674 | 13,582,057 | 15,577,400 |
| 41 Building Fund | 0 | 0 | 0 | 0 |
| 42 Special Building Fund | 0 | 0 | 0 | 0 |
| 43 Capital Reserve Capital Projects Fund | 2,428,029 | 4,881,575 | 5,525,552 | 1,784,052 |
| TOTALS | 40,351,068 | 233,829,977 | 232,227,382 | 41,953,664 |
| Proprietary | | | | |
| 51 Food Service Fund | 1,117,975 | 4,903,965 | 4,968,538 | 1,053,402 |
| 50 Other Enterprise Funds | 0 | 0 | 0 | 0 |
| 64 Risk-Related Activity Fund | 41,705 | 3,454,767 | 3,313,968 | 182,504 |
| 60,65-69 Other Internal Service Funds | 0 | 0 | 0 | 0 |
| TOTALS | 1,159,680 | 8,358,732 | 8,282,506 | 1,235,906 |
| Fiduciary | | | | |
| 70 Other Trust and Agency Funds | 0 | 0 | 0 | 0 |
| 72 Private Purpose Trust Fund | 219,861 | 39,117 | 12,305 | 246,673 |
| 73 Agency Fund | 0 | 0 | 0 | 0 |
| 74 Pupil Activity Agency Fund | 3,072,765 | 8,693,457 | 8,544,152 | 3,222,070 |
| TOTALS | 3,292,626 | 8,732,574 | 8,556,457 | 3,468,743 |

70

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