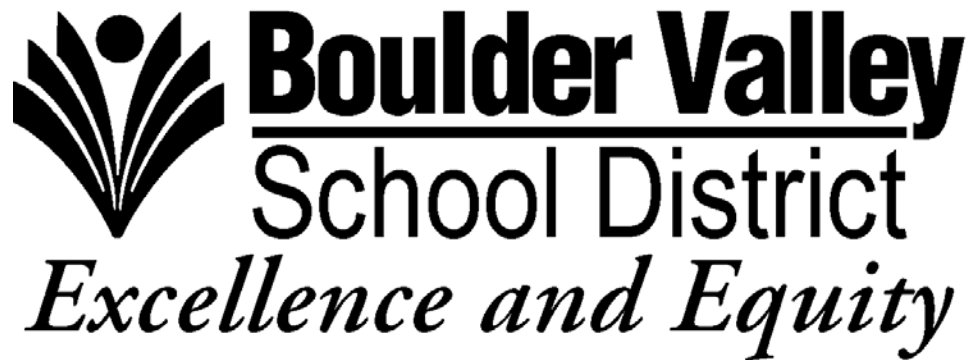


Boulder Valley School District RE-2



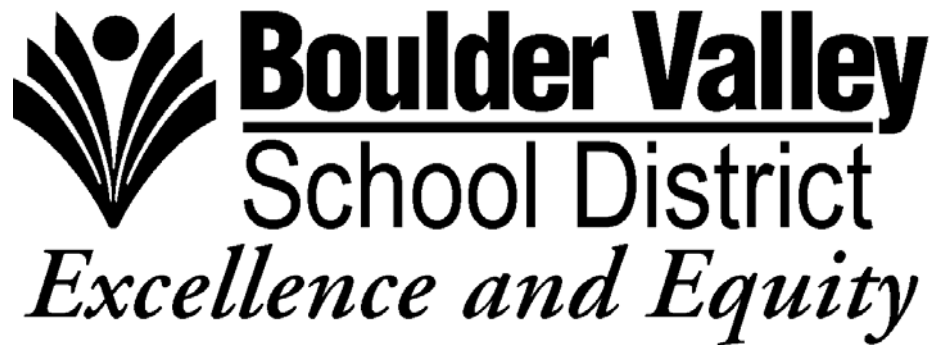
Comprehensive Annual Financial Report

For the fiscal year ending June 30, 2007

Boulder, Colorado

Boulder, Broomfield and Gilpin Counties

Boulder Valley School District RE-2



Comprehensive Annual Financial Report

For the fiscal year ending June 30, 2007

Boulder, Colorado

Boulder, Broomfield and Gilpin Counties

Prepared by: Finance and Accounting Services Department

Leslie A. Stafford, CPA

Finance and Accounting Services Department Director

Charles R. McElwain, CPA

Finance and Accounting Services Department Assistant Director

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INTRODUCTORY SECTION



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

Finance and Accounting Services

November 13, 2007

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

It is our pleasure to submit the Comprehensive Annual Financial Report of the Boulder Valley School District RE-2 for the fiscal year ended June 30, 2007. 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 2007 Comprehensive Annual Financial Report (CAFR) presentation is in compliance with the governmental financial reporting model established by the Governmental Accounting Standards Board (GASB) Statement No. 34 titled *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. Accounting and financial reporting for state and local governments previously focused on funds to demonstrate fiscal accountability. The GASB No. 34 reporting model parallels private sector reporting by consolidating fund-based presentations into government-wide financial statements designed to ensure and demonstrate fiscal and operational accountability.

Swanhorst & Company LLC, Certified Public Accounts, have issued an unqualified ("clean") opinion on the Boulder Valley School District RE-2's financial statements for the year ended June 30, 2007. The independent auditor's report is located at the front of the financial section of this report.

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

The Comprehensive Annual Financial Report is presented in four sections:

1. **Introductory Section:** This section contains the letter of transmittal introducing the District's financial statements, a listing of Board of Education members, an organization chart and list of principal officials.
2. **Financial Section:** This section contains the independent auditor's report, management's discussion and analysis, the basic financial statements, notes to the financial statements, required supplementary information, notes to required supplementary information, and combining and individual fund statements and schedules.
3. **Statistical Section:** This section contains various tables containing financial trends, revenue capacity, debt capacity, and demographic and economic information.
4. **Compliance Section:** The section contains the independent auditor's report on federal awards, the schedule of federal awards, reports on compliance and internal controls, as required by the Federal Office of Management and Budget, Circular A-133. This section also contains the District's automated data exchange (ADE) report of electronic financial data integrity check figures for fiscal year 2006/07 as required by the Colorado Department of Education.

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 in the foothills of the Rocky Mountains twenty miles northwest of Denver. Boulder Valley's boundaries encompass approximately 500 square miles in Boulder, Broomfield and Gilpin Counties and contain a population of approximately 211,000. The communities of Boulder, Broomfield, Louisville, Lafayette, Superior, Nederland, Ward, Jamestown, Gold Hill and Erie are served. For the 2006/07 school year, the District's total enrollment and student full time equivalent was 28,194 and 26,914 respectively.

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

Five charter schools are included as component units of the Boulder Valley School District RE-2 for the 2007 CAFR: Boulder Preparatory High School, Horizons K-8 Alternative School, Peak to Peak K-12 Charter School, Summit Charter School and Justice High Charter School.

Economic Conditions and Outlook

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

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 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.

Boulder County, where the school district is centered, is roughly twenty miles northwest of Denver. The City of Boulder is home to the University of Colorado, Boulder Campus, and a significant stabilizing force for the local economy. Other major employers in the area include IBM Corporation, Sun Microsystems Inc, Level 3 Communications, and numerous other smaller software, research, manufacturing and pharmaceutical firms. The City of Boulder is home to a campus of the National Institute of Standards and Technology, the National Center for Atmospheric Research, and the University Corporation for Atmospheric Research and other Federal research laboratories.

According to U.S. Bank's Colorado Economic Forecast 2007, "the outlook for the U.S. and Colorado economies is dependent upon a number of variable factors, but economists are reporting an expected recession to be underway before the end of the year. We are near the end of the fifth year of economic expansion (the last recession ended in November 2001). The average post-World War II expansion lasted 57 months, about where we are today. Factors that will likely contribute to the recession include higher long-term interest rates, rising energy prices, and/or the burst of the housing bubble."

"Colorado's unemployment rate dropped from 5.0% in 2005 to 4.6% in 2006, but is expected to rise slightly to 4.8% in 2007. Employment growth will slow from 2.2% in 2006 to 2.1% in 2007. Mining continues to be a strong part of the Colorado economy. Colorado is not experiencing a full-fledged energy boom such as occurred in the 1980s, but a 'boomlet' is clearly underway. This impact remains localized though, primarily in western and northeastern parts of the state."

"After remaining below the national average for several years, inflation in the Denver-Boulder metro area will average 3.1% in 2007, higher than the U.S. rate. A stronger

housing market will be the biggest factor. Since prices have not risen as much as in many other parts of the country, they do not have as far to fall before equilibrium is reached.”

“The recession is expected to continue through most of 2008. Growth will not resume until consumers get their debt under control and foreclosures, housing prices and housing inventories decline. We continue to forecast a relatively hard landing for the U.S. and Colorado economies.”

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 controls, 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, 2007 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.
- The General Operating Fund budget will be developed on a generally accepted accounting principles (GAAP) basis.

At June 30, 2007, the District is in compliance with all provisions of this policy.

Capital Projects Bond Election

On November 6, 2006, voters approved the sale of \$296,800,000 in general obligation bonds to be used to fund critical repairs and capital improvements to the District's infrastructure as noted in the District's May 2006 Educational Facilities Master Plan. The projects will be completed in three phases with Phase 1 projects beginning in April 2007. General obligation bonds will be issued in three phases to coincide with the project schedule.

On February 27, 2007 the District sold general obligation bonds totaling \$120,000,000 with a true interest cost of 4.242% to fund Phase 1 projects. At the time of this issue, the District's bond ratings were as follows: Fitch Ratings and Standard & Poor's, "AA" and Moody's Investors Service, "Aa2."

The District projects that the remaining bonds will be sold in two issues, \$100,000,000 in 2009 and \$76,800,000 in 2012.

Transportation Override Election

On November 1, 2005, voters approved a mill levy override to pay for excess transportation costs not reimbursed by the State of Colorado. The ballot question includes a maximum levy of \$7.3 million to allow for a projected 10 years of growth. For the 2005-06 fiscal year, only \$4.2 million is eligible for reimbursement through the state formula.

Of this amount, \$2.5 million will be used to establish a four-year replacement cycle for the district's 8,700 computers; most of which are located in classrooms and schools. The balance of funds, \$1.7 million, will be used for other high value needs and critical programs as determined by the Board of Education.

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, 2007, totaled \$3,629,865.

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, 2007, the District borrowed a total of \$41,058,138 from this program. All funds were repaid to the State Treasury by May 11, 2007.

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.

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

Change in Leadership

On August 8, 2006 Superintendent George F. Garcia, Ed.D, announced his intention to retire from the District effective July 31, 2007, the end of his current contract. During the past six years of Dr. Garcia's leadership, the District has:

- Consistently ranked in the top three to five school districts out of Colorado's 178 districts in academic achievement and school accountability.
- Been placed on a sound financial footing in the face of ongoing difficult budget challenges for educational funding in Colorado.
- Institutionalized the achievement of excellence and equity in the fabric of District policy and goals.
- Reduced its Latino dropout rate by 50% from 6% to 3% while consistently reducing the overall achievement gap between minority and majority students.

On March 20, 2007, the Board of Education announced the appointment of Dr. Christopher D. King, the District's current Deputy Superintendent for Educational Programs, to be its new Superintendent as of July 1, 2007.

Awards

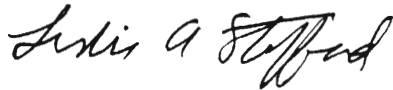
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Boulder Valley School District RE-2 for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2006. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

In addition, the Boulder Valley School District RE-2 also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning July 1, 2006. In order to qualify for the Distinguished Budget Presentation Award, the government's budget had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

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. Christopher D. King, Superintendent of Schools, 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

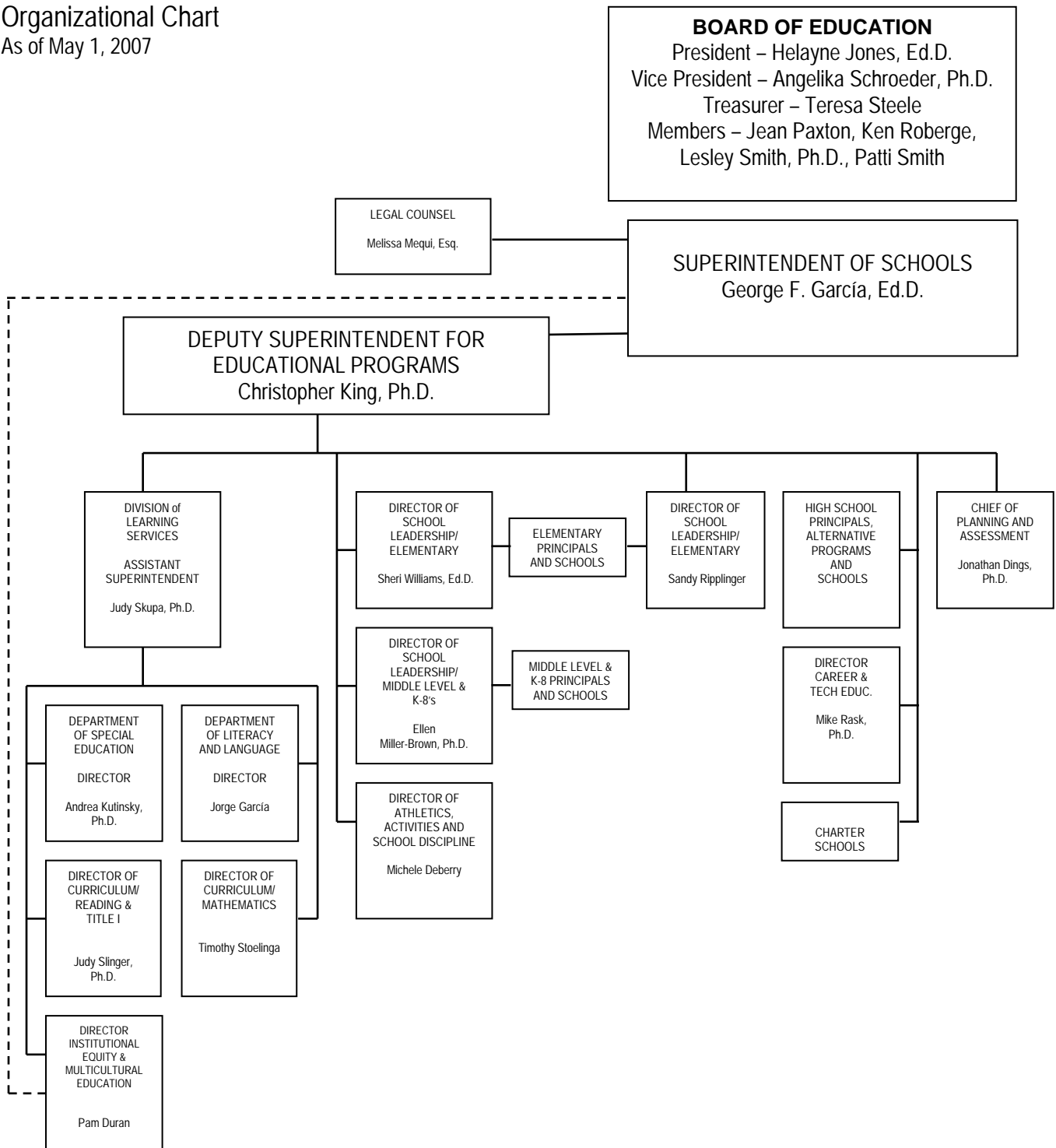
BOULDER VALLEY SCHOOL DISTRICT RE-2

BOARD OF EDUCATION MEMBERS

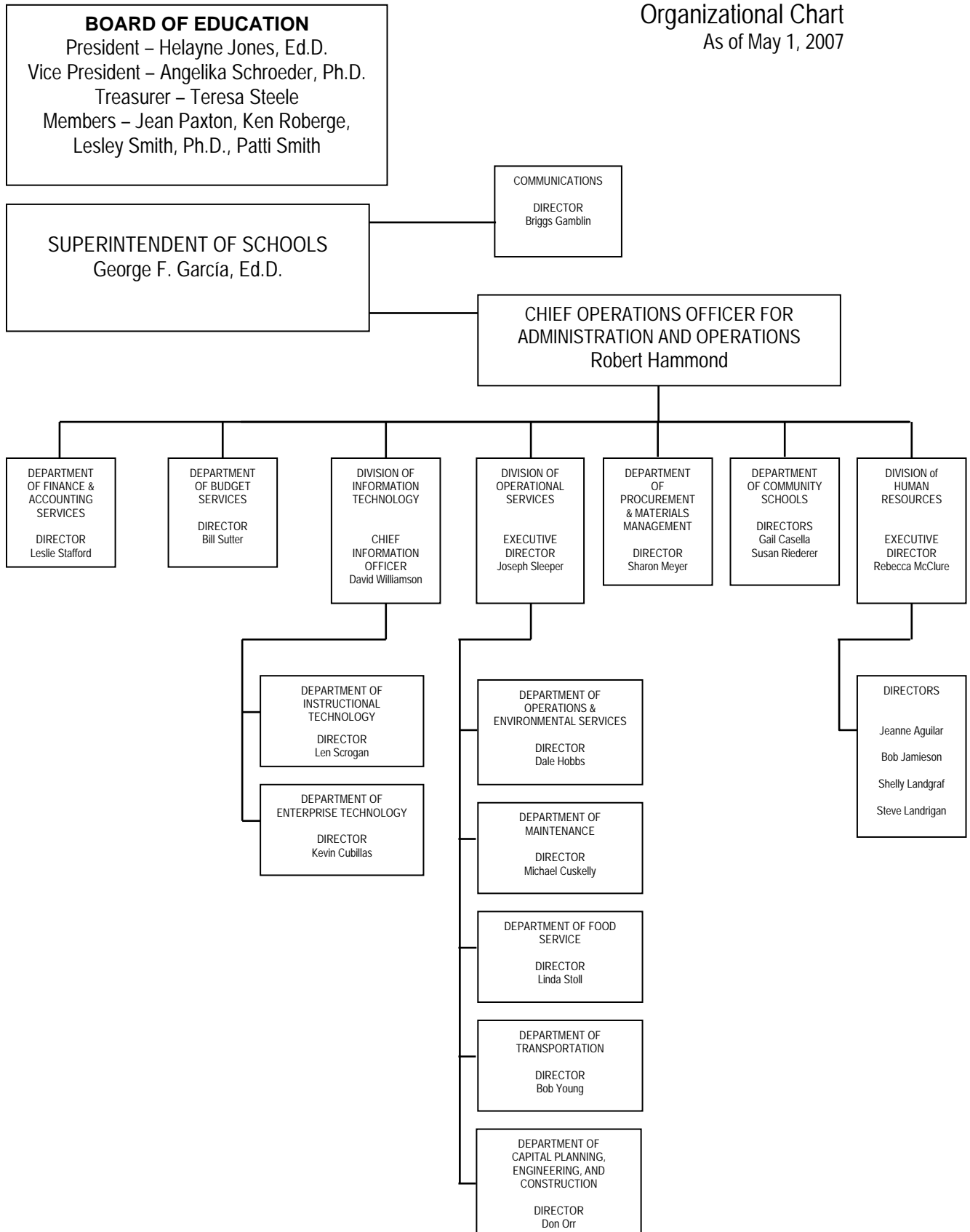
The registered electors of the District elect the seven members of the Board at successive biennial elections to staggered four-year terms of office. The Board is a policy-making body whose primary functions are to establish policies for the District; provide for the general operation and personnel of 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>
Helayne Jones, Ed.D.	President	4	November 2007
Angelika Schroeder, Ph.D.	Vice-President	8	November 2007
Teresa Steele	Treasurer	8	November 2007
Jean Paxton	Director	6	November 2009
Ken Roberge	Director	4	November 2007
Lesley Smith, Ph.D.	Director	2	November 2009
Patti J. Smith	Director	2	November 2009

Boulder Valley School District
Organizational Chart
As of May 1, 2007



Boulder Valley School District
Organizational Chart
As of May 1, 2007



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 retired from the District on July 31, 2007.

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.

Christopher D. King, Deputy Superintendent For Educational Programs

Dr. King has served as Deputy Superintendent for Educational programs in Boulder Valley School District RE-2 since July 2005. Previously he served for four years as an assistant superintendent in the District, and for four years prior to that as the principal of Boulder High School. Dr. King received his Ph.D. from the University of Colorado-Denver in Educational Leadership in 1996; his M.A., from CU-Boulder, is in Journalism and Mass Communications, and his B.A. is from Fort Lewis College in English.

Dr. King was appointed Superintendent of Schools effective July 1, 2007.

Robert B. 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.

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Boulder Valley School
District RE-2, Colorado

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2006

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



President

Executive Director

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, 2007, which collectively comprise the basic financial statements of the Boulder Valley School District RE-2, as listed in the table of contents. These financial statements are the responsibility of the Boulder Valley School District RE-2's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and 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, 2007, 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 November 2, 2007, 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 sections listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

November 2, 2007

Management's Discussion and Analysis

As management of the Boulder Valley School District RE-2 (the District), we offer readers of the District's Comprehensive Annual Financial Report this narrative and analysis of the financial activities of the District for the fiscal year ended June 30, 2007. 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, 2007:

- The primary government has government-wide net assets of \$107,591,077.
- Governmental activities have an unrestricted net assets surplus of \$20,535,493.
- Business-type activities have an unrestricted net assets surplus of \$190,339.
- Fund balance of the District's governmental funds increased by \$133,624,478 resulting in an ending fund balance of \$176,041,440. This is due primarily to unspent bond proceeds accounted for in the Building Fund.
- The Combined General Fund ending balance increased by \$5,042,117 to \$28,591,356 primarily because of funding increases in state categorical revenues, increases in local property tax collections, increases in state equalization revenues, decreases in salary and benefit costs compared to budget amounts, and unexpended budget amounts identified for carryover into the 2007-08 fiscal year.
- The District's long-term general obligation debt had a net increase of \$112,625,000 to \$245,875,000. This is the result of the issuance of \$120,000,000 of general obligation bonds and \$7,375,000 of current year principal payments on other outstanding bonds.

Overview of the Financial Statements

Management's discussion and analysis is intended to serve as an introduction to the Boulder Valley School District RE-2's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements 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 (consisting of the General Operating Fund, Risk Management Fund, Technology Fund, Athletics Fund, Community Schools Fund, Tuition Preschool Fund, and Colorado Preschool Fund,) Governmental Designated-Purpose Grants Fund, Transportation Fund, Capital Reserve Fund, Building Fund, Dental Insurance Fund and Bond Redemption Fund. Business-type activities include 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 five charter schools (known as component units). Financial information for the charter schools is presented separately from the primary government because the charter schools are legally separate from the District but are financially accountable to the District and provide service to the District's students.

The government-wide financial statements can be found on pages 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 three governmental funds called major funds: the General Fund (which combines the District's General Operating Fund, Risk Management Fund, Technology Fund, Athletics Fund, Community Schools Fund, Tuition Preschool Fund and the Colorado Preschool and Kindergarten Fund,) the Bond Redemption Fund and the Building Fund. They are presented separately in the fund financial statements with the remaining governmental funds (combined into a single aggregated presentation labeled other governmental funds). Other governmental funds, called non-major funds, include the Governmental Designated-Purpose Grants Fund, the Transportation 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 the fund financial statements 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.

The basic governmental fund financial statements can be found on Pages 3-5 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 to account for employee benefits for dental insurance.

The basic proprietary fund financial statements can be found on pages 6-8 of this report.

Fiduciary Funds

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

The basic fiduciary fund financial statements can be found on pages 9-10 of this report.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements can be found on pages 11-27 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also contains other required supplementary information. This includes a Budgetary Comparison Schedule for the General Fund and Notes to Required Supplementary Information. Required supplementary information can be found on pages 28-29 of this report.

The Combining and Individual Fund Statements and Schedules follow the Required Supplementary Information. These statements and schedules can be found on pages 30-50 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The assets of the primary government exceed liabilities by \$107,591,077 with an unrestricted balance of \$20,725,832 at June 30, 2007.

The largest portion of the District's net assets (50.1%) represent its investment in capital assets (e.g. land, land improvements, buildings, equipment, and vehicles), less related debt used to acquire these assets that is still outstanding. The District uses these capital assets to provide services to its constituents; consequently these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets cannot be liquidated to pay the debt.

An additional portion of the District's net assets (30.6%) are subject to external restrictions on how they may be used. The remaining amount of net assets (19.3%) is available to fund the District's ongoing programs.

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

	Governmental Activities		Business-type Activities		Total	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Current and other assets	\$208,161,958	\$73,040,490	\$612,328	\$818,594	\$208,774,286	\$73,859,084
Capital assets	<u>185,693,977</u>	<u>190,418,179</u>	<u>217,527</u>	<u>241,459</u>	<u>185,911,504</u>	<u>190,659,638</u>
Total Assets	393,855,935	263,458,669	829,855	1,060,053	394,685,790	264,518,722
Long-term liabilities	254,581,694	140,760,614	-	-	254,581,694	140,760,614
Other liabilities	<u>32,254,266</u>	<u>28,037,577</u>	<u>258,753</u>	<u>178,276</u>	<u>32,513,019</u>	<u>28,215,853</u>
Total Liabilities	286,835,960	168,798,191	258,753	178,276	287,094,713	168,976,467
Net assets						
Investment in capital assets						
net of related debt	53,686,966	51,647,224	217,527	241,459	53,904,493	51,888,683
Restricted for:						
Debt Service	23,429,867	16,089,932	-	-	23,429,867	16,089,932
Capital Projects	2,459,893	2,310,761	-	-	2,459,893	2,310,761
Multiple Year Obligations	200,000	200,000	-	-	200,000	200,000
Preschool Expenditures	81,096	60,112	-	-	81,096	60,112
Emergencies	6,626,660	6,252,163	163,236	156,368	6,789,896	6,408,531
Unrestricted	<u>20,535,493</u>	<u>18,100,286</u>	<u>190,339</u>	<u>483,950</u>	<u>20,725,832</u>	<u>18,584,236</u>
Total Net Assets	<u>\$107,019,975</u>	<u>\$94,660,478</u>	<u>\$571,102</u>	<u>\$881,777</u>	<u>\$107,591,077</u>	<u>\$95,542,255</u>

At the end of the current and prior fiscal year, the District is able to report positive balances in all three categories of net assets, both for the government as a whole, as well for its separate governmental and business-type activities.

The District's net assets increased by \$12,048,822; caused by governmental activities net assets increase of \$12,359,497 and business-type net assets decrease of \$310,675. The net increase is caused primarily by increase cash balances generated by the sales of general obligation bonds and the property tax collection cycle where the District receives over 60% of property tax revenues in the last three months of the District's fiscal year.

Government-wide Activities

Governmental activities increased the District's net assets by \$12,359,497. 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>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Revenues						
Charges For Services	\$10,466,889	\$9,226,204	\$3,486,250	\$3,371,042	\$13,953,139	\$12,597,246
Operating Grants/Contributions	20,948,003	19,442,789	1,828,748	1,669,144	22,776,751	21,111,933
General Revenues:						
Taxes:						
Local Property Taxes	164,129,499	154,646,048	-	-	164,129,499	154,646,048
Specific Ownership Taxes	11,108,990	10,887,850	-	-	11,108,990	10,887,850
State Equalization	58,089,462	51,919,871	-	-	58,089,462	51,919,871
Other Revenues	1,210,079	2,263,535	-	-	1,210,079	2,263,535
Investment Earnings	<u>3,629,865</u>	<u>1,192,940</u>	<u>-</u>	<u>-</u>	<u>3,629,865</u>	<u>1,192,940</u>
Total Revenue	269,582,787	249,579,237	5,314,998	5,040,186	274,897,785	254,619,423
Expenses						
Instruction	162,839,335	159,937,412	-	-	162,839,335	159,937,412
Supporting Services	85,954,536	76,041,071	-	-	85,954,536	76,041,071
Interest Expense	8,429,419	6,732,020	-	-	8,429,419	6,732,020
Food Services	<u>-</u>	<u>-</u>	<u>5,625,673</u>	<u>5,211,811</u>	<u>5,625,673</u>	<u>5,211,811</u>
Total Expenses	257,223,290	242,710,503	5,625,673	5,211,811	262,848,963	247,922,314
Change in net assets	12,359,497	6,868,734	(310,675)	(171,625)	12,048,822	6,697,109
Net Assets - Beginning	<u>94,660,478</u>	<u>87,791,744</u>	<u>881,777</u>	<u>1,053,402</u>	<u>95,542,255</u>	<u>88,845,146</u>
Net Assets - Ending	<u>\$107,019,975</u>	<u>\$94,660,478</u>	<u>\$571,102</u>	<u>\$881,777</u>	<u>\$107,591,077</u>	<u>\$95,542,255</u>

Governmental Activities

- Revenues from governmental activities increased from the prior year by \$20,003,550 or 8.01%. Local property taxes increased by \$9,483,451; \$6,416,452 of this increase is attributed to an increase in local property tax revenue from an increased Bond Redemption Fund mill levy, \$1,939,483 is attributed to a full year's collection of transportation mill levy override revenues in 2006-07 as opposed to a partial year's collection in 2005-06 and a \$1,838,092 increase in current collections of general fund property tax collections. State Equalization revenues provided by the School Finance Act increased by \$6,169,591. Investment earnings increased by \$2,436,925 due to higher investable cash balances and higher interest rates.
- Expenditures from governmental activities increased from the prior year by \$14,512,787 or 5.98%. This increase is due primarily to pay increases given to District employees, increased staffing numbers, increased employee benefit costs for health insurance, one-time capital reserve expenditures, increased interest expense from the 2007 general obligation bond issue and increased capital expenditures from the proceeds of the sale of general obligation bonds.

Enterprise Activities

- The \$310,675 decrease in net assets from enterprise activities is due to higher than expected labor and food costs.

Financial Analysis of the Government's Funds

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

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

The Combined General Fund is the major governmental fund of the District. The Combined General Fund under GASB 34 reporting requirements includes the General Operating Fund, Risk Management Fund, Technology Fund, Athletics Fund, Community Schools Fund, the Tuition Preschool Fund and the Colorado Preschool and Kindergarten Fund. As of June 30, 2007, the Combined General Fund shows an ending fund balance of \$28,591,356 up from the combined fund balance of \$23,549,239 for the prior year, an increase of \$5,042,117.

A Budgetary Comparison Schedule for the Combined General Fund is presented on page 28 of this document. There is a positive variance between final budgeted and actual revenue of \$3,456,816 or 1.54%. The majority of this variance is due to increased property tax collections over budgeted estimates and increased state equalization revenues based upon equalized specific ownership tax collections.

Expenditures vary from the final budget by \$23,507,694 or 9.87% of the final budget amount. This variance is caused primarily by budget reserves appropriated but not spent of \$17,527,349. The remaining variance is attributable to salary and benefit cost saving based upon attrition and expenditures budgeted for 2006-07, but not spent until 2007-08.

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 \$5,512,910 to a balance of \$26,592,527. Revenues increased by \$8,162,927, primarily due to increased property tax and specific ownership tax revenues of \$891,765, increased state equalization revenues provided by the School Finance Act and increased state categorical revenues of \$6,938,138 and increased investment earnings of \$369,664. Expenditures increased by \$6,374,958 due primarily to increased salary and benefit costs, including wage increases and increases in the cost of employee benefits for health insurance.

The Bond Redemption Fund had an increase in fund balance of \$7,392,345 to \$23,304,815. This increase is due primarily in increased property tax revenues needed to meet debt service obligations of new and existing general obligation bond issues.

The Building Fund ended the year with a fund balance of \$120,482,401. During the current year, the District issued \$120,000,000 in general obligation bonds in order to fund numerous capital improvement projects. Fund balance will decrease over the next two years as capital improvement projects are completed.

General Operating Fund Budgetary Highlights

The 2006/07 budget process began with the development of a calendar as presented to the Board of Education in December of 2005.

The Superintendent conducted budget information forums at selected schools sites in January and February, 2006. Two publications, titled "Budget Perspectives" and "Directing Resources Toward Student Achievement", were developed by the Budget Services Department to inform school staff, parents and the community at large about school finance in Colorado and the budget process within the District. A video of the Superintendent's presentation of this information was also distributed to schools for staff and parent group discussion.

During the months of February and March, the Superintendent conducted budget hearings with all schools as well as central departments with critical District-wide issues. The major themes that were heard in these hearings were used in developing the 2006-07 Proposed Budget and included:

What programs/services are essential?

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

What are the impacts of past reductions?

- Previous cuts to central and support services have had a negative impact on schools. Examples include literacy coaches, custodians and maintenance services.

A budget work session was held with the Board of Education on April 18, 2006. This work session reviewed the assumptions and projections for 2006-07 and identified the following District issues:

- Employee Compensation
- Maintain Student Achievement
- Close Achievement Gap
- Critical District Needs
- Legislative Actions
- Other District Funds

After reviewing the input from the Board of Education, the budget hearings, the enrollment projections and the most current revenue assumptions, the Superintendent and his senior staff prepared a preliminary budget guided by the priorities outlined in the District's strategic plan. The preliminary budget was presented to the Board of Education on April 25, 2006. A public input session, hosted by the District Accountability Committee was conducted on April 27, 2006 at Platt Middle School. This meeting provided an opportunity for the general public to listen to a presentation by the Superintendent on the preliminary budget and ask questions regarding budget development and provide input.

After the presentation of the 2006-07 Proposed Budget on May 23, 2006, the Board of Education continued discussions at the scheduled Board meetings until adoption of the 2006-07 budget at the June 13, 2006 meeting. Some minor adjustments, generally related to the finalization of the staff negotiations process, were included in the final adopted budget. The Board of Education meetings between April and June provided an opportunity for the general public to contribute direct input to the Board regarding the budget as Agenda item IV at each meeting is set aside for public participation. Each speaker is allotted two minutes to discuss topics of interest to the individual. The Board of Education takes public comments into consideration during the budget development process.

The final phase of budget development was the modification of the June adopted budget based on final 2005-06 financial data and updated enrollment information gained from the first month of school. 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, as well as adopt a supplemental budget to cover the portion of the fiscal year following a referendum election. The Board of Education adopted a Revised Budget based on the new information as described above on October 10, 2006 and a Supplemental Budget on January 23, 2007 as a result of the successful passage of the bond issue approved by the voters on November 7, 2006.

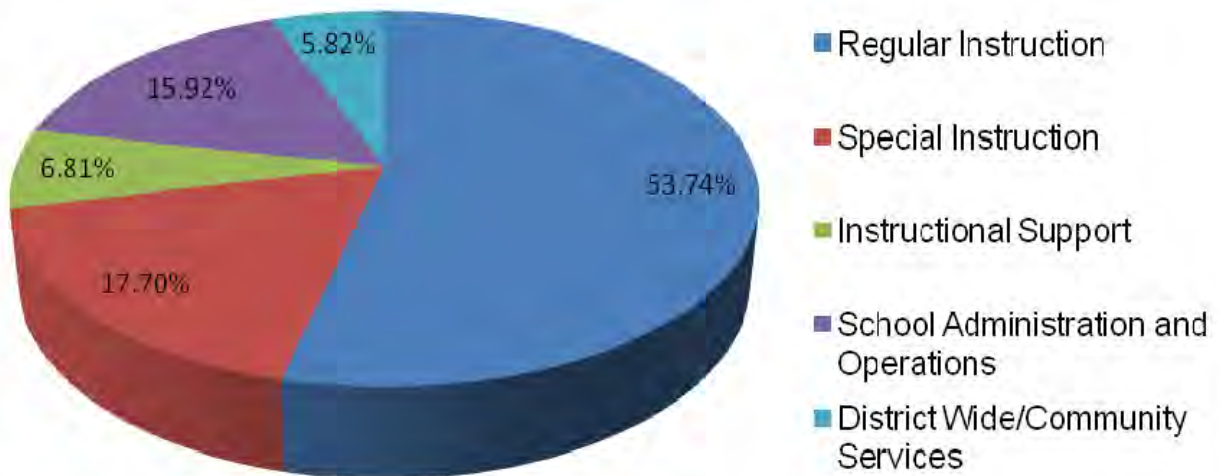
General Operating Fund Expenditure Highlights

General operating fund spending in 2006-07 provided for the continuation of district programs and services. General Operating Fund expenditures by function is shown in the following chart. 78.26% of expenditures are instruction related; regular program instruction, special program instruction, and direct instructional support; 15.92% of expenditures are for school administration, operations and maintenance of District facilities and 5.82% of expenditures are for District wide services and community obligations. Additionally, the District has spent a minimum of 73.63% of General Operating Fund dollars on Instruction-related programs over the past five fiscal years. These spending trends will continue for the next few fiscal years.

Spending Your Boulder Valley School District RE-2 Dollar

<u>Function</u>	<u>June 30, 2007</u>	<u>Percent</u>
Regular Instruction		
Regular Instruction	\$107,883,580	53.74%
Special Instruction		
Special Education	25,630,129	
Vocational Education	2,878,442	
Co-curricular Education	956,134	
Literacy & Language Support Services	4,955,056	
Talented and Gifted Education	<u>1,117,821</u>	
Sub-Total Special Instruction	35,537,582	17.70%
Instructional Support		
Student Services	5,488,238	
Instructional Staff Support	<u>8,188,285</u>	
Sub-Total Instructional Support	<u>13,676,523</u>	<u>6.81%</u>
Sub-Total Instruction	\$157,097,684	78.26%
School Administration and Operations		
School Administration	15,241,340	
Operations and Maintenance	<u>16,725,852</u>	
Sub-Total School Administration and Operations	31,967,192	15.92%
District Wide/Community Services		
General Administration	3,055,071	
Business Services	2,121,958	
Central Services	5,721,429	
Community Services	79,148	
Debt Services	<u>702,132</u>	
Sub-Total District Wide/Community Services	11,679,738	5.82%
Total General Operating Fund Expenditures	<u>\$200,744,615</u>	<u>100.00%</u>

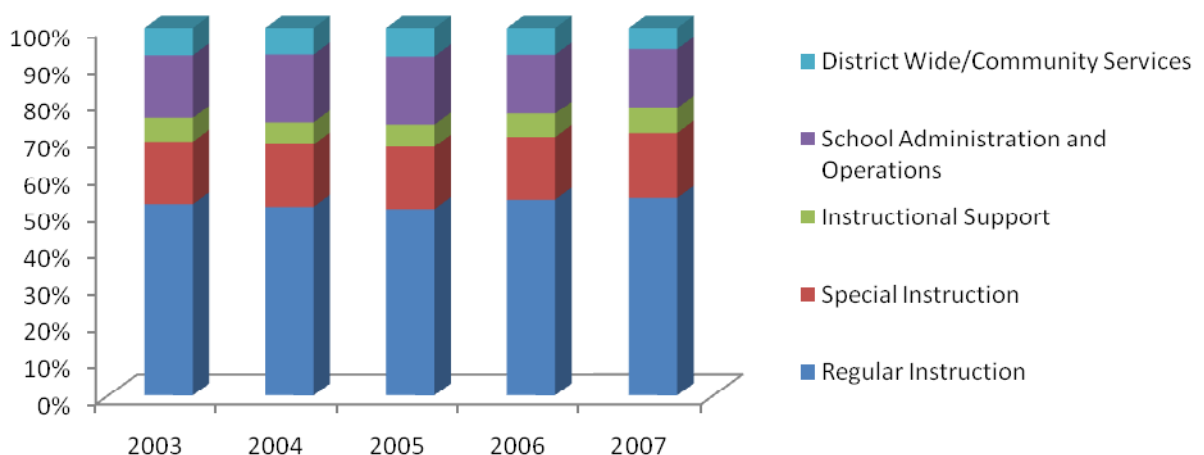
2007 Expenditures by Function



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

	2003	2004	2005	2006	2007
Regular Instruction	52.05%	51.36%	50.72%	53.29%	53.74%
Special Instruction	17.01%	16.96%	16.98%	17.04%	17.70%
Instructional Support	6.41%	5.94%	5.93%	6.34%	6.81%
Sub-total Instruction	75.47%	74.26%	73.63%	76.67%	78.26%
School Administration and Operations	17.02%	18.46%	18.56%	16.01%	15.92%
District Wide/Community Services	7.51%	7.28%	7.81%	7.32%	5.82%
Sub-total Support	24.53%	25.74%	26.37%	23.33%	21.74%
Total	100.00%	100.00%	100.00%	100.00%	100.00%

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



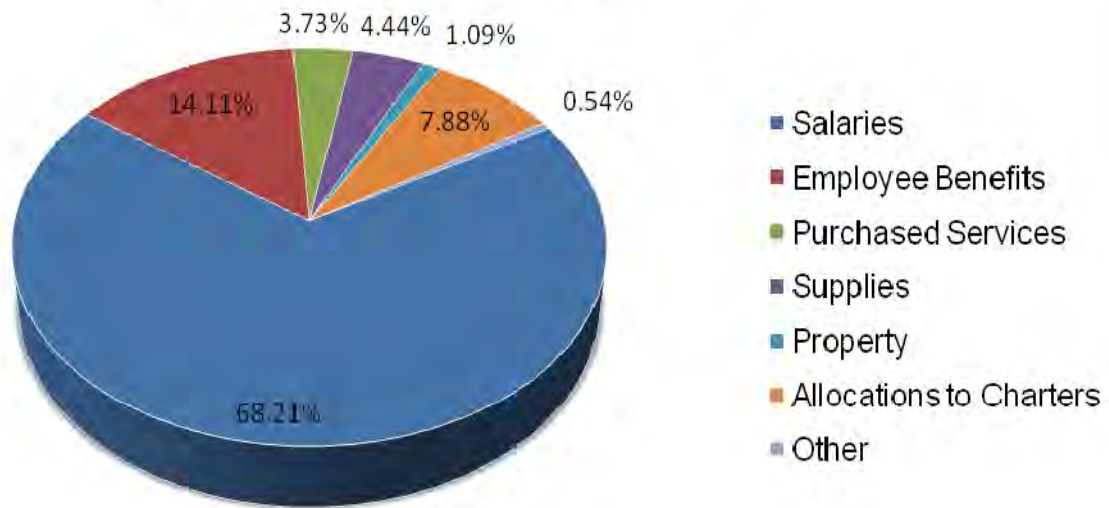
General Operating Fund expenditures by object is shown in the following charts. For the 2006-07 fiscal year, 82.32% of expenditures are for salary and benefit costs, 9.80% are for non-personnel costs and 7.88% are for allocations to District charter schools.

Salary and benefit costs will continue to be the major spending category in the General Operating Fund in the future. While the number of authorized positions in the General Operating Fund have increased minimally by only 40 full time equivalent positions from 2003-04 to 2007-08, wage rates have increased approximately 10% during that time. Additionally, the cost of District paid health insurance benefits have increased over 27% during the same time period.

General Operating Fund Expenditures by Object

<u>Object</u>	<u>June 30, 2007</u>	<u>Percent</u>
Personnel Costs:		
Salaries	\$ 136,930,622	68.21%
Employee Benefits	28,324,796	14.11%
Subtotal	\$ 165,255,418	82.32%
Non-Personnel Costs:		
Purchased Services	\$ 7,477,951	3.73%
Supplies	8,916,182	4.44%
Property	2,192,858	1.09%
Other	1,090,795	0.54%
Subtotal	\$ 19,677,786	9.80%
Operating Expenditures	\$ 184,933,205	92.12%
Allocations to Charters	\$ 15,811,410	7.88%
Total Expenditures	\$ 200,744,615	100.00%

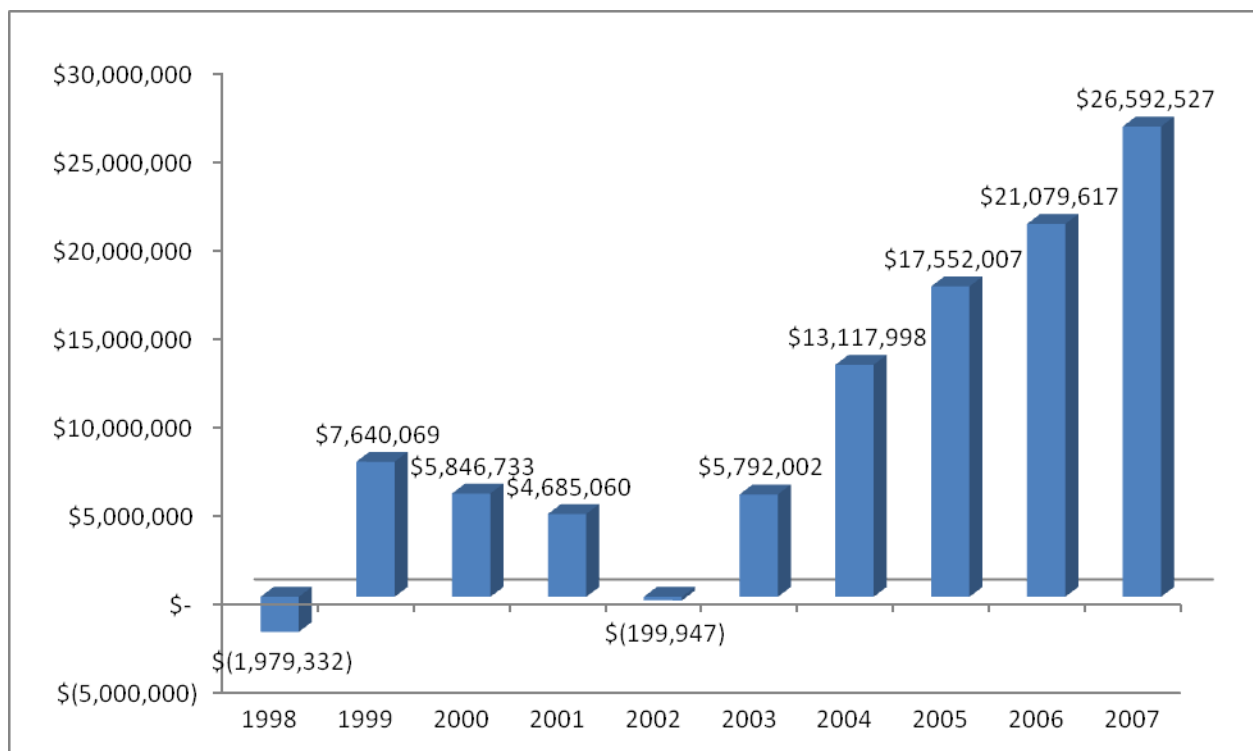
2007 Expenditures by Object



Combined General Fund Fund Balance Analysis

An analysis of the District's Combined General Fund fund balance is shown in the following chart. Over the 10 year period 1997-98 to 2006-07, the Combined General Fund fund balance has increased from \$(1,979,332) to \$26,592,527.

Ten Year Comparison of General Operating Fund Fund Balance



There are many factors that caused this increase. First, the Colorado School Finance Act allows school districts to pass mill levy override elections up to a maximum of 20% of total program funding. The District passed mill levy override elections in November 1991, November 1998 and November 2002 of \$7,062,468, \$10,600,000 and \$15,000,000 respectively. With the 1998 Referendum, a stabilization fund was established to fund the growing personnel costs that were expected to exceed the fixed revenue stream over time. This fund was continued and supplemented with the 2002 referendum. It was the District's budget philosophy to spend 100% of each override on new programs and then ask the voters for additional revenues when the fund was depleted. This trend can be seen in the graph above between 1998 and 2003 when fund balance declined as expenditures exceeded revenues except in the year following the passage of a mill levy override. With Colorado's financial issues and the District's stagnant enrollment, the District changed this philosophy, halting the use of fund balance for ongoing costs and used the existing stabilization fund to fully fund GAAP budgeting as part of the establishment of Board Policy DB.

The second factor causing the increase in fund balance is the passage of Board Policy DB. 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.
- The General Operating Fund budget will be developed on a generally accepted accounting principles (GAAP) basis.

During the development of the 2007-08 budget, the uses of the \$26,592,527 ending fund balances are as follows:

Required Reserves:	
Contingency reserve	\$ 5,925,036
TABOR reserve	5,925,036
Other required reserves	1,708,088
Sub-total	<u>13,558,160</u>
One-time Expenditures	
Restricted funds carryover	1,548,917
Funds to be used to establish Health Insurance Internal Service Fund	4,100,000
Funds identified to be spent in the 2007-08 budget	4,241,643
Available for one-time expenditures	<u>3,143,807</u>
Sub-total	<u>13,034,367</u>
Grand Total	<u><u>\$26,592,527</u></u>

Capital Assets and Debt Administration

The District's investment in capital assets for its governmental and business-type activities as of June 30, 2007 and 2006 are \$185,229,850 and \$190,659,638 respectively.

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

	<u>June 30, 2007</u>	<u>June 30, 2006</u>
Governmental Activities		
Land	\$ 2,802,833	\$ 2,802,833
Construction in Progress	1,686,819	-
Land Improvements	5,324,193	5,434,850
Buildings	169,583,729	175,992,742
Equipment	794,899	774,270
Vehicles	<u>4,819,850</u>	<u>5,413,484</u>
Sub-total	185,012,323	190,418,179
Business-type Activities		
Equipment	<u>217,527</u>	<u>241,459</u>
Grand Total	<u>\$ 185,229,850</u>	<u>\$ 190,659,638</u>

During the 2006-07 fiscal year, the District began working on Phase I infrastructure projects using proceeds of the 2007 General Obligation Bond Issue. These projects were identified in the District's May 2006 Educational Facilities Master Plan. \$1,686,819 was spent on these projects through June 30, 2007.

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

At June 30, 2007, the District had total bonded debt outstanding of \$245,875,000 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 \$5,300,000 and \$2,093,084 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, 2007</u>	<u>June 30, 2006</u>
General Obligation Bonds	\$ 245,875,000	\$ 133,250,000
Certificates of Participation	5,300,000	5,805,000
Compensated Absences	<u>2,093,084</u>	<u>1,781,616</u>
Total	<u>\$ 253,268,084</u>	<u>\$ 140,836,616</u>

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

The District's long-term debt increased primarily as a result of the issuance of \$120,000,000 of general obligation bonds on February 29, 2007. The bonds were part of an authorized \$296,800,000 ballot issue which was approved by voters on November 6, 2006.

Economic Factors and Next Year's Budget

Over 80% of the General Operating Fund revenues come from state level decisions. The Colorado State Legislature approved School Finance Act (SFA) funding that increased the statewide base by 4.6%. This included an inflationary increase of 3.6% plus 1%. This funding level reflects the mandate approved with the passage of Amendment 23 to the Colorado Constitution in November of 2000. Amendment 23 guarantees annual funding increases of inflation plus one percent for ten years and subsequent increases equal to inflation. The projected School Finance Act per pupil revenue for 2007-08 for the District is \$6,606. Total Program funding, defined by the School Finance Act, is projected to be \$178,657,353. However the timing of tax collections over two fiscal years will result in approximately \$800,000 less revenue in 2007-08 from the state determined per pupil revenues.

2007-08 enrollment projections indicated a slight increase of 0.47% across the District. Projected charter school growth of 2.50% is driven by continued growth until contract maximums are reached. Subsequently, non-charter schools are expected to increase by 0.30%, or 75.5 FTE when compared to the 2006-07 unaudited actual student FTE, continuing the trend of stable enrollment for the past five years.

It should be noted that the District continues to attract a significant number of students from outside its boundaries; almost 6.6% for the 2006-07 year. This enrollment cannot be guaranteed in the future as neighboring districts grow and build new school facilities.

The total number of District students is projected to increase by 119 from the October 1, 2006 pupil count. For the Funded Pupil Count, half-time students are counted as 0.5 FTE. In 2007-08, the Total Student FTE is estimated to be 27,041.0, an increase of 127.0 FTE.

The projected stable enrollment into the near future poses many challenges for the District. The Colorado School Finance Act rewards enrollment growth and softens the blow when districts experience declining enrollment. However, when a district's enrollment remains stable, additional per pupil revenues are generated only through the 'inflation plus 1%' formula required by Amendment 23. This funding is often not enough to meet rising costs and state or federal mandated programs. Additionally, as these overall stable student populations shift between grades and programs, a review of resource allocations between programs is necessary to determine the adjustments necessary to address the needs of those shifting student populations without significant additional resources.

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, 2007

	PRIMARY GOVERNMENT			COMPONENT
	GOVERNMENTAL	BUSINESS-TYPE		UNITS
	ACTIVITIES	ACTIVITIES	TOTAL	CHARTER
				SCHOOLS
ASSETS				
Cash and Investments	\$ 77,922,908	\$ 191,798	\$ 78,114,706	\$ 5,733,257
Restricted Cash and Investments	122,490,272	-	122,490,272	2,956,599
Accounts Receivable	607,331	-	607,331	58,115
Taxes Receivable	4,150,713	-	4,150,713	-
Grants Receivable	2,337,688	221,467	2,559,155	-
Inventories	520,824	199,063	719,887	4,168
Prepaid Expenses	132,222	-	132,222	-
Debt Issuance Costs, Net of Accumulated Amortization	681,654	-	681,654	619,373
Capital Assets, Not Being Depreciated	4,489,652	-	4,489,652	1,103,000
Capital Assets, Net of Accumulated Depreciation	180,522,671	217,527	180,740,198	12,923,011
TOTAL ASSETS	393,855,935	829,855	394,685,790	23,397,523
LIABILITIES				
Accounts Payable	4,090,146	2,519	4,092,665	-
Accrued Liabilities	5,124,475	93,693	5,218,168	125,513
Accrued Salaries and Benefits	20,457,803	162,541	20,620,344	623,563
Accrued Interest Payable	2,028,057	-	2,028,057	426,278
Deferred Revenues	553,785	-	553,785	63,124
Noncurrent Liabilities				
Due Within One Year	11,369,654	-	11,369,654	439,948
Due in More Than One Year	243,212,040	-	243,212,040	18,288,070
TOTAL LIABILITIES	286,835,960	258,753	287,094,713	19,966,496
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	53,686,966	217,527	53,904,493	(4,082,634)
Restricted for Debt Service	23,429,867	-	23,429,867	2,956,599
Restricted for Capital Projects	2,459,893	-	2,459,893	-
Restricted for Multiple Year Obligations	200,000	-	200,000	-
Restricted for Colorado Preschool Program	81,096	-	81,096	-
Restricted for Emergencies	6,626,660	163,236	6,789,896	414,254
Unrestricted	20,535,493	190,339	20,725,832	4,142,808
TOTAL NET ASSETS	\$ 107,019,975	\$ 571,102	\$ 107,591,077	\$ 3,431,027

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

BOULDER VALLEY SCHOOL DISTRICT RE-2

STATEMENT OF ACTIVITIES

Year Ended June 30, 2007

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES	
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS
PRIMARY GOVERNMENT			
Governmental Activities			
Instruction	\$ 162,839,335	\$ 729,238	\$ 15,124,371
Supporting Services	85,954,536	9,737,651	5,823,632
Interest Expense	8,429,419	-	-
Total Governmental Activities	257,223,290	10,466,889	20,948,003
Business-Type Activities			
Food Services	5,625,673	3,486,250	1,828,748
Total Business-Type Activities	5,625,673	3,486,250	1,828,748
TOTAL PRIMARY GOVERNMENT	\$ 262,848,963	\$ 13,953,139	\$ 22,776,751
COMPONENT UNITS			
Charter Schools	18,077,673	994,484	1,101,965
TOTAL COMPONENT UNITS	\$ 18,077,673	\$ 994,484	\$ 1,101,965
GENERAL REVENUES			
Local Property Taxes			
Specific Ownership Taxes			
State Equalization			
State Capital Construction Funding			
Investment Earnings			
Other			
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
\$ (146,985,726)	\$ -	\$ (146,985,726)	\$ -
(70,393,253)	-	(70,393,253)	-
(8,429,419)	-	(8,429,419)	-
(225,808,398)	-	(225,808,398)	-
-	(310,675)	(310,675)	-
-	(310,675)	(310,675)	-
(225,808,398)	(310,675)	(226,119,073)	-
-	-	-	(15,981,224)
-	-	-	(15,981,224)
164,129,499	-	164,129,499	2,476,404
11,108,990	-	11,108,990	-
58,089,462	-	58,089,462	-
-	-	-	371,947
3,629,865	-	3,629,865	178,056
1,210,079	-	1,210,079	13,892,941
238,167,895	-	238,167,895	16,919,348
12,359,497	(310,675)	12,048,822	938,124
94,660,478	881,777	95,542,255	2,492,903
\$ 107,019,975	\$ 571,102	\$ 107,591,077	\$ 3,431,027

BOULDER VALLEY SCHOOL DISTRICT RE-2

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2007

	<u>GENERAL</u>	<u>BOND REDEMPTION</u>	<u>BUILDING</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL</u>
ASSETS					
Cash and Investments	\$ 50,009,553	\$ 22,979,222	\$ -	\$ 4,016,105	\$ 77,004,880
Restricted Cash and Investments	819,334	-	121,670,938	-	122,490,272
Accounts Receivable	403,938	66,463	136,930	-	607,331
Taxes Receivable	3,650,016	384,682	-	116,015	4,150,713
Grants Receivable	-	-	-	2,337,688	2,337,688
Due from Other Funds	724,522	-	-	-	724,522
Inventories	520,824	-	-	-	520,824
Prepaid Items	131,420	-	802	-	132,222
TOTAL ASSETS	\$ 56,259,607	\$ 23,430,367	\$ 121,808,670	\$ 6,469,808	\$ 207,968,452
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 2,560,324	\$ 500	\$ 1,320,193	\$ -	\$ 3,881,017
Accrued Liabilities	4,546,373	-	-	578,102	5,124,475
Accrued Salaries and Benefits	19,374,701	-	6,076	1,077,026	20,457,803
Due to Other Funds	-	-	-	724,522	724,522
Deferred Revenues	126,495	-	-	427,290	553,785
Deferred Property Taxes	1,060,358	125,052	-	-	1,185,410
TOTAL LIABILITIES	27,668,251	125,552	1,326,269	2,806,940	31,927,012
FUND BALANCES					
Reserved for Inventories	520,824	-	-	-	520,824
Reserved for Prepaid Items	131,420	-	802	-	132,222
Reserved for Multiple Year Obligations	200,000	-	-	-	200,000
Reserved for Colorado Preschool Program	81,096	-	-	-	81,096
Reserved for Emergencies	6,106,077	-	-	520,583	6,626,660
Unreserved, Reported in					
General Fund	21,551,939	-	-	-	21,551,939
Debt Service Fund	-	23,304,815	-	-	23,304,815
Special Revenue Fund	-	-	-	682,392	682,392
Capital Projects Fund	-	-	120,481,599	2,459,893	122,941,492
TOTAL FUND BALANCES	28,591,356	23,304,815	120,482,401	3,662,868	176,041,440
TOTAL LIABILITIES AND FUND BALANCES	\$ 56,259,607	\$ 23,430,367	\$ 121,808,670	\$ 6,469,808	

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

Capital assets used in governmental activities are not current financial resources and therefore, are not reported in the funds. 185,012,323

Other long-term assets are not available to pay for current year expenditures and therefore, are deferred in the funds. 1,185,410

An internal service fund is used by management to charge the costs of employee dental insurance to individual funds. The assets and liabilities of the internal service fund is included in governmental activities in the statement of net assets. 708,899

Long-term liabilities, including bonds payable (\$245,875,000), bond premium (\$1,436,091), certificates of participation (\$5,300,000), compensated absences (\$2,093,084), debt issuance costs \$681,654, loss on refunding \$122,481, and accrued interest payable (\$2,028,057) are not due and payable in the current year and therefore, are not reported in the funds. (255,928,097)

Net Assets of Governmental Activities \$ 107,019,975

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, 2007

	<u>GENERAL</u>	<u>BOND REDEMPTION</u>	<u>BUILDING</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL</u>
REVENUES					
Local Sources	\$ 161,295,689	\$ 20,997,566	\$ 1,850,883	\$ 7,619,168	\$ 191,763,306
State Sources	66,347,218	-	-	1,431,036	67,778,254
Federal Sources	-	-	-	10,843,777	10,843,777
TOTAL REVENUES	<u>227,642,907</u>	<u>20,997,566</u>	<u>1,850,883</u>	<u>19,893,981</u>	<u>270,385,337</u>
EXPENDITURES					
Current					
Instruction	147,102,494	-	-	9,568,969	156,671,463
Supporting Services	66,763,423	-	-	11,744,773	78,508,196
Bond Issuance Costs	-	-	512,912	-	512,912
Capital Outlay	-	-	2,271,173	5,905,365	8,176,538
Debt Service					
Principal	505,000	7,375,000	-	-	7,880,000
Interest and Fiscal Charges	197,132	6,230,221	-	-	6,427,353
TOTAL EXPENDITURES	<u>214,568,049</u>	<u>13,605,221</u>	<u>2,784,085</u>	<u>27,219,107</u>	<u>258,176,462</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>13,074,858</u>	<u>7,392,345</u>	<u>(933,202)</u>	<u>(7,325,126)</u>	<u>12,208,875</u>
OTHER FINANCING SOURCES (USES)					
Bonds Issued	-	-	120,000,000	-	120,000,000
Bond Premium	-	-	1,415,603	-	1,415,603
Transfers In	-	-	-	8,032,741	8,032,741
Transfers Out	(8,032,741)	-	-	-	(8,032,741)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(8,032,741)</u>	<u>-</u>	<u>121,415,603</u>	<u>8,032,741</u>	<u>121,415,603</u>
NET CHANGE IN FUND BALANCES	<u>5,042,117</u>	<u>7,392,345</u>	<u>120,482,401</u>	<u>707,615</u>	<u>133,624,478</u>
FUND BALANCES, Beginning	<u>23,549,239</u>	<u>15,912,470</u>	<u>-</u>	<u>2,955,253</u>	<u>42,416,962</u>
FUND BALANCES, Ending	<u>\$ 28,591,356</u>	<u>\$ 23,304,815</u>	<u>\$ 120,482,401</u>	<u>\$ 3,662,868</u>	<u>\$ 176,041,440</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, 2007

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

Net Change in Fund Balances	\$ 133,624,478
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 (\$8,068,934) and loss on disposal (\$31,232) exceeded capital outlay \$2,694,310 in the current year.	(5,405,856)
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.	(802,550)
Repayments of debt principal \$7,880,000 and increases in compensated absences (\$311,468) 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.	7,568,532
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets and does not affect the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt related items: bonds issued (\$120,000,000), bond premium (\$1,415,603), bond issuance costs \$512,912, amortization of bond issuance costs (\$39,301), amortization of bond premium \$41,302, amortization of loss on refunding (\$15,311) and change in accrued interest payable (2,028,057).	(122,944,058)
An internal service fund is used by management to charge the costs of employee dental insurance to individual funds. The net revenue of the internal service fund is included in governmental activities in the statement of activities.	<u>318,951</u>
Change in Net Assets of Governmental Activities	\$ <u><u>12,359,497</u></u>

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

BOULDER VALLEY SCHOOL DISTRICT RE-2

BALANCE SHEET
PROPRIETARY FUNDS
June 30, 2007

	<u>BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND</u>	<u>GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUND</u>
ASSETS		
Current Assets		
Cash and Investments	\$ 191,798	\$ 918,028
Grants Receivable	221,467	-
Inventories	199,063	-
Total Current Assets	<u>612,328</u>	<u>918,028</u>
Noncurrent Assets		
Equipment	1,113,301	-
Accumulated Depreciation	<u>(895,774)</u>	<u>-</u>
Total Noncurrent Assets	<u>217,527</u>	<u>-</u>
TOTAL ASSETS	<u>829,855</u>	<u>918,028</u>
LIABILITIES		
Current Liabilities		
Accounts Payable	2,519	-
Claims Payable	-	209,129
Accrued Liabilities	93,693	-
Accrued Salaries and Benefits	<u>162,541</u>	<u>-</u>
TOTAL LIABILITIES	<u>258,753</u>	<u>209,129</u>
NET ASSETS		
Invested in Capital Assets	217,527	-
Restricted for Emergencies	163,236	-
Unrestricted	<u>190,339</u>	<u>708,899</u>
TOTAL NET ASSETS	\$ <u>571,102</u>	\$ <u>708,899</u>

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

BOULDER VALLEY SCHOOL DISTRICT RE-2

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

PROPRIETARY FUNDS

Year Ended June 30, 2007

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUND
OPERATING REVENUES		
Regular School Lunch	\$ 1,453,762	\$ -
Sandwich Line	1,963,868	-
Premiums and Services	-	2,142,292
Other	68,620	-
TOTAL OPERATING REVENUES	3,486,250	2,142,292
OPERATING EXPENSES		
Salaries	2,125,503	13,924
Benefits	580,391	2,667
Purchased Food	2,357,604	-
USDA Donated Commodities	144,174	-
Nonfood Supplies	168,891	-
Purchased Services	47,186	1,806,750
Depreciation	46,704	-
Indirect Costs	122,755	-
Other	32,465	-
TOTAL OPERATING EXPENSES	5,625,673	1,823,341
OPERATING INCOME (LOSS)	(2,139,423)	318,951
NONOPERATING REVENUES		
USDA Donated Commodities	287,475	-
Federal Reimbursements	1,488,625	-
State Matching Funds	52,648	-
TOTAL NONOPERATING REVENUES	1,828,748	-
CHANGE IN NET ASSETS	(310,675)	318,951
NET ASSETS, Beginning	881,777	389,948
NET ASSETS, Ending	\$ 571,102	\$ 708,899

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, 2007

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUND
Cash Flows From Operating Activities		
Contributions	\$ -	\$ 2,142,292
Cash Received from Operations	3,671,642	-
Other Operating Receipts	68,620	-
Cash Payments for Premiums and Claims	-	(1,848,893)
Cash Paid to Employees	(2,688,166)	-
Cash Paid to Suppliers	(2,870,561)	-
	<hr/>	<hr/>
Net Cash Provided (Used) by Operating Activities	(1,818,465)	293,399
Cash Flows From Noncapital Financing Activities		
Cash Received from Federal Reimbursements	1,622,672	-
Cash Received from State Matching Funds	52,648	-
	<hr/>	<hr/>
Net Cash Provided by Noncapital Financing Activities	1,675,320	-
Cash Flows From Capital and Related Financing Activities		
Purchases of Equipment	(22,772)	-
	<hr/>	<hr/>
NET INCREASE (DECREASE) IN CASH	(165,917)	293,399
CASH, Beginning	<hr/>	<hr/>
	357,715	624,629
CASH, Ending	<hr/>	<hr/>
	\$ 191,798	\$ 918,028
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income (Loss)	\$ (2,139,423)	\$ 318,951
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities		
Depreciation	46,704	-
Donated Commodities	287,475	-
Changes in Assets and Liabilities Related to Operations		
Inventories	(93,698)	-
Accounts Payable	2,519	-
Claims Payable	-	(25,552)
Accrued Liabilities	93,693	-
Accrued Salaries and Benefits	17,728	-
Deferred Revenues	(33,463)	-
	<hr/>	<hr/>
Net Cash Provided (Used) by Operating Activities	\$ (1,818,465)	\$ 293,399
NON-CASH TRANSACTIONS		
Commodities Received	\$ 287,475	\$ -

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

BOULDER VALLEY SCHOOL DISTRICT RE-2

STATEMENT OF FIDUCIARY NET ASSETS

June 30, 2007

	<u>PRIVATE PURPOSE TRUST FUNDS</u>	<u>AGENCY FUND</u>
ASSETS		
Cash and Investments	\$ <u>260,477</u>	\$ <u>3,467,386</u>
TOTAL ASSETS	<u>260,477</u>	<u>3,467,386</u>
LIABILITIES		
Due to Student Groups	<u>-</u>	<u>3,467,386</u>
TOTAL LIABILITIES	<u>-</u>	<u>3,467,386</u>
NET ASSETS		
Restricted for Scholarships	<u>260,477</u>	<u>-</u>
TOTAL NET ASSETS	\$ <u><u>260,477</u></u>	\$ <u><u>-</u></u>

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

BOULDER VALLEY SCHOOL DISTRICT RE-2

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
Year Ended June 30, 2007

	<u>PRIVATE PURPOSE TRUST FUNDS</u>
ADDITIONS	
Contributions	\$ <u>25,001</u>
TOTAL ADDITIONS	<u>25,001</u>
DEDUCTIONS	
Scholarships and Awards	<u>13,156</u>
CHANGE IN NET ASSETS	11,845
NET ASSETS, Beginning	<u>248,632</u>
NET ASSETS, Ending	\$ <u><u>260,477</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, 2007

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

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

Government-Wide and Fund Financial Statements

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

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

BOULDER VALLEY SCHOOL DISTRICT RE-2

NOTES TO FINANCIAL STATEMENTS

June 30, 2007

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

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

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

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

BOULDER VALLEY SCHOOL DISTRICT RE-2

NOTES TO FINANCIAL STATEMENTS

June 30, 2007

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 property taxes restricted for the payment of long-term debt obligations of the District.

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

Additionally, the District reports the following fund types:

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

The *Dental Insurance Internal Service Fund* accounts for the activities related to employee dental insurance needs, which are partially self-insured by the District.

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

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

BOULDER VALLEY SCHOOL DISTRICT RE-2

NOTES TO FINANCIAL STATEMENTS

June 30, 2007

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. It is the intention of the investment pool to maximize interest income, and securities are selected according to their risk, marketability, and diversification. Investments are reported at fair value.

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

Accounts Receivable - All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Property taxes levied in the current year but not received at year end are identified as property taxes receivable and are presented net of an allowance for uncollectible taxes of 1% of the total levy. Any taxes not collected within sixty days after year end are recorded as deferred revenue in the fund financial statements.

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

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

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

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

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

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

BOULDER VALLEY SCHOOL DISTRICT RE-2

NOTES TO FINANCIAL STATEMENTS

June 30, 2007

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

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 reported as deferred revenue in the fund financial statements.

Compensated Absences - District policy allows unlimited accumulation of sick time and accumulation of vacation time to a maximum of 40 days for certain personnel classifications. Accrued 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 earned in the proprietary funds and when due in the governmental funds. A long-term liability has been recorded in the government-wide financial statements for the accrued compensated absences.

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

In the fund financial statements, governmental funds recognize debt premiums and discounts, as well as issuance costs, during the current year. 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, 2007

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues

Property Taxes - Under State statutes, 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 November 1.

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

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

NOTE 2: CASH AND INVESTMENTS

At June 30, 2007, the District had the following cash and investments:

Cash on Hand	\$ 70,816
Deposits	2,882,453
Investments	<u>204,722,599</u>
Total	<u>\$ 207,675,868</u>

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

Primary Government Cash and Investments	\$ 78,114,706
Primary Government Restricted Cash and Investments	122,490,272
Fiduciary Funds Cash and Investments	3,727,863
Charter School Cash Held by District	<u>3,343,027</u>
Total	<u>\$ 207,675,868</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, 2007, 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, 2007, the District had bank deposits of \$2,554,672 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, 2007

NOTE 2: CASH AND INVESTMENTS (Continued)

Investments

The District is required to comply with State statutes and District policy which specify investment instruments meeting defined rating, maturity, 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, 2007:

Investment Type	S&P Rating	Investment Maturities (in Years)			Fair Value
		Less Than 1	1 - 5	6 - 10	
U.S. Agency Securities	AAA	\$ 29,265,998	\$ 56,108,127	\$ 674,580	\$ 86,048,705
Wells Fargo Money Market Funds	AAAm	23,014,530	-	-	23,014,530
Local Government Investment Pool	AAA	95,659,364	-	-	95,659,364
Total		<u>\$ 147,939,892</u>	<u>\$ 56,108,127</u>	<u>\$ 674,580</u>	<u>\$ 204,722,599</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 two or more nationally recognized statistical rating organizations ("NRSROs"). State statutes also limit investments in money market funds to those that maintain a constant share price, with a maximum maturity in accordance with Rule 2a-7, and have either assets of \$1 billion or the highest rating issued by a NRSRO.

Concentration of Credit Risk - State statutes do not limit the amount the District may invest in one issuer of U.S. Agency securities. At June 30, 2007, the District's investments in the Federal National Mortgage Association, Federal Home Loan Bank and the Federal Home Loan Mortgage Corporation, represented 17%, 14% and 11%, respectively, of the District's total investments.

BOULDER VALLEY SCHOOL DISTRICT RE-2

NOTES TO FINANCIAL STATEMENTS

June 30, 2007

NOTE 2: CASH AND INVESTMENTS (Continued)

Investments (Continued)

Local Government Investment Pool - At June 30, 2007, the District had \$95,659,364 invested in the Colorado Local Government Liquid Asset Trust (Colotrust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces the requirements of creating and operating Colotrust. Colotrust operates similarly to a money market fund with each share equal in value to \$1.00. Colotrust is rated AAAm by Standard and Poor's. Investments of Colotrust are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

Restricted Cash and Investments

Cash and investments of \$709,887 and \$109,447, representing required reserves for the Certificates of Participation and employee flexible spending benefits, respectively, have been restricted in the General Fund. In addition, \$121,670,938, representing unspent bond proceeds, have been restricted in the Building Fund.

NOTE 3: INTERFUND BALANCES AND TRANSFERS

<u>Due from Other Funds</u>	<u>Due to Other Funds</u>	<u>Balance</u>
Grants Fund	General Fund	<u><u>\$ 724,522</u></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	\$ 5,386,901
Transportation Fund	General Fund	<u>2,645,840</u>
Total		<u><u>\$ 8,032,741</u></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. The General Fund subsidizes the student transportation program reported in the Transportation Fund.

BOULDER VALLEY SCHOOL DISTRICT RE-2

NOTES TO FINANCIAL STATEMENTS

June 30, 2007

NOTE 4: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2007, is summarized below.

	Balances 6/30/06	Additions	Deletions	Balances 6/30/07
Governmental Activities				
Capital Assets, Not Being Depreciated				
Land	\$ 2,802,833	\$ -	\$ -	\$ 2,802,833
Construction in Progress	-	1,686,819	-	1,686,819
Total Capital Assets, Not Being Depreciated	<u>2,802,833</u>	<u>1,686,819</u>	<u>-</u>	<u>4,489,652</u>
Capital Assets, Being Depreciated				
Land Improvements	6,313,816	142,455	-	6,456,271
Buildings	262,941,893	-	-	262,941,893
Equipment	3,122,867	272,373	(58,597)	3,336,643
Vehicles	15,623,509	592,663	(10,715)	16,205,457
Total Capital Assets, Being Depreciated	<u>288,002,085</u>	<u>1,007,491</u>	<u>(69,312)</u>	<u>288,940,264</u>
Less Accumulated Depreciation For				
Land Improvements	878,966	253,112	-	1,132,078
Buildings	86,949,151	6,409,013	-	93,358,164
Equipment	2,348,597	220,512	(27,365)	2,541,744
Vehicles	10,210,025	1,186,297	(10,715)	11,385,607
Total Accumulated Depreciation	<u>100,386,739</u>	<u>8,068,934</u>	<u>(38,080)</u>	<u>108,417,593</u>
Total Capital Assets, Being Depreciated, Net	<u>187,615,346</u>	<u>(7,061,443)</u>	<u>(31,232)</u>	<u>180,522,671</u>
Governmental Activities Capital Assets, Net	<u>\$ 190,418,179</u>	<u>\$ (5,374,624)</u>	<u>\$ (31,232)</u>	<u>\$ 185,012,323</u>
Business-Type Activities				
Capital Assets, Being Depreciated				
Equipment	\$ 1,105,215	\$ 22,772	\$ (14,686)	\$ 1,113,301
Less Accumulated Depreciation For				
Equipment	863,756	46,704	(14,686)	895,774
Business-Type Activities Capital Assets, Net	<u>\$ 241,459</u>	<u>\$ (23,932)</u>	<u>\$ -</u>	<u>\$ 217,527</u>
Charter Schools				
Capital Assets, Not Being Depreciated				
Land	\$ 1,103,000	\$ -	\$ -	\$ 1,103,000
Capital Assets, Being Depreciated				
Land Improvements	745,712	-	-	745,712
Buildings	14,009,518	738,634	-	14,748,152
Equipment	24,761	-	-	24,761
Total Capital Assets, Being Depreciated	<u>14,779,991</u>	<u>738,634</u>	<u>-</u>	<u>15,518,625</u>
Less Accumulated Depreciation For				
Land Improvements	298,284	74,572	-	372,856
Buildings	1,714,426	488,524	-	2,202,950
Equipment	14,856	4,952	-	19,808
Total Accumulated Depreciation	<u>2,027,566</u>	<u>568,048</u>	<u>-</u>	<u>2,595,614</u>
Total Capital Assets, Being Depreciated, Net	<u>12,752,425</u>	<u>170,586</u>	<u>-</u>	<u>12,923,011</u>
Charter Schools Capital Assets, Net	<u>\$ 13,855,425</u>	<u>\$ 170,586</u>	<u>\$ -</u>	<u>\$ 14,026,011</u>

BOULDER VALLEY SCHOOL DISTRICT RE-2**NOTES TO FINANCIAL STATEMENTS****June 30, 2007****NOTE 4: CAPITAL ASSETS (Continued)**

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

Governmental Activities	
Instruction	\$ 6,037,650
Supporting Services	<u>2,031,284</u>
Total	<u><u>\$ 8,068,934</u></u>
Business-Type Activities	
Food Services	<u><u>\$ 46,704</u></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, at June 30, 2007, were \$20,457,803 and \$623,563 for the District and charter schools, respectively. This accrued compensation is reflected as a liability in the accompanying financial statements.

NOTE 6: SHORT-TERM DEBT

During the year ended June 30, 2007, the District borrowed \$41,058,138 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, 2007, 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, 2007.

	Balances 6/30/06	Additions	Payments	Balances 6/30/07	Due Within One Year
Governmental Activities					
General Obligation Bonds	\$ 133,250,000	\$ 120,000,000	\$ 7,375,000	\$ 245,875,000	\$ 10,750,000
Bond Premium	61,790	1,415,603	41,302	1,436,091	-
Certificates of Participation	5,805,000	-	505,000	5,300,000	515,000
Loss on Refunding	(137,792)	-	(15,311)	(122,481)	-
Compensated Absences	<u>1,781,616</u>	<u>3,908,998</u>	<u>3,597,530</u>	<u>2,093,084</u>	<u>104,654</u>
Total	<u><u>\$ 140,760,614</u></u>	<u><u>\$ 125,324,601</u></u>	<u><u>\$ 11,503,521</u></u>	<u><u>\$ 254,581,694</u></u>	<u><u>\$ 11,369,654</u></u>

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

BOULDER VALLEY SCHOOL DISTRICT RE-2

NOTES TO FINANCIAL STATEMENTS

June 30, 2007

NOTE 7: LONG-TERM DEBT (Continued)

General Obligation Bonds

General obligation bonds payable at June 30, 2007, are comprised of the following issues.

\$120,000,000 General Obligation Bonds, Series 2007.
Issued to implement a District-wide capital construction and improvement program. Principal payments due on December 1 and interest payments due on December 1 and June 1 through 2032. Interest accrues at rates ranging from 3.5% to 4.5%. \$ 120,000,000

\$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%. 7,730,000

\$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%. 58,010,000

\$68,810,000 General Obligation Bonds, Series 1997.
Issued to refund certain general obligation bonds. Principal payments due on December 1 and interest payments due on December 1 and June 1, through 2014. Interest accrues at rates ranging from 3.75% to 5.00%. 60,135,000

Total **\$ 245,875,000**

BOULDER VALLEY SCHOOL DISTRICT RE-2**NOTES TO FINANCIAL STATEMENTS****June 30, 2007****NOTE 7: LONG-TERM DEBT (Continued)****General Obligation Bonds (Continued)**

Bond payments, to maturity, are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 10,750,000	\$ 12,117,304	\$ 22,867,304
2009	9,790,000	10,563,490	20,353,490
2010	10,545,000	10,116,073	20,661,073
2011	11,030,000	9,618,211	20,648,211
2012	11,550,000	9,085,054	20,635,054
2013 - 2017	66,735,000	36,310,116	103,045,116
2018 - 2022	47,245,000	20,868,068	68,113,068
2023 - 2027	31,145,000	13,712,563	44,857,563
2028 - 2032	38,375,000	6,094,938	44,469,938
2033	<u>8,710,000</u>	<u>195,975</u>	<u>8,905,975</u>
Total	<u>\$ 245,875,000</u>	<u>\$ 128,681,792</u>	<u>\$ 374,556,792</u>

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>
2008	\$ 515,000	\$ 181,007	\$ 696,007
2009	530,000	168,133	698,133
2010	545,000	153,557	698,557
2011	565,000	137,207	702,207
2012	580,000	118,563	698,563
2013 - 2016	<u>2,565,000</u>	<u>254,375</u>	<u>2,819,375</u>
Total	<u>\$ 5,300,000</u>	<u>\$ 1,012,842</u>	<u>\$ 6,312,842</u>

BOULDER VALLEY SCHOOL DISTRICT RE-2

NOTES TO FINANCIAL STATEMENTS

June 30, 2007

NOTE 7: LONG-TERM DEBT (Continued)

Component Units

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

In August 2006, Justice High School entered into a loan agreement to purchase facilities.

Changes in long-term debt of the Peak to Peak Charter School and Justice High School for the year ended June 30, 2007, were as follows:

	<u>Balances</u> <u>6/30/06</u>	<u>Additions</u>	<u>Payments</u>	<u>Balances</u> <u>6/30/07</u>	<u>Due Within</u> <u>One Year</u>
Peak to Peak					
2004 Capital Lease	\$ 22,910,000	\$ -	\$ 400,000	\$ 22,510,000	\$ 415,000
Premium	493,772	-	17,741	476,031	-
Loss on Refunding	(5,125,005)	-	(184,131)	(4,940,874)	-
Justice High					
Loan Payable	<u>-</u>	<u>685,500</u>	<u>2,639</u>	<u>682,861</u>	<u>24,948</u>
Total	<u>\$ 18,278,767</u>	<u>\$ 685,500</u>	<u>\$ 236,249</u>	<u>\$ 18,728,018</u>	<u>\$ 439,948</u>

Debt payments to maturity are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 439,948	\$ 1,161,569	\$ 1,601,517
2009	451,619	1,147,299	1,598,918
2010	468,402	1,132,540	1,600,942
2011	485,304	1,114,711	1,600,015
2012	1,042,588	1,064,142	2,106,730
2013 - 2017	2,665,000	4,965,245	7,630,245
2018 - 2022	3,405,000	4,201,443	7,606,443
2023 - 2027	4,395,000	3,183,469	7,578,469
2028 - 2032	5,670,000	1,869,524	7,539,524
2033 - 2035	<u>4,170,000</u>	<u>335,737</u>	<u>4,505,737</u>
Total	<u>\$ 23,192,861</u>	<u>\$ 20,175,679</u>	<u>\$ 43,368,540</u>

BOULDER VALLEY SCHOOL DISTRICT RE-2

NOTES TO FINANCIAL STATEMENTS

June 30, 2007

NOTE 8: RISK MANAGEMENT

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

Joint School District 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.

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.

BOULDER VALLEY SCHOOL DISTRICT RE-2

NOTES TO FINANCIAL STATEMENTS

June 30, 2007

NOTE 8: RISK MANAGEMENT (Continued)

Dental Self-Insurance

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

Claims Payable, June 30, 2005	\$ -
Claims Incurred and Adjustments	1,824,787
Payments	(1,590,106)
Claims Payable, June 30, 2006	234,681
Claims Incurred and Adjustments	1,664,310
Payments	<u>(1,689,862)</u>
Claims Payable, June 30, 2007	<u><u>\$ 209,129</u></u>

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 was 8% of covered salaries and for the District was 10.65% from July 1, 2006, to December 31, 2006, and 11.15% thereafter. A portion of the District's contribution (1.02% of covered salary) is allocated to the Health Care Trust Fund (See Note 10). The District's contributions to CSSDTF for the years ended June 30, 2007, 2006, and 2005 were \$17,533,142, \$16,222,359, and \$14,652,484, respectively, equal to the required contributions for each year.

BOULDER VALLEY SCHOOL DISTRICT RE-2

NOTES TO FINANCIAL STATEMENTS

June 30, 2007

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 HCTF is established under Title 24, Article 51, Section 208 of the Colorado Revised Statutes, as amended. The District's contributions to the HCTF for the years ended June 30, 2007, 2006, and 2005 were \$1,588,595, \$1,537,198, and \$1,472,466, respectively, equal to the required contributions for each year.

NOTE 11: COMMITMENTS AND CONTINGENCIES

Claims and Judgments

The District participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. At June 30, 2007, significant amounts of grant expenditures have not been audited by the grantor agency, but the District believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the District.

Litigation

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

Construction Commitments

At June 30, 2007, the District had construction commitments totaling \$11,760,000, primarily for building renovations to be funded with bond proceeds.

BOULDER VALLEY SCHOOL DISTRICT RE-2

NOTES TO FINANCIAL STATEMENTS

June 30, 2007

NOTE 11: COMMITMENTS AND CONTINGENCIES (Continued)

Tabor Amendment

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

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

The Amendment requires all governments to establish a reserve for emergencies. At June 30, 2007, net assets of \$6,789,896 and \$414,254 for the District and the charter schools, respectively, were restricted to satisfy the reserve requirement.

NOTE 12: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Accountability

At June 30, 2007, the Justice High School had a negative fund balance of \$213. This negative balance is expected to be eliminated with future revenues.

REQUIRED SUPPLEMENTARY INFORMATION

BOULDER VALLEY SCHOOL DISTRICT RE-2

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Year Ended June 30, 2007

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Positive (Negative)</u>
REVENUES				
Taxes	\$ 149,157,691	\$ 147,396,469	\$ 149,430,733	\$ 2,034,264
Tuition	1,446,238	1,388,494	729,238	(659,256)
Investment Earnings	500,000	500,000	1,124,928	624,928
Other Local Revenue	9,981,156	10,025,617	10,010,790	(14,827)
State Equalization	54,556,547	57,382,041	58,089,462	707,421
State Reimbursement Programs	2,807,887	3,087,419	3,544,831	457,412
Special Education	4,519,035	4,324,051	4,568,860	244,809
English Language Proficiency Act	85,000	85,000	144,065	59,065
TOTAL REVENUES	223,053,554	224,189,091	227,642,907	3,453,816
EXPENDITURES				
Current				
Instruction - Regular Programs	111,370,569	111,906,535	107,963,255	3,943,280
Instruction - Special Programs	39,193,106	40,567,740	39,139,239	1,428,501
Student Support Services	5,336,682	5,475,199	5,488,238	(13,039)
Instructional Staff Services	7,553,045	7,825,167	8,188,285	(363,118)
General Administration	3,391,529	2,845,852	3,108,978	(263,126)
School Administration	15,138,717	15,147,373	15,241,340	(93,967)
Business Services	2,284,080	2,286,480	2,121,958	164,522
Operations and Maintenance	16,685,594	16,691,301	16,725,852	(34,551)
Central Support Services	12,174,058	12,268,676	11,273,524	995,152
Community Services	4,097,419	4,587,156	4,615,248	(28,092)
Adult Education	361,058	-	-	-
Emergency Reserves	6,064,377	6,142,798	-	6,142,798
Reserves	9,125,839	12,001,845	-	12,001,845
Debt Service				
Principal	1,291,383	946,915	505,000	441,915
Interest	-	-	197,132	(197,132)
TOTAL EXPENDITURES	234,067,456	238,693,037	214,568,049	24,124,988
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(11,013,902)	(14,503,946)	13,074,858	27,578,804
OTHER FINANCING SOURCES (USES)				
Transfers Out	(6,094,285)	(8,304,864)	(8,032,741)	272,123
NET CHANGE IN FUND BALANCE	(17,108,187)	(22,808,810)	5,042,117	27,850,927
FUND BALANCE, Beginning	17,108,187	22,808,810	23,549,239	740,429
FUND BALANCE, Ending	\$ -	\$ -	\$ 28,591,356	\$ 28,591,356

See the accompanying Independent Auditors' Report.

BOULDER VALLEY SCHOOL DISTRICT RE-2

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2007

NOTE 1: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets

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

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

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

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

GENERAL FUND

BOULDER VALLEY SCHOOL DISTRICT RE-2

COMBINING BALANCE SHEET

GENERAL FUND

June 30, 2007

	<u>GENERAL</u>	<u>RISK MANAGEMENT</u>	<u>TECHNOLOGY</u>	<u>ATHLETICS</u>
ASSETS				
Cash and Investments	\$ 47,839,065	\$ 284,198	\$ 706,253	\$ 297,150
Restricted Cash and Investments	819,334	-	-	-
Accounts Receivable	403,938	-	-	-
Taxes Receivable	3,650,016	-	-	-
Due from Other Funds	724,522	-	-	-
Inventories	520,824	-	-	-
Prepaid Items	131,390	-	-	-
TOTAL ASSETS	\$ <u>54,089,089</u>	\$ <u>284,198</u>	\$ <u>706,253</u>	\$ <u>297,150</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 2,560,324	\$ -	\$ -	\$ -
Accrued Liabilities	4,501,179	26,118	9,585	346
Accrued Salaries and Benefits	19,374,701	-	-	-
Deferred Revenues	-	-	-	-
Deferred Property Taxes	1,060,358	-	-	-
TOTAL LIABILITIES	<u>27,496,562</u>	<u>26,118</u>	<u>9,585</u>	<u>346</u>
FUND BALANCES				
Reserved for Inventories	520,824	-	-	-
Reserved for Prepaid Items	131,390	-	-	-
Reserved for Multiple Year Obligations	200,000	-	-	-
Reserved for Colorado Preschool Program	-	-	-	-
Reserved for Emergencies	5,708,453	109,090	80,636	84,823
Unreserved	20,031,860	148,990	616,032	211,981
TOTAL FUND BALANCES	<u>26,592,527</u>	<u>258,080</u>	<u>696,668</u>	<u>296,804</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ <u>54,089,089</u>	\$ <u>284,198</u>	\$ <u>706,253</u>	\$ <u>297,150</u>

See the accompanying Independent Auditors' Report.

COMMUNITY SCHOOLS	TUITION PRESCHOOL	COLORADO PRESCHOOL AND KINDERGARTEN	CHARTER SCHOOLS UNALLOCATED	TOTAL GENERAL FUND
\$ 711,327	\$ 86,647	\$ 84,913	\$ -	\$ 50,009,553
-	-	-	-	819,334
-	-	-	-	403,938
-	-	-	-	3,650,016
-	-	-	-	724,522
-	-	-	-	520,824
30	-	-	-	131,420
<u>\$ 711,357</u>	<u>\$ 86,647</u>	<u>\$ 84,913</u>	<u>\$ -</u>	<u>\$ 56,259,607</u>
\$ -	\$ -	\$ -	\$ -	\$ 2,560,324
3,716	1,612	3,817	-	4,546,373
-	-	-	-	19,374,701
85,613	40,882	-	-	126,495
-	-	-	-	1,060,358
<u>89,329</u>	<u>42,494</u>	<u>3,817</u>	<u>-</u>	<u>27,668,251</u>
-	-	-	-	520,824
30	-	-	-	131,420
-	-	-	-	200,000
-	-	81,096	-	81,096
123,075	-	-	-	6,106,077
498,923	44,153	-	-	21,551,939
<u>622,028</u>	<u>44,153</u>	<u>81,096</u>	<u>-</u>	<u>28,591,356</u>
<u>\$ 711,357</u>	<u>\$ 86,647</u>	<u>\$ 84,913</u>	<u>\$ -</u>	<u>\$ 56,259,607</u>

BOULDER VALLEY SCHOOL DISTRICT RE-2

COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

GENERAL FUND

Year Ended June 30, 2007

	<u>GENERAL</u>	<u>RISK MANAGEMENT</u>	<u>TECHNOLOGY</u>	<u>ATHLETICS</u>
REVENUES				
Local Sources	\$ 155,080,266	\$ 2,970	\$ -	\$ 996,573
State Sources	66,347,218	-	-	-
TOTAL REVENUES	<u>221,427,484</u>	<u>2,970</u>	<u>-</u>	<u>996,573</u>
EXPENDITURES				
Current				
Instruction - Regular Programs	107,883,580	-	-	-
Instruction - Special Programs	35,537,582	-	-	2,764,008
Student Support Services	5,488,238	-	-	-
Instructional Staff Services	8,188,285	-	-	-
General Administration	3,055,071	-	-	53,907
School Administration	15,241,340	-	-	-
Business Services	2,121,958	-	-	-
Operations and Maintenance	16,725,852	-	-	-
Central Support Services	5,721,429	3,480,265	2,071,830	-
Community Services	79,148	-	-	-
Debt Service				
Principal	505,000	-	-	-
Interest and Fiscal Charges	197,132	-	-	-
TOTAL EXPENDITURES	<u>200,744,615</u>	<u>3,480,265</u>	<u>2,071,830</u>	<u>2,817,915</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>20,682,869</u>	<u>(3,477,295)</u>	<u>(2,071,830)</u>	<u>(1,821,342)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	1,499,179	3,262,242	2,552,500	1,943,417
Transfers Out	(16,669,138)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(15,169,959)</u>	<u>3,262,242</u>	<u>2,552,500</u>	<u>1,943,417</u>
NET CHANGE IN FUND BALANCES	<u>5,512,910</u>	<u>(215,053)</u>	<u>480,670</u>	<u>122,075</u>
FUND BALANCES, Beginning	<u>21,079,617</u>	<u>473,133</u>	<u>215,998</u>	<u>174,729</u>
FUND BALANCES, Ending	<u>\$ 26,592,527</u>	<u>\$ 258,080</u>	<u>\$ 696,668</u>	<u>\$ 296,804</u>

See the accompanying Independent Auditors' Report.

<u>COMMUNITY SCHOOLS</u>	<u>TUITION PRESCHOOL</u>	<u>COLORADO PRESCHOOL AND KINDERGARTEN</u>	<u>CHARTER SCHOOLS UNALLOCATED</u>	<u>TOTAL GENERAL FUND</u>
\$ 4,732,693	\$ 483,187	\$ -	\$ -	\$ 161,295,689
-	-	-	-	66,347,218
<u>4,732,693</u>	<u>483,187</u>	<u>-</u>	<u>-</u>	<u>227,642,907</u>
-	60,070	19,605	-	107,963,255
-	-	837,649	-	39,139,239
-	-	-	-	5,488,238
-	-	-	-	8,188,285
-	-	-	-	3,108,978
-	-	-	-	15,241,340
-	-	-	-	2,121,958
-	-	-	-	16,725,852
-	-	-	-	11,273,524
4,111,508	424,592	-	-	4,615,248
-	-	-	-	505,000
-	-	-	-	197,132
<u>4,111,508</u>	<u>484,662</u>	<u>857,254</u>	<u>-</u>	<u>214,568,049</u>
<u>621,185</u>	<u>(1,475)</u>	<u>(857,254)</u>	<u>-</u>	<u>13,074,858</u>
-	-	878,238	-	10,135,576
<u>(758,750)</u>	<u>-</u>	<u>-</u>	<u>(740,429)</u>	<u>(18,168,317)</u>
<u>(758,750)</u>	<u>-</u>	<u>878,238</u>	<u>(740,429)</u>	<u>(8,032,741)</u>
(137,565)	(1,475)	20,984	(740,429)	5,042,117
<u>759,593</u>	<u>45,628</u>	<u>60,112</u>	<u>740,429</u>	<u>23,549,239</u>
<u>\$ 622,028</u>	<u>\$ 44,153</u>	<u>\$ 81,096</u>	<u>\$ -</u>	<u>\$ 28,591,356</u>

NONMAJOR FUNDS

Special Revenue Funds

Governmental Designated-Purpose Grants Fund

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

Transportation Fund

This fund accounts for a mill levy dedicated by election to the District's transportation needs.

Capital Projects Fund

Capital Reserve Fund

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

BOULDER VALLEY SCHOOL DISTRICT RE-2

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2007

	<u>SPECIAL REVENUE</u>		<u>CAPITAL PROJECTS CAPITAL RESERVE</u>	
	<u>GRANTS</u>	<u>TRANSPORTATION</u>		<u>TOTAL</u>
ASSETS				
Cash and Investments	\$ -	\$ 1,295,700	\$ 2,720,405	\$ 4,016,105
Taxes Receivable	-	116,015	-	116,015
Grants Receivable	<u>2,337,688</u>	<u>-</u>	<u>-</u>	<u>2,337,688</u>
 TOTAL ASSETS	 <u>\$ 2,337,688</u>	 <u>\$ 1,411,715</u>	 <u>\$ 2,720,405</u>	 <u>\$ 6,469,808</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accrued Liabilities	\$ 147,444	\$ 423,436	\$ 7,222	\$ 578,102
Accrued Salaries and Benefits	1,074,513	-	2,513	1,077,026
Due to Other Funds	724,522	-	-	724,522
Deferred Revenues	<u>391,209</u>	<u>36,081</u>	<u>-</u>	<u>427,290</u>
 TOTAL LIABILITIES	 <u>2,337,688</u>	 <u>459,517</u>	 <u>9,735</u>	 <u>2,806,940</u>
FUND BALANCES				
Reserved for Emergencies	-	269,806	250,777	520,583
Unreserved, Reported in				
Special Revenue Fund	-	682,392	-	682,392
Capital Projects Fund	<u>-</u>	<u>-</u>	<u>2,459,893</u>	<u>2,459,893</u>
 TOTAL FUND BALANCES	 <u>-</u>	 <u>952,198</u>	 <u>2,710,670</u>	 <u>3,662,868</u>
 TOTAL LIABILITIES AND FUND BALANCES	 <u>\$ 2,337,688</u>	 <u>\$ 1,411,715</u>	 <u>\$ 2,720,405</u>	 <u>\$ 6,469,808</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, 2007

	<u>SPECIAL REVENUE</u>		<u>CAPITAL PROJECTS CAPITAL RESERVE</u>	<u>TOTAL</u>
	<u>GRANTS</u>	<u>TRANSPORTATION</u>		
REVENUES				
Local Sources	\$ 415,434	\$ 6,550,084	\$ 653,650	\$ 7,619,168
State Sources	1,431,036	-	-	1,431,036
Federal Sources	10,843,777	-	-	10,843,777
 TOTAL REVENUES	 12,690,247	 6,550,084	 653,650	 19,893,981
 EXPENDITURES				
Current				
Instruction - Regular Programs	3,204,320	-	-	3,204,320
Instruction - Special Programs	5,615,569	749,080	-	6,364,649
Student Support Services	639,126	-	-	639,126
Instructional Staff Services	2,239,815	-	-	2,239,815
General Administration	23,761	-	-	23,761
School Administration	576,983	-	-	576,983
Operations and Maintenance	8,232	181,862	-	190,094
Student Transportation	34,960	7,692,553	-	7,727,513
Central Support Services	29,183	-	-	29,183
Community Services	200,501	-	-	200,501
Adult Education	117,797	-	-	117,797
Capital Outlay	-	-	5,905,365	5,905,365
 TOTAL EXPENDITURES	 12,690,247	 8,623,495	 5,905,365	 27,219,107
 EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	 -	 (2,073,411)	 (5,251,715)	 (7,325,126)
 OTHER FINANCING SOURCES				
Transfers In	-	2,645,840	5,386,901	8,032,741
 NET CHANGE IN FUND BALANCES	 -	 572,429	 135,186	 707,615
 FUND BALANCES, Beginning	 -	 379,769	 2,575,484	 2,955,253
 FUND BALANCES, Ending	 \$ -	 \$ 952,198	 \$ 2,710,670	 \$ 3,662,868

See the accompanying Independent Auditors' Report.

BOULDER VALLEY SCHOOL DISTRICT RE-2**BUDGETARY COMPARISON SCHEDULE****GRANTS FUND****Year Ended June 30, 2007**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Local Sources	\$ -	\$ -	\$ 415,434	\$ 415,434
State Sources	1,171,930	1,413,289	1,431,036	17,747
Federal Sources	18,328,070	18,086,711	10,843,777	(7,242,934)
TOTAL REVENUES	19,500,000	19,500,000	12,690,247	(6,809,753)
EXPENDITURES				
Current				
Instruction - Regular Programs	19,500,000	19,500,000	3,204,320	16,295,680
Instruction - Special Programs	-	-	5,615,569	(5,615,569)
Student Support Services	-	-	639,126	(639,126)
Instructional Staff Services	-	-	2,239,815	(2,239,815)
General Administration	-	-	23,761	(23,761)
School Administration	-	-	576,983	(576,983)
Operations and Maintenance	-	-	8,232	(8,232)
Student Transportation	-	-	34,960	(34,960)
Central Support Services	-	-	29,183	(29,183)
Community Services	-	-	200,501	(200,501)
Adult Education	-	-	117,797	(117,797)
TOTAL EXPENDITURES	19,500,000	19,500,000	12,690,247	6,809,753
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE, Beginning	-	-	-	-
FUND BALANCE, Ending	\$ -	\$ -	\$ -	\$ -

See the accompanying Independent Auditors' Report.

BOULDER VALLEY SCHOOL DISTRICT RE-2

BUDGETARY COMPARISON SCHEDULE
TRANSPORTATION FUND
Year Ended June 30, 2007

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Positive (Negative)</u>
REVENUES				
Property Taxes	\$ 6,305,248	\$ 6,239,116	\$ 6,266,794	\$ 27,678
Other Local Revenue	<u>268,427</u>	<u>268,427</u>	<u>283,290</u>	<u>14,863</u>
TOTAL REVENUES	<u>6,573,675</u>	<u>6,507,543</u>	<u>6,550,084</u>	<u>42,541</u>
EXPENDITURES				
Current				
Instruction - Special Programs	664,638	664,638	749,080	(84,442)
Operations and Maintenance	186,904	186,904	181,862	5,042
Student Transportation	7,844,242	8,141,997	7,692,553	449,444
Emergency Reserves	521,747	269,806	-	269,806
Reserves	<u>-</u>	<u>269,806</u>	<u>-</u>	<u>269,806</u>
TOTAL EXPENDITURES	<u>9,217,531</u>	<u>9,533,151</u>	<u>8,623,495</u>	<u>909,656</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(2,643,856)</u>	<u>(3,025,608)</u>	<u>(2,073,411)</u>	<u>(867,115)</u>
OTHER FINANCING SOURCES				
Transfers In	<u>2,257,986</u>	<u>2,645,840</u>	<u>2,645,840</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>(385,870)</u>	<u>(379,768)</u>	<u>572,429</u>	<u>952,197</u>
FUND BALANCE, Beginning	<u>385,870</u>	<u>379,768</u>	<u>379,769</u>	<u>1</u>
FUND BALANCE, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 952,198</u>	<u>\$ 952,198</u>

See the accompanying Independent Auditors' Report.

BOULDER VALLEY SCHOOL DISTRICT RE-2

BUDGETARY COMPARISON SCHEDULE**BOND REDEMPTION FUND****Year Ended June 30, 2007**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Positive (Negative)</u>
REVENUES				
Property Taxes	\$ 13,586,278	\$ 20,160,021	\$ 20,343,512	\$ 183,491
Investment Earnings	<u>200,000</u>	<u>535,000</u>	<u>654,054</u>	<u>119,054</u>
TOTAL REVENUES	<u>13,786,278</u>	<u>20,695,021</u>	<u>20,997,566</u>	<u>302,545</u>
EXPENDITURES				
Debt Service				
Principal	7,375,000	7,375,000	7,375,000	-
Interest and Fiscal Charges	<u>6,247,721</u>	<u>7,547,721</u>	<u>6,230,221</u>	<u>1,317,500</u>
TOTAL EXPENDITURES	<u>13,622,721</u>	<u>14,922,721</u>	<u>13,605,221</u>	<u>1,317,500</u>
NET CHANGE IN FUND BALANCE	163,557	5,772,300	7,392,345	1,620,045
FUND BALANCE, Beginning	<u>15,786,670</u>	<u>15,912,470</u>	<u>15,912,470</u>	<u>-</u>
FUND BALANCE, Ending	<u>\$ 15,950,227</u>	<u>\$ 21,684,770</u>	<u>\$ 23,304,815</u>	<u>\$ 1,620,045</u>

See the accompanying Independent Auditors' Report.

BOULDER VALLEY SCHOOL DISTRICT RE-2

BUDGETARY COMPARISON SCHEDULE

BUILDING FUND

Year Ended June 30, 2007

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Positive (Negative)</u>
REVENUES				
Local Sources				
Investment Earnings	\$ -	\$ 1,500,000	\$ 1,850,883	\$ 350,883
TOTAL REVENUES	-	1,500,000	1,850,883	350,883
EXPENDITURES				
Current				
Bond Issuance Costs	-	750,000	512,912	237,088
Capital Outlay	-	120,750,000	2,271,173	118,478,827
TOTAL EXPENDITURES	-	121,500,000	2,784,085	118,715,915
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(120,000,000)	(933,202)	119,066,798
OTHER FINANCING SOURCES				
Bonds Issued	-	120,000,000	120,000,000	-
Bond Premium	-	-	1,415,603	1,415,603
TOTAL OTHER FINANCING SOURCES	-	120,000,000	121,415,603	1,415,603
NET CHANGE IN FUND BALANCE	-	-	120,482,401	120,482,401
FUND BALANCE, Beginning	-	-	-	-
FUND BALANCE, Ending	\$ -	\$ -	\$ 120,482,401	\$ 120,482,401

See the accompanying Independent Auditors' Report.

BOULDER VALLEY SCHOOL DISTRICT RE-2

BUDGETARY COMPARISON SCHEDULE

CAPITAL RESERVE FUND

Year Ended June 30, 2007

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Positive (Negative)</u>
REVENUES				
Local Sources	\$ 647,622	\$ 647,622	\$ 653,650	\$ 6,028
EXPENDITURES				
Capital Outlay				
Salaries and Benefits	709,550	729,550	564,813	164,737
Building Improvements	1,385,000	1,875,000	1,697,816	177,184
Instructional Technology	730,000	780,000	771,426	8,574
Operating Departments	1,253,500	1,900,500	1,031,560	868,940
School Projects	2,072,041	3,074,180	1,839,750	1,234,430
Reserves	184,503	250,777	-	250,777
TOTAL EXPENDITURES	6,334,594	8,610,007	5,905,365	2,704,642
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(5,686,972)	(7,962,385)	(5,251,715)	2,710,670
OTHER FINANCING SOURCES				
Transfers In	3,836,299	5,386,901	5,386,901	-
NET CHANGE IN FUND BALANCE	(1,850,673)	(2,575,484)	135,186	2,710,670
FUND BALANCE, Beginning	1,850,673	2,575,484	2,575,484	-
FUND BALANCE, Ending	\$ -	\$ -	\$ 2,710,670	\$ 2,710,670

See the accompanying Independent Auditors' Report.

BOULDER VALLEY SCHOOL DISTRICT RE-2

BUDGETARY COMPARISON SCHEDULE

FOOD SERVICES FUND

Year Ended June 30, 2007

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
OPERATING REVENUES				
Regular School Lunch	\$ 1,604,930	\$ 1,604,930	\$ 1,453,762	\$ (151,168)
Sandwich Line	2,027,290	2,027,290	1,963,868	(63,422)
Other	2,600	2,600	68,620	66,020
TOTAL OPERATING REVENUES	3,634,820	3,634,820	3,486,250	(148,570)
OPERATING EXPENSES				
Salaries	2,151,297	2,087,508	2,125,503	(37,995)
Benefits	651,209	701,124	580,391	120,733
Purchased Food	2,085,091	2,152,106	2,357,604	(205,498)
USDA Donated Commodities	216,248	216,248	144,174	72,074
Nonfood Supplies	-	-	168,891	(168,891)
Purchased Services	52,708	82,976	47,186	35,790
Depreciation	50,000	50,000	46,704	3,296
Indirect Costs	122,755	122,755	122,755	-
Other	37,800	28,486	32,465	(3,979)
Reserves	1,104,332	619,540	-	619,540
Emergency Reserves	161,013	163,236	-	163,236
TOTAL OPERATING EXPENSES	6,632,453	6,223,979	5,625,673	598,306
OPERATING INCOME (LOSS)	(2,997,633)	(2,589,159)	(2,139,423)	449,736
NONOPERATING REVENUES				
USDA Donated Commodities	216,248	216,248	287,475	71,227
Federal Reimbursements	1,441,134	1,441,134	1,488,625	47,491
State Matching Funds	50,000	50,000	52,648	2,648
TOTAL NONOPERATING REVENUES	1,707,382	1,707,382	1,828,748	121,366
CHANGE IN NET ASSETS	(1,290,251)	(881,777)	(310,675)	571,102
NET ASSETS, Beginning	1,290,251	881,777	881,777	-
NET ASSETS, Ending	\$ -	\$ -	\$ 571,102	\$ 571,102

See the accompanying Independent Auditors' Report.

BOULDER VALLEY SCHOOL DISTRICT RE-2**BUDGETARY COMPARISON SCHEDULE****DENTAL INSURANCE FUND****Year Ended June 30, 2007**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
OPERATING REVENUES				
Premiums and Services	\$ 1,926,524	\$ 2,026,524	\$ 2,142,292	\$ 115,768
Other	1,000	-	-	-
TOTAL REVENUES	1,927,524	2,026,524	2,142,292	115,768
OPERATING EXPENSES				
Salaries	15,637	15,956	13,924	2,032
Benefits	3,017	3,073	2,667	406
Insurance Premiums and Claims	1,705,334	1,705,334	1,664,310	41,024
Administrative Fees	160,922	160,922	142,440	18,482
Other	12,000	12,000	-	12,000
Reserves	375,082	519,187	-	519,187
TOTAL OPERATING EXPENSES	2,271,992	2,416,472	1,823,341	593,131
OPERATING INCOME (LOSS)	(344,468)	(389,948)	318,951	708,899
TRANSFERS				
Transfers In	344,468	-	-	-
CHANGE IN NET ASSETS	-	(389,948)	318,951	708,899
NET ASSETS, Beginning	-	389,948	389,948	-
NET ASSETS, Ending	\$ -	\$ -	\$ 708,899	\$ 708,899

See the accompanying Independent Auditors' Report.

BOULDER VALLEY SCHOOL DISTRICT RE-2

COMBINING STATEMENT OF FIDUCIARY NET ASSETS
PRIVATE PURPOSE TRUST FUNDS

June 30, 2007

	<u>SCHOLARSHIP</u>	<u>TRUST</u>	<u>TOTAL</u>
ASSETS			
Cash and Investments	\$ <u>80,857</u>	\$ <u>179,620</u>	\$ <u>260,477</u>
TOTAL ASSETS	<u>80,857</u>	<u>179,620</u>	<u>260,477</u>
NET ASSETS			
Restricted for Scholarships	\$ <u><u>80,857</u></u>	\$ <u><u>179,620</u></u>	\$ <u><u>260,477</u></u>

See the accompanying Independent Auditors' Report.

BOULDER VALLEY SCHOOL DISTRICT RE-2

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PRIVATE PURPOSE TRUST FUNDS
Year Ended June 30, 2007

	Balances 6/30/06	Additions	Deductions	Balances 6/30/07
SCHOLARSHIP FUND				
Parmerlee Greiner Scholarship	\$ 7,322	\$ 397	\$ -	\$ 7,719
Hoelscher Scholarship	1,649	89	50	1,688
TEC Scholarships	762	35	500	297
Cameron Memorial Fund	64	3	-	67
Jerry Buck Scholarship	2,903	151	500	2,554
Armijo Memorial Fund	1,155	62	-	1,217
Hamilton Scholarship Fund	9,967	533	500	10,000
Banman Memorial Scholarship	141	8	-	149
Armstrong Tech Theater Award	3,755	197	500	3,452
Urquidez Scholarship	1,732	94	-	1,826
Baldwin Memorial Scholarship	37	3	-	40
Taylor Memorial Scholarship	9,082	491	100	9,473
E. Scates Scholarship	20,017	1,031	2,000	19,048
Monarch HS Class of 2001	23,115	1,212	1,000	23,327
	<hr/>	<hr/>	<hr/>	<hr/>
Total Scholarship Fund	81,701	4,306	5,150	80,857
	<hr/>	<hr/>	<hr/>	<hr/>
TRUST FUND				
Carlson Scholarship	15,303	765	1,000	15,068
Bostrom Scholarship Fund	16,058	838	500	16,396
Bascom Scholarship	-	10,395	-	10,395
Japanese Exchange	135,570	8,697	6,506	137,761
	<hr/>	<hr/>	<hr/>	<hr/>
Total Trust Fund	166,931	20,695	8,006	179,620
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL	\$ <u>248,632</u>	\$ <u>25,001</u>	\$ <u>13,156</u>	\$ <u>260,477</u>

See the accompanying Independent Auditors' Report.

BOULDER VALLEY SCHOOL DISTRICT RE-2**BUDGETARY COMPARISON SCHEDULE**
SCHOLARSHIP FUND
Year Ended June 30, 2007

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Positive (Negative)</u>
ADDITIONS				
Contributions	\$ <u>15,000</u>	\$ <u>15,000</u>	\$ <u>4,306</u>	\$ <u>(10,694)</u>
DEDUCTIONS				
Scholarships and Awards	<u>104,770</u>	<u>96,701</u>	<u>5,150</u>	<u>91,551</u>
CHANGE IN NET ASSETS	(89,770)	(81,701)	(844)	80,857
NET ASSETS, Beginning	<u>89,770</u>	<u>81,701</u>	<u>81,701</u>	<u>-</u>
NET ASSETS, Ending	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>80,857</u></u>	\$ <u><u>80,857</u></u>

See the accompanying Independent Auditors' Report.

BOULDER VALLEY SCHOOL DISTRICT RE-2**BUDGETARY COMPARISON SCHEDULE**
TRUST FUND**Year Ended June 30, 2007**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Positive (Negative)</u>
ADDITIONS				
Contributions	\$ <u>16,000</u>	\$ <u>16,000</u>	\$ <u>20,695</u>	\$ <u>4,695</u>
DEDUCTIONS				
Scholarships and Awards	<u>179,903</u>	<u>182,930</u>	<u>8,006</u>	<u>174,924</u>
CHANGE IN NET ASSETS	(163,903)	(166,930)	12,689	179,619
NET ASSETS, Beginning	<u>163,903</u>	<u>166,930</u>	<u>166,931</u>	<u>1</u>
NET ASSETS, Ending	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>179,620</u></u>	\$ <u><u>179,620</u></u>

See the accompanying Independent Auditors' Report.

BOULDER VALLEY SCHOOL DISTRICT RE-2

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

AGENCY FUND

Year Ended June 30, 2007

	Balances 6/30/06	Additions	Deductions	Balances 6/30/07
Angevine Middle Student Activities	\$ 14,205	\$ 81,117	\$ 77,000	\$ 18,322
Arapahoe Ridge High Student Activities	18,286	16,067	22,329	12,024
Aspen Creek K-8 Student Activities	54,075	167,167	162,166	59,076
Boulder High Student Activities	231,972	1,346,184	1,299,780	278,376
Boulder TEC Student Activities	34,623	70,709	62,010	43,322
Broomfield Heights Middle Student Activities	70,240	132,022	148,003	54,259
Broomfield High Student Activities	173,347	1,019,024	982,931	209,440
Casey Middle Student Activities	36,755	145,210	130,631	51,334
Centaurus High Student Activities	227,122	655,841	655,898	227,065
Centennial Middle Student Activities	41,638	137,117	118,633	60,122
Community Schools Student Activities	3,648	16,906	16,968	3,586
Douglass Elementary Student Activities	7,236	42,142	34,752	14,626
Eldorado K-8 Student Activities	37,074	128,833	116,352	49,555
Fairview High Student Activities	337,408	1,513,357	1,390,173	460,592
Foothills Elementary Student Activities	18,917	83,290	78,743	23,464
Heatherwood Elementary Student Activities	2,852	338	2,603	587
Louisville Middle Student Activities	74,508	228,747	227,597	75,658
Manhattan Middle Student Activities	36,442	140,919	139,178	38,183
Mesa Elementary Student Activities	25,803	100,335	104,660	21,478
Monarch High Student Activities	300,514	984,026	990,875	293,665
Monarch K-8 Student Activities	43,333	145,284	144,050	44,567
Nederland Middle/Sr. Student Activities	44,988	198,522	198,118	45,392
New Vista High Student Activities	29,654	123,762	129,915	23,501
Nevin Platt Middle Student Activities	53,560	258,868	255,246	57,182
Southern Hills Middle Student Activities	38,923	133,263	140,277	31,909
Subtotal	1,957,123	7,869,050	7,628,888	2,197,285
 Angevine Middle School	 1,895	 3,371	 4,360	 906
Arapahoe Ridge High School	4,313	7,923	10,445	1,791
Bear Creek Elementary School	808	12,835	13,555	88
Birch Elementary School	21,905	49,760	50,332	21,333
Boulder Community School of Integrated Studies	14,598	39,928	47,098	7,428
Boulder High School	(8,137)	40,080	37,465	(5,522)
Boulder TEC	41	-	-	41
Broomfield Heights Middle School	1,023	-	-	1,023
Broomfield High School	(5,112)	42,130	45,800	(8,782)
Casey Middle School	88,387	10,089	18,022	80,454
Centaurus High School	5,744	29,312	28,470	6,586
Centennial Middle School	2,448	60	1,060	1,448
Coal Creek Elementary School	1,240	22,216	17,616	5,840

See the accompanying Independent Auditors' Report.

	Balances 6/30/06	Additions	Deductions	Balances 6/30/07
Columbine Elementary School	6,871	19,128	24,127	1,872
Community Montessori School	(26,684)	62,857	27,122	9,051
Creskide at Martin Park Elementary School	28,828	33,249	38,167	23,910
Crest View Elementary School	4,917	31,902	30,821	5,998
Douglass Elementary School	6,978	59,720	50,972	15,726
Eisenhower Elementary School	28,988	74,463	67,057	36,394
Eldorado K-8 School	(13,391)	1,593	10,133	(21,931)
Emerald Elementary School	20,504	36,040	43,229	13,315
Fairview High School	(27,299)	106,398	118,427	(39,328)
Fireside Elementary School	13,128	24,347	22,722	14,753
Flatirons Elementary School	45,162	53,865	63,025	36,002
Foothill Elementary School	5,669	4,964	10,647	(14)
Gold Hill Elementary	1,691	9,319	4,087	6,923
Halcyon	77	52	-	129
Heatherwood Elementary School	6,841	67,385	69,436	4,790
High Peaks Elementary School	7,690	12,683	12,390	7,983
Jamestown Elementary School	928	5,879	3,969	2,838
Kohl Elementary School	19,588	45,211	45,724	19,075
Lafayette Elementary School	(144,600)	173,504	27,381	1,523
Louisville Elementary School	14,247	8,247	38,919	(16,425)
Louisville Middle School	12,298	8,540	11,467	9,371
Manhattan Middle School for the Arts and Academics	631	6,323	7,432	(478)
Mesa Elementary School	2,742	32,960	34,449	1,253
Monarch High School	(2,405)	75,217	75,489	(2,677)
Monarch K-8 School	(627)	2,211	1,584	-
Nederland Elementary School	23,472	69,432	56,865	36,039
Nederland Middle/Senior High School	7,282	12,329	9,545	10,066
Nevin Platt Middle School	2,542	541	-	3,083
New Vista High School	20,084	425	1,890	18,619
Other Departments	897,759	347,542	449,210	796,091
Pioneer Elementary School	5,229	5,288	8,301	2,216
Ryan Elementary School	7,997	35,666	34,254	9,409
Sanchez Elementary School	51,669	36,788	31,549	56,908
Southern Hills Elementary School	-	4,185	2,929	1,256
Superior Elementary School	34,684	68,255	62,311	40,628
University Hill Elementary School	41,124	13,205	14,753	39,576
Whittier Elementary School	2,169	24,051	12,697	13,523
Subtotal	<u>1,235,936</u>	<u>1,831,468</u>	<u>1,797,303</u>	<u>1,270,101</u>
TOTALS	<u>\$ 3,193,059</u>	<u>\$ 9,700,518</u>	<u>\$ 9,426,191</u>	<u>\$ 3,467,386</u>

BOULDER VALLEY SCHOOL DISTRICT RE-2**BUDGETARY COMPARISON SCHEDULE****AGENCY FUND****Year Ended June 30, 2007**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Positive (Negative)</u>
ADDITIONS				
Student Activities	\$ <u>9,600,000</u>	\$ <u>9,600,000</u>	\$ <u>9,700,518</u>	\$ <u>100,518</u>
DEDUCTIONS				
Student Activities	<u>13,022,070</u>	<u>12,815,612</u>	<u>9,426,191</u>	<u>3,389,421</u>
NET CHANGE IN DUE TO STUDENT GROUPS	(3,422,070)	(3,215,612)	274,327	3,489,939
DUE TO STUDENT GROUPS, Beginning	<u>3,422,070</u>	<u>3,215,612</u>	<u>3,193,059</u>	<u>(22,553)</u>
DUE TO STUDENT GROUPS, Ending	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>3,467,386</u></u>	\$ <u><u>3,467,386</u></u>

See the accompanying Independent Auditors' Report.

BOULDER VALLEY SCHOOL DISTRICT RE-2**COMBINING STATEMENT OF NET ASSETS****COMPONENT UNITS****June 30, 2007**

	BOULDER PREP	HORIZONS	PEAK TO PEAK
ASSETS			
Cash and Investments	\$ 84,527	\$ 707,219	\$ 4,368,382
Restricted Cash and Investments	-	-	2,956,599
Accounts Receivable	20,359	-	37,756
Inventories	-	-	4,168
Debt Issuance Costs, Net of Accumulated Amortization	-	-	619,373
Capital Assets, Not Being Depreciated	-	-	1,103,000
Capital Assets, Net of Accumulated Depreciation	4,953	28,634	12,161,750
TOTAL ASSETS	109,839	735,853	21,251,028
LIABILITIES			
Accrued Liabilities	-	38,475	82,407
Accrued Salaries and Benefits	-	209,459	306,301
Accrued Interest Payable	-	-	426,278
Deferred Revenues	-	5,735	38,766
Noncurrent Liabilities			
Due Within One Year	-	-	415,000
Due in More Than One Year	-	-	17,630,157
TOTAL LIABILITIES	-	253,669	18,898,909
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	4,953	28,634	(4,161,034)
Restricted for Debt Service	-	-	2,956,599
Restricted for Emergencies	23,239	56,682	277,782
Unrestricted	81,647	396,868	3,278,772
TOTAL NET ASSETS	\$ 109,839	\$ 482,184	\$ 2,352,119

See the accompanying Independent Auditors' Report.

<u>SUMMIT</u>	<u>JUSTICE HIGH</u>	<u>TOTAL</u>
\$ 571,911	\$ 1,218	\$ 5,733,257
-	-	2,956,599
-	-	58,115
-	-	4,168
-	-	619,373
-	-	1,103,000
<u>37,396</u>	<u>690,278</u>	<u>12,923,011</u>
<u>609,307</u>	<u>691,496</u>	<u>23,397,523</u>
4,470	161	125,513
106,533	1,270	623,563
-	-	426,278
18,623	-	63,124
-	24,948	439,948
<u>-</u>	<u>657,913</u>	<u>18,288,070</u>
<u>129,626</u>	<u>684,292</u>	<u>19,966,496</u>
37,396	7,417	(4,082,634)
-	-	2,956,599
56,551	-	414,254
<u>385,734</u>	<u>(213)</u>	<u>4,142,808</u>
\$ <u><u>479,681</u></u>	\$ <u><u>7,204</u></u>	\$ <u><u>3,431,027</u></u>

BOULDER VALLEY SCHOOL DISTRICT RE-2

COMBINING STATEMENT OF ACTIVITIES

COMPONENT UNITS

Year Ended June 30, 2007

	<u>BOULDER PREP</u>	<u>HORIZONS</u>	<u>PEAK TO PEAK</u>
EXPENSES			
Instruction - Regular Programs	\$ 568,977	\$ 1,472,282	\$ 3,954,384
Instruction - Special Programs	118,781	437,354	1,639,774
Student Support Services	127,268	253,556	19,483
Instructional Staff Services	40,201	29,615	56,299
General Administration	17,106	43,554	209,332
School Administration	39,844	151,088	1,833,339
Business Services	50,535	22,200	94,788
Operations and Maintenance	80,740	219,307	631,343
Central Support Services	30,736	83,547	409,699
Other Support Services	-	-	1,025,715
Community Services	-	-	87,332
Interest and Fiscal Charges	-	-	1,297,133
	<hr/>	<hr/>	<hr/>
TOTAL EXPENSES	1,074,188	2,712,503	11,258,621
	<hr/>	<hr/>	<hr/>
PROGRAM REVENUES			
Charges for Services	-	209,054	773,614
Operating Grants and Contributions	56,780	122,259	816,817
	<hr/>	<hr/>	<hr/>
TOTAL PROGRAM REVENUES	56,780	331,313	1,590,431
	<hr/>	<hr/>	<hr/>
NET EXPENSE (REVENUE)	(1,017,408)	(2,381,190)	(9,668,190)
	<hr/>	<hr/>	<hr/>
GENERAL REVENUES			
Per Pupil Revenues	788,940	1,986,535	8,137,282
Mill Levy Override	137,344	392,381	1,581,738
Capital Construction Funding	23,939	46,606	251,762
Investment Earnings	5,904	8,837	163,315
Other	116,278	126,610	155,042
	<hr/>	<hr/>	<hr/>
TOTAL GENERAL REVENUES	1,072,405	2,560,969	10,289,139
	<hr/>	<hr/>	<hr/>
CHANGE IN NET ASSETS	54,997	179,779	620,949
	<hr/>	<hr/>	<hr/>
NET ASSETS, Beginning	54,842	302,405	1,731,170
	<hr/>	<hr/>	<hr/>
NET ASSETS, Ending	\$ <u>109,839</u>	\$ <u>482,184</u>	\$ <u>2,352,119</u>

See the accompanying Independent Auditors' Report.

<u>SUMMIT</u>	<u>JUSTICE HIGH</u>	<u>TOTAL</u>
\$ 1,229,705	\$ 250,859	\$ 7,476,207
335,522	65,209	2,596,640
65,938	28,664	494,909
106,951	8,768	241,834
45,436	73,747	389,175
326,584	(702,739)	1,648,116
22,712	-	190,235
298,468	4,141	1,233,999
90,405	18,908	633,295
-	729,722	1,755,437
-	-	87,332
-	33,361	1,330,494
<u>2,521,721</u>	<u>510,640</u>	<u>18,077,673</u>
11,816	-	994,484
-	106,109	1,101,965
<u>11,816</u>	<u>106,109</u>	<u>2,096,449</u>
<u>(2,509,905)</u>	<u>(404,531)</u>	<u>(15,981,224)</u>
2,025,400	396,849	13,335,006
364,941	-	2,476,404
34,754	14,886	371,947
-	-	178,056
160,005	-	557,935
<u>2,585,100</u>	<u>411,735</u>	<u>16,919,348</u>
75,195	7,204	938,124
<u>404,486</u>	<u>-</u>	<u>2,492,903</u>
\$ <u><u>479,681</u></u>	\$ <u><u>7,204</u></u>	\$ <u><u>3,431,027</u></u>

BOULDER VALLEY SCHOOL DISTRICT RE-2

COMBINING BALANCE SHEET
COMPONENT UNITS
June 30, 2007

	<u>BOULDER PREP</u>	<u>HORIZONS</u>	<u>PEAK TO PEAK</u>
ASSETS			
Cash and Investments	\$ 84,527	\$ 707,219	\$ 4,368,382
Restricted Cash and Investments	-	-	2,956,599
Accounts Receivable	20,359	-	37,756
Inventories	-	-	4,168
	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	\$ <u>104,886</u>	\$ <u>707,219</u>	\$ <u>7,366,905</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accrued Liabilities	\$ -	\$ 38,475	\$ 82,407
Accrued Salaries and Benefits	-	209,459	306,301
Deferred Revenues	-	5,735	38,766
	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES	-	253,669	427,474
	<hr/>	<hr/>	<hr/>
FUND BALANCES			
Reserved for Inventories	-	-	4,168
Reserved for Debt Service	-	-	2,956,599
Reserved for Emergencies	23,239	56,682	277,782
Unreserved	81,647	396,868	3,700,882
	<hr/>	<hr/>	<hr/>
TOTAL FUND BALANCES	104,886	453,550	6,939,431
	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCES	\$ <u>104,886</u>	\$ <u>707,219</u>	\$ <u>7,366,905</u>
	<hr/>	<hr/>	<hr/>
Amounts reported in the statement of net assets are difference because:			
Fund Balances	\$ 104,886	\$ 453,550	\$ 6,939,431
Capital Assets	4,953	28,634	13,264,750
Debt Issuance Costs	-	-	619,373
Accrued Interest Payable	-	-	(426,278)
Long-Term Debt	-	-	(22,510,000)
Debt Premium	-	-	(476,031)
Loss on Refunding	-	-	4,940,874
	<hr/>	<hr/>	<hr/>
Net Assets	\$ <u>109,839</u>	\$ <u>482,184</u>	\$ <u>2,352,119</u>
	<hr/>	<hr/>	<hr/>

See the accompanying Independent Auditors' Report.

<u>SUMMIT</u>	<u>JUSTICE HIGH</u>	<u>TOTAL</u>
\$ 571,911	\$ 1,218	\$ 5,733,257
-	-	2,956,599
-	-	58,115
-	-	4,168
<u>\$ 571,911</u>	<u>\$ 1,218</u>	<u>\$ 8,752,139</u>

\$ 4,470	\$ 161	\$ 125,513
106,533	1,270	623,563
18,623	-	63,124
<u>129,626</u>	<u>1,431</u>	<u>812,200</u>

-	-	4,168
-	-	2,956,599
56,551	-	414,254
385,734	(213)	4,564,918
<u>442,285</u>	<u>(213)</u>	<u>7,939,939</u>
<u>\$ 571,911</u>	<u>\$ 1,218</u>	<u>\$ 8,752,139</u>

\$ 442,285	\$ (213)	\$ 7,939,939
37,396	690,278	14,026,011
-	-	619,373
-	-	(426,278)
-	(682,861)	(23,192,861)
-	-	(476,031)
-	-	4,940,874
<u>\$ 479,681</u>	<u>\$ 7,204</u>	<u>\$ 3,431,027</u>

BOULDER VALLEY SCHOOL DISTRICT RE-2

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES**
COMPONENT UNITS
Year Ended June 30, 2007

	<u>BOULDER PREP</u>	<u>HORIZONS</u>	<u>PEAK TO PEAK</u>
REVENUES			
Local Sources	\$ 1,105,246	\$ 2,843,478	\$ 11,608,855
State Sources	23,939	46,606	251,762
Federal Sources	<u>-</u>	<u>2,198</u>	<u>18,953</u>
 TOTAL REVENUES	 <u>1,129,185</u>	 <u>2,892,282</u>	 <u>11,879,570</u>
EXPENDITURES			
Current			
Instruction - Regular Programs	564,025	1,472,282	3,954,384
Instruction - Special Programs	118,781	437,354	1,639,774
Student Support Services	127,268	253,556	19,483
Instructional Staff Services	40,201	29,615	56,299
General Administration	17,106	43,554	209,332
School Administration	39,844	151,088	1,833,339
Business Services	50,535	22,200	94,788
Operations and Maintenance	80,740	247,941	631,343
Central Support Services	30,736	83,547	409,699
Other Support Services	-	-	349,937
Community Services	-	-	87,332
Capital Outlay	-	-	115,554
Debt Service			
Principal	-	-	400,000
Interest and Fiscal Charges	<u>-</u>	<u>-</u>	<u>1,130,743</u>
 TOTAL EXPENDITURES	 <u>1,069,236</u>	 <u>2,741,137</u>	 <u>10,932,007</u>
 EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	 59,949	 151,145	 947,563
OTHER FINANCING SOURCES (USES)			
Debt Issued	<u>-</u>	<u>-</u>	<u>-</u>
 NET CHANGE IN FUND BALANCES	 59,949	 151,145	 947,563
FUND BALANCES, Beginning	<u>44,937</u>	<u>302,405</u>	<u>5,991,868</u>
FUND BALANCES, Ending	\$ <u><u>104,886</u></u>	\$ <u><u>453,550</u></u>	\$ <u><u>6,939,431</u></u>
Amounts reported in the statement of activities are different because:			
Net Change in Fund Balances	\$ 59,949	\$ 151,145	\$ 947,563
Capital Outlay	-	28,634	-
Depreciation Expense	(4,952)	-	(537,142)
Note Payable	-	-	-
Repayment of Debt Principal	-	-	400,000
Amortization of Debt Premium	-	-	17,741
Amortization of Loss on Refunding	-	-	(184,131)
Amortization of Debt Issuance Costs	<u>-</u>	<u>-</u>	<u>(23,082)</u>
 Change in Net Assets	\$ <u><u>54,997</u></u>	\$ <u><u>179,779</u></u>	\$ <u><u>620,949</u></u>

See the accompanying Independent Auditors' Report.

<u>SUMMIT</u>	<u>JUSTICE HIGH</u>	<u>TOTAL</u>
\$ 2,562,162	\$ 396,849	\$ 18,516,590
34,754	14,886	371,947
-	106,109	127,260
<u>2,596,916</u>	<u>517,844</u>	<u>19,015,797</u>

1,229,705	250,859	7,471,255
335,522	65,209	2,596,640
65,938	28,664	494,909
106,951	8,768	241,834
45,436	73,747	389,175
320,352	7,261	2,351,884
22,712	-	190,235
298,468	4,141	1,262,633
90,405	18,908	633,295
-	-	349,937
-	-	87,332
-	710,000	825,554
-	2,639	402,639
-	33,361	1,164,104

<u>2,515,489</u>	<u>1,203,557</u>	<u>18,461,426</u>
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81,427	(685,713)	554,371
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<u>-</u>	<u>685,500</u>	<u>685,500</u>
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81,427	(213)	1,239,871
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<u>360,858</u>	<u>-</u>	<u>6,700,068</u>
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<u>\$ 442,285</u>	<u>\$ (213)</u>	<u>\$ 7,939,939</u>
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\$ 81,427	\$ (213)	\$ 1,239,871
-	710,000	738,634
(6,232)	(19,722)	(568,048)
-	(685,500)	(685,500)
-	2,639	402,639
-	-	17,741
-	-	(184,131)
-	-	(23,082)

<u>\$ 75,195</u>	<u>\$ 7,204</u>	<u>\$ 938,124</u>
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STATISTICAL SECTION

Statistical Section

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

Contents	Tables	Pages
<u>Financial Trends</u> These tables contain trend information to help the reader understand how the District's financial condition has changed over time.	1-4	52-55
<u>Revenue Capacity</u> These tables contain information to help the reader assess the District's largest revenue source, property taxes.	5-7	56-58
<u>Debt Capacity</u> These tables present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	8-9	59-60
<u>Demographic and Economic Information</u> These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	10-14	61-65
<u>Operating Information</u> These tables contain service data to help the reader understand how the information in the financial report relates to the services the District provides and the activities it performs.	15-16	66-72

BOULDER VALLEY SCHOOL DISTRICT RE-2
Net Assets by Component
Last 6 Fiscal Years (1)

(Unaudited)

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

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

Table 1

<u>June 30, 2006</u>	<u>June 30, 2007</u>
\$ 51,647,224	\$ 53,686,966
24,912,968	32,797,516
<u>18,100,286</u>	<u>20,535,493</u>
94,660,478	107,019,975
241,459	217,527
156,368	163,236
<u>483,950</u>	<u>190,339</u>
881,777	571,102
51,888,683	53,904,493
25,069,336	32,960,752
<u>18,584,236</u>	<u>20,725,832</u>
\$ <u><u>95,542,255</u></u>	\$ <u><u>107,591,077</u></u>

BOULDER VALLEY SCHOOL DISTRICT RE-2
Changes in Net Assets
Last 6 Fiscal Years (1)

(Unaudited)

	<u>June 30, 2002</u>	<u>June 30, 2003</u>	<u>June 30, 2004</u>	<u>June 30, 2005</u>
Primary Government Expenses				
Governmental Activities				
Instruction	\$ 128,103,261	\$ 138,634,470	\$ 152,350,470	\$ 156,019,891
Supporting Services	64,674,994	64,857,565	67,708,814	70,880,775
Unallocated Depreciation	7,571,955	7,350,240	-	-
Interest Expense	8,551,499	7,717,201	7,251,857	7,041,788
Total Governmental Activities	<u>208,901,709</u>	<u>218,559,476</u>	<u>227,311,141</u>	<u>233,942,454</u>
Business-type Activities				
Food Services	<u>5,123,170</u>	<u>5,052,501</u>	<u>4,951,365</u>	<u>4,968,538</u>
Total Business-type Activities	<u>5,123,170</u>	<u>5,052,501</u>	<u>4,951,365</u>	<u>4,968,538</u>
Total Primary Government Expenses	214,024,879	223,611,977	232,262,506	238,910,992
Program Revenues				
Governmental Activities				
Charges for Services	4,515,968	4,804,335	4,633,203	5,049,089
Operating Grants and Contributions	<u>17,238,877</u>	<u>16,163,107</u>	<u>17,157,713</u>	<u>19,381,843</u>
Total Governmental Activities	<u>21,754,845</u>	<u>20,967,442</u>	<u>21,790,916</u>	<u>24,430,932</u>
Business-type Activities				
Charges for Services	3,666,920	3,473,272	3,592,297	3,370,264
Operating Grants and Contributions	<u>1,380,737</u>	<u>1,425,402</u>	<u>1,545,589</u>	<u>1,533,700</u>
Total Business-type Activities	<u>5,047,657</u>	<u>4,898,674</u>	<u>5,137,886</u>	<u>4,903,964</u>
Total Primary Government Program Revenues	26,802,502	25,866,116	26,928,802	29,334,896
Net (Expense) Revenue				
Governmental Activities	(187,146,864)	(197,592,034)	(205,520,225)	(209,511,522)
Business-type Activities	<u>(75,513)</u>	<u>(153,827)</u>	<u>186,521</u>	<u>(64,574)</u>
Total Primary Government Net (Expense)	(187,222,377)	(197,745,861)	(205,333,704)	(209,576,096)
General Revenues				
Governmental Activities				
Property Taxes	132,987,761	146,454,502	152,701,086	148,506,345
Specific Ownership Taxes	12,221,725	11,605,270	11,551,266	11,254,363
State Equalization	35,352,777	42,286,795	45,499,801	49,628,580
Unrestricted Grant Revenue	-	1,635,693	-	-
Investment Earnings	1,012,088	487,225	230,215	555,174
Other Revenues	<u>2,148,195</u>	<u>2,212,217</u>	<u>6,215,533</u>	<u>5,503,310</u>
Total General Revenues	<u>183,722,546</u>	<u>204,681,702</u>	<u>216,197,901</u>	<u>215,447,772</u>
Change in Net Assets	(3,499,831)	6,935,841	10,864,197	5,871,676
Net Assets, July 1	<u>68,673,263</u>	<u>65,173,432</u>	<u>72,109,273</u>	<u>82,973,470</u>
Net Assets, June 30	<u>\$ 65,173,432</u>	<u>\$ 72,109,273</u>	<u>\$ 82,973,470</u>	<u>\$ 88,845,146</u>

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

Table 2

<u>June 30, 2006</u>	<u>June 30, 2007</u>
\$ 159,937,412	\$ 162,839,335
76,041,071	85,954,536
-	-
<u>6,732,020</u>	<u>8,429,419</u>
242,710,503	257,223,290
<u>5,211,811</u>	<u>5,625,673</u>
5,211,811	5,625,673
247,922,314	262,848,963
9,226,204	10,466,889
<u>19,442,789</u>	<u>20,948,003</u>
28,668,993	31,414,892
3,371,042	3,486,250
<u>1,669,144</u>	<u>1,828,748</u>
5,040,186	5,314,998
33,709,179	36,729,890
(214,041,510)	(225,808,398)
<u>(171,625)</u>	<u>(310,675)</u>
(214,213,135)	(226,119,073)
154,646,048	164,129,499
10,887,850	11,108,990
51,919,871	58,089,462
-	-
1,192,940	3,629,865
<u>2,263,535</u>	<u>1,210,079</u>
220,910,244	238,167,895
6,697,109	12,048,822
<u>88,845,146</u>	<u>95,542,255</u>
<u>\$ 95,542,255</u>	<u>\$ 107,591,077</u>

BOULDER VALLEY SCHOOL DISTRICT RE-2
Fund Balances, Governmental Funds
Last 10 Fiscal Years

(Unaudited)

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
General Fund					
Reserved	\$ 4,421,295	\$ 4,935,923	\$ 5,322,111	\$ 704,703	\$ 482,630
Unreserved	<u>(6,400,627)</u>	<u>2,704,146</u>	<u>524,622</u>	<u>3,980,357</u>	<u>(586,897)</u>
Sub total	<u>(1,979,332)</u>	<u>7,640,069</u>	<u>5,846,733</u>	<u>4,685,060</u>	<u>(104,267)</u>
Other Governmental Funds					
Reserved	12,955,631	68,097,352	29,421,887	5,380,672	191,684
Unreserved, reported in					
Debt Service Fund	13,211,548	14,467,115	14,172,985	14,952,229	14,973,430
Capital Projects Fund	2,533,415	2,635,732	2,360,889	2,990,232	4,000,873
Special Revenue Fund	<u>50,838</u>	<u>57,322</u>	<u>5,285</u>	<u>52,367</u>	<u>-</u>
Sub total	<u>28,751,432</u>	<u>85,257,521</u>	<u>45,961,046</u>	<u>23,375,500</u>	<u>19,165,987</u>
Total Governmental Funds	<u>\$ 26,772,100</u>	<u>\$ 92,897,590</u>	<u>\$ 51,807,779</u>	<u>\$ 28,060,560</u>	<u>\$ 19,061,720</u>

Table 3

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
\$	5,836,698	\$ 6,088,567	\$ 6,452,971	\$ 6,416,452	\$ 7,039,417
	<u>273,456</u>	<u>8,310,252</u>	<u>12,555,719</u>	<u>17,132,787</u>	<u>21,551,939</u>
	6,110,154	14,398,819	19,008,690	23,549,239	28,591,356
	170,609	286,639	209,028	501,254	521,385
	15,131,986	17,075,783	15,577,400	15,912,470	23,304,815
	4,001,547	2,141,390	1,575,024	2,310,761	122,941,492
	<u>-</u>	<u>-</u>	<u>-</u>	<u>143,238</u>	<u>682,392</u>
	19,304,142	19,503,812	17,361,452	18,867,723	147,450,084
\$	<u><u>25,414,296</u></u>	<u><u>33,902,631</u></u>	<u><u>36,370,142</u></u>	<u><u>42,416,962</u></u>	<u><u>176,041,440</u></u>

BOULDER VALLEY SCHOOL DISTRICT RE-2
Changes in Fund Balances-Governmental Funds
Last 10 Fiscal Years

	(Unaudited)				
	1998	1999	2000	2001	2002
Primary Government					
Revenues					
Local sources					
Current Property taxes	\$ 103,737,541	\$ 119,431,628	\$ 122,447,267	\$ 125,932,588	\$ 131,277,327
Specific ownership taxes	8,839,059	9,961,118	11,324,836	11,936,063	12,221,725
Delinquent property taxes	221,044	102,255	296,456	847,037	940,528
Grants	35,833	210,153	293,698	193,593	637,603
Tuition	3,490,031	3,582,710	3,352,704	3,275,045	4,893,573
Interest	3,897,873	2,675,461	3,897,555	2,462,192	1,000,511
Miscellaneous	1,198,548	3,834,003	2,903,105	2,296,818	1,770,591
Sub total local sources	121,419,929	139,797,328	144,515,621	146,943,336	152,741,858
State sources					
Equalization	24,506,373	27,821,878	29,110,241	31,174,893	35,352,777
Special education	2,939,892	2,956,640	3,005,528	3,076,734	3,253,442
Transportation	1,448,265	1,353,305	1,534,018	1,605,018	1,641,720
Vocational education	927,638	697,546	729,487	997,821	1,093,446
Grants	155,033	132,833	186,802	356,145	1,905,909
Medicaid	-	-	-	-	-
Miscellaneous	330,697	340,482	149,359	127,057	861,089
Sub total state sources	30,307,898	33,302,684	34,715,435	37,337,668	44,108,383
Federal Sources					
Grants	4,574,645	4,300,278	5,540,810	6,210,931	7,845,668
Miscellaneous	6,075	17,086	-	-	-
Sub total federal sources	4,580,720	4,317,364	5,540,810	6,210,931	7,845,668
Total revenues	156,308,547	177,417,376	184,771,866	190,491,935	204,695,909
Expenses					
Governmental Activities					
Regular Instruction	68,701,845	72,059,525	78,960,052	80,856,556	91,734,901
Special Instruction	22,355,449	26,111,880	28,343,878	30,563,735	36,374,276
Instructional Support		-			
Student Services	3,496,064	3,930,627	4,643,640	5,031,435	4,701,396
Instructional Staff Support	4,449,319	5,197,693	7,311,116	7,528,597	7,616,595
School Administration and Operations		-			
School Administration	9,716,871	11,449,223	13,312,533	13,505,416	12,909,374
Operations and Maintenance	10,715,296	11,474,154	12,633,683	14,358,773	13,788,472
Student Transportation	4,325,552	4,619,472	5,394,059	5,531,612	6,050,831
District Wide/Community Services		-			
General Administration	1,859,501	1,933,175	1,814,839	2,445,908	2,701,597
Business Services	1,422,046	1,476,452	1,613,363	1,856,336	1,764,119
Central Services	3,226,278	3,546,228	4,129,184	4,051,061	7,479,615
Enterprise Operations	114,840	58,564	31,897	34,677	
Community Services	3,067,927	2,456,675	2,337,352	2,485,765	3,509,275
Adult Basic Education	64,997	35,267	49,644	32,242	38,758
Debt Service					
Principal	6,305,000	7,130,000	6,635,000	6,145,000	6,485,000
Interest & Fiscal Charges	6,256,027	7,599,983	9,381,637	9,045,567	8,742,481
Capital outlay	27,674,914	14,301,645	48,199,794	29,448,348	9,786,473
Total Expenditures	173,751,926	173,380,563	224,791,671	212,921,028	213,683,163
Other financing sources (uses)	(304,195)	64,040,039	602,963	87,428	215,858
Net change in fund balances	(19,152,828)	66,125,490	(41,089,811)	(23,974,663)	(8,771,396)
Fund Balance, Beginning	45,924,928	26,772,100	92,897,590	51,807,779	27,833,116
Fund Balance, Ending	\$ 26,772,100	\$ 92,897,590	\$ 51,807,779	\$ 27,833,116	\$ 19,061,720
Debt Service as a percentage of noncapital expenditures	9.41%	10.20%	9.97%	9.03%	8.07%

Table 4

<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
\$ 145,992,818	\$ 151,789,396	\$ 146,875,553	\$ 155,286,194	\$ 165,456,960
11,605,270	11,588,140	11,254,363	10,887,850	11,108,990
420,203	336,249	154,876	197,766	988,215
609,678	891,361	625,824	379,077	415,434
5,310,851	5,416,755	4,178,361	5,856,936	4,978,744
444,693	826,866	314,937	1,192,940	3,629,864
1,519,558	4,639,448	6,369,584	5,632,801	5,185,099
<u>165,903,071</u>	<u>175,488,215</u>	<u>169,773,498</u>	<u>179,433,564</u>	<u>191,763,306</u>
42,286,795	45,510,703	49,628,580	51,919,871	58,089,462
3,458,753	3,562,820	3,580,231	4,382,998	4,325,948
1,740,381	1,666,126	1,817,823	1,812,163	1,953,274
836,724	740,919	863,334	745,959	1,382,780
1,911,065	1,283,960	1,708,940	699,254	1,431,036
211,016	195,883	181,471	205,233	1,512
322,123	298,318	299,121	342,855	594,242
<u>50,766,857</u>	<u>53,258,729</u>	<u>58,079,500</u>	<u>60,108,333</u>	<u>67,778,254</u>
8,920,076	8,703,306	10,486,570	10,875,250	10,843,777
-	-	-	-	-
<u>8,920,076</u>	<u>8,703,306</u>	<u>10,486,570</u>	<u>10,875,250</u>	<u>10,843,777</u>
<u>225,590,004</u>	<u>237,450,250</u>	<u>238,339,568</u>	<u>250,417,147</u>	<u>270,385,337</u>
99,197,958	101,172,110	103,615,622	106,537,319	111,167,575
39,416,453	41,407,709	43,141,666	42,475,585	44,666,239
5,170,891	5,332,767	5,332,346	5,737,529	6,127,364
7,910,443	7,340,550	7,943,077	9,200,010	11,265,749
11,116,837	14,119,765	14,292,469	14,968,318	15,818,323
14,307,963	15,338,688	15,759,700	16,890,272	16,915,946
6,262,799	6,611,788	6,887,504	7,439,219	7,727,513
2,756,668	2,607,570	2,715,598	2,832,062	3,132,739
1,923,562	1,934,280	2,694,665	2,016,893	2,121,958
7,851,084	8,495,520	9,338,785	10,813,212	11,302,707
3,688,237	4,061,211	107,008	-	4,815,749
40,793	41,195	4,042,492	4,373,239	117,797
6,890,000	6,935,000	179,308	92,263	7,880,000
7,741,948	7,606,483	7,245,000	7,555,000	6,427,353
4,961,792	7,713,867	7,051,265	6,741,497	687,174
<u>219,237,428</u>	<u>230,718,503</u>	<u>5,525,552</u>	<u>7,171,042</u>	<u>8,002,276</u>
<u>219,237,428</u>	<u>230,718,503</u>	<u>235,872,057</u>	<u>244,843,460</u>	<u>258,176,462</u>
-	1,756,588	-	473,133	121,415,603
6,352,576	8,488,335	2,467,511	6,046,820	133,624,478
<u>19,061,720</u>	<u>25,414,296</u>	<u>33,902,631</u>	<u>36,370,142</u>	<u>42,416,962</u>
<u>\$ 25,414,296</u>	<u>\$ 33,902,631</u>	<u>\$ 36,370,142</u>	<u>\$ 42,416,962</u>	<u>\$ 176,041,440</u>
7.33%	6.98%	6.62%	6.40%	2.93%

BOULDER VALLEY SCHOOL DISTRICT RE-2
Assessed Value and Estimated Actual Value of Taxable Property
Last 10 Fiscal Years

(Unaudited)

Fiscal Year	Taxable Assessed Value				Total Direct Tax Rate*
	Residential Property	Commercial Property	All Other	Total	
1997	1,216,914,610	937,699,680	188,553,490	2,343,167,780	40.525
1998	1,263,315,530	1,003,816,211	176,126,430	2,443,258,171	44.356
1999	1,437,867,352	1,180,454,562	245,450,462	2,863,772,376	38.978
2000	1,483,630,811	1,291,614,707	262,615,286	3,037,860,804	38.191
2001	1,864,943,092	1,550,515,234	357,373,542	3,772,831,868	31.274
2002	1,894,344,086	1,594,437,769	355,916,948	3,844,698,803	35.006
2003	1,952,680,540	1,667,504,239	352,499,975	3,972,684,754	34.378
2004	1,974,598,660	1,681,144,196	319,779,595	3,975,522,451	34.418
2005	2,064,990,490	1,766,828,760	322,566,613	4,154,385,863	33.346
2006	2,096,273,840	1,764,603,370	304,095,073	4,164,972,283	33.153

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

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

Table 5

Estimated Actual Value	Ratio of Estimated Actual Value to Assessed Value	Assessment Rate	
		Residential	All Other
16,388,753,557	6.9943	9.74%	29.00%
16,807,482,051	6.8791	9.74%	29.00%
19,668,035,517	6.8679	9.74%	29.00%
20,601,038,329	6.7814	9.15%	29.00%
27,110,806,850	7.1858	9.15%	29.00%
27,573,225,209	7.1718	9.15%	29.00%
31,624,551,624	7.9605	7.96%	29.00%
31,834,021,863	8.0075	7.96%	29.00%
33,273,880,826	8.0093	7.96%	29.00%
33,586,945,608	8.0641	7.96%	29.00%

BOULDER VALLEY SCHOOL DISTRICT RE-2
Property Tax Levies and Collections
Last 10 Fiscal Years

Table 6

(Unaudited)

Levy Year	Collection Year	Total Tax Levy	Current Tax Collections	Percent of Current Tax Collected	Delinquent Tax Collections	Total Collections	
						Amount	Percent of Levy
2005	1997	101,016,769	100,124,058	99.12%	171,986	100,296,044	99.29%
1997	1998	104,343,774	103,476,460	99.17%	194,817	103,671,277	99.36%
1998	1999	120,618,953	119,967,464	99.46%	93,653	120,061,117	99.54%
1999	2000	123,278,175	123,084,709	99.84%	142,920	123,227,629	99.96%
2000	2001	127,106,029	126,382,188	99.43%	356,068	126,738,256	99.71%
2001	2002	131,684,926	130,756,272	99.29%	71,953	130,828,225	99.35%
2002	2003	148,091,114	147,139,163	99.36%	387,790	147,526,953	99.62%
2003	2004	152,358,541	151,722,942	99.58%	336,249	152,059,191	99.80%
2004	2005	149,047,366	147,225,944	98.78%	139,537	147,365,481	98.87%
2005	2006	156,558,031	155,286,194	99.19%	197,766	155,483,960	99.31%
2006	2007*	164,782,963	161,992,586	98.31%	96,132	162,088,718	98.36%

* Collections through July 31, 2007

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

BOULDER VALLEY SCHOOL DISTRICT RE-2
Property Tax Rates - Direct and Overlapping Governments
Last 10 Fiscal Years

(Unaudited)

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
Boulder Valley School District RE-2				
General Fund				
School Finance Act	36.750	36.750	32.424	31.972
Budget Election	3.069	7.374	6.304	5.960
Abatements and Refunds	0.706	0.232	0.250	0.259
Subtotal General Fund	40.525	44.356	38.978	38.191
Transportation Fund	-	-	-	-
Bond Redemption Fund	4.819	6.000	5.022	4.699
Total Boulder Valley School District RE-2	45.344	50.356	44.000	42.890
Boulder County	21.243	21.762	19.682	19.835
Cities and Towns				
Boulder	11.428	11.438	10.502	10.908
Broomfield	13.894	13.894	13.894	13.894
Lafayette	13.817	13.034	11.352	11.860
Louisville	5.246	5.184	4.643	4.767
Jamestown	13.390	12.320	13.289	13.289
Nederland	15.486	16.210	14.982	15.546
Superior	2.727	2.727	2.279	2.144
Ward	4.807	5.481	4.232	4.230
	80.795	80.288	75.173	76.638
Special Districts (Ranges)	.668 to 24.270	.676 to 30.000	.583 to 41.000	.594 to 41.000
Fire Districts (Ranges)	1.776 to 13.367	1.776 to 13.431	1.776 to 12.147	1.776 to 12.432
Water/Sanitation Districts (Ranges)	.351 to 18.136	.357 to 18.350	.328 to 18.050	.303 to 19.364

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

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

Table 7

<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
26.412	26.412	26.049	26.049	25.023	25.023
4.669	8.469	8.201	8.193	7.862	7.842
0.193	0.125	0.128	0.176	0.461	0.288
31.274	35.006	34.378	34.418	33.346	33.153
-	-	-	-	1.065	1.509
3.533	3.518	3.877	3.005	3.274	4.902
34.807	38.524	38.255	37.423	37.685	39.564
17.621	20.087	20.088	21.267	21.867	22.467
9.301	9.640	9.860	10.005	9.643	9.889
28.986	28.986	28.986	28.986	28.968	28.968
11.130	10.994	10.832	10.710	11.848	11.779
5.292	5.184	6.710	6.710	6.710	6.710
12.343	14.843	14.680	21.400	21.400	21.400
15.408	15.455	14.462	14.765	14.572	14.572
1.836	1.906	8.805	8.805	8.805	8.805
3.662	3.474	2.616	2.709	2.300	2.730
87.958	90.482	96.951	104.090	104.246	104.853
.521 to 43.000	.531 to 98.746	.533 to 84.319	.538 to 89.500	.538 to 99.000	.542 to 49.500
1.090 to 11.023	2.500 to 11.715	2.500 to 11.434	2.500 to 11.433	2.500 to 11.325	2.500 to 11.747
.258 to 16.462	.245 to 16.795	.243 to 17.365	.230 to 17.957	.222 to 18.141	.214 to 18.482

BOULDER VALLEY SCHOOL DISTRICT RE-2
Ratios of Outstanding Debt By Type
Last 10 Fiscal Years

(Unaudited)

Fiscal Year	General Obligation Bonds	Percentage of Actual Taxable Value of Property	Per Capita*	Other Governmental Activities Debt		
				Certificates of Participation	Capital Leases	Total Primary Government
1998	119,015,000	0.73%	461	9,425,000	646,640	129,086,640
1999	176,270,000	1.05%	665	8,695,000	531,919	185,496,919
2000	170,405,000	0.87%	627	7,925,000	404,185	178,734,185
2001	165,070,000	0.80%	597	7,115,000	271,922	172,456,922
2002	159,500,000	0.59%	574	6,255,000	139,784	165,894,784
2003	153,515,000	0.56%	553	5,350,000	-	158,865,000
2004	147,065,000	0.47%	527	6,790,000	-	153,855,000
2005	140,310,000	0.44%	499	6,300,000	-	146,610,000
2006	133,250,000	0.40%	470	5,805,000	-	139,055,000
2007	245,875,000	0.73%	834	5,300,000	-	251,175,000

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

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

Source: Boulder Valley School District RE-2

Table 8

<u>Percentage of Personal Income**</u>	<u>Per Capita**</u>
1.48%	501
1.93%	700
1.62%	658
1.52%	623
1.48%	597
1.39%	572
1.28%	551
1.15%	521
1.03%	490
1.75%	852

BOULDER VALLEY SCHOOL DISTRICT RE-2
Legal Debt Margin Information
Last 10 Fiscal Years

(Unaudited)

Assessed Valuation

Debt Limit Percentage

Legal Debt Limit

Debt Outstanding

Legal Debt Margin

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
Debt Limit	\$ 460,231,888	\$ 479,064,870	\$ 560,776,710	\$ 592,707,062
Debt Applicable To Limit	<u>119,015,000</u>	<u>176,270,000</u>	<u>170,405,000</u>	<u>165,070,000</u>
Legal Debt Margin	\$ <u><u>341,216,888</u></u>	\$ <u><u>302,794,870</u></u>	\$ <u><u>390,371,710</u></u>	\$ <u><u>427,637,062</u></u>
Total Debt Applicable As A Percentage Of Debt Limit	25.86%	36.79%	30.39%	27.85%

Table 9

\$ 4,164,972,283

20.00%

832,994,457

245,875,000

\$ 587,119,457

<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
\$ 756,657,718	\$ 771,327,974	\$ 796,541,845	\$ 796,554,878	\$ 830,877,173	\$ 832,994,457
<u>159,500,000</u>	<u>153,515,000</u>	<u>147,065,000</u>	<u>140,310,000</u>	<u>133,250,000</u>	<u>245,875,000</u>
<u>\$ 597,157,718</u>	<u>\$ 617,812,974</u>	<u>\$ 649,476,845</u>	<u>\$ 656,244,878</u>	<u>\$ 697,627,173</u>	<u>\$ 587,119,457</u>
21.08%	19.90%	18.46%	17.61%	16.04%	29.52%

BOULDER VALLEY SCHOOL DISTRICT RE-2
Demographic and Economic Statistics
Last 10 Fiscal Years

Table 10

(Unaudited)

Fiscal Year	*Estimated Population(1)	*Personal Income(1) (millions)	*Per Capita Personal Income(1)	**Enrollment (Student FTE)	*Unemployment Rate(1)
1998	257,901	8,734	33,866	25,073.5	3.106%
1999	264,927	9,610	36,269	25,732.5	2.812%
2000	271,815	11,062	40,695	25,942.5	2.345%
2001	276,711	11,312	40,883	26,311.5	3.495%
2002	278,048	11,230	40,390	26,703.0	5.885%
2003	277,813	11,399	41,034	26,629.5	5.809%
2004	279,227	11,994	42,955	26,643.5	4.924%
2005	281,195	12,765	45,394	26,789.5	4.402%
2006	283,644	13,550	47,770	26,739.5	4.009%
2007	294,750 ***	14,385	50,141	26,914.0	3.896%

Source: * Global Insight Inc.
 ** Boulder Valley School District RE-2
 *** Colorado State Demography Office

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

Table 11

BOULDER VALLEY SCHOOL DISTRICT RE-2
Computation of Direct and Overlapping General Obligation Debt
June 30, 2007

(Unaudited)

	Outstanding General Obligation Debt	Percentage Applicable to the District (3)	Amount of Outstanding Debt Applicable to the District
Overlapping Debt (1)			
City of Boulder	86,380,000	100.00%	86,380,000
City of Louisville	10,571,579	100.00%	10,571,579
City of Lafayette	12,635,000	100.00%	12,635,000
City and County of Broomfield	2,555,000	55.00%	1,405,250
Boulder Central Area General Improvement District	22,415,000	100.00%	22,415,000
Colorado Tech Center Metropolitan District	14,710,000	100.00%	14,710,000
East Boulder County Water District	1,958,149	100.00%	1,958,149
Interlocken Consolidated Metropolitan District	93,012,395	7.00%	6,510,868
Lafayette City Center Improvement District	675,000	100.00%	675,000
Lafayette Corporate Campus	2,625,000	100.00%	2,625,000
Lafayette Tech Center Improvement District	2,040,000	100.00%	2,040,000
Mountain View Fire Protection District	280,000	10.00%	28,000
Nederland Fire Protection District	1,410,000	100.00%	1,410,000
Norther Colorado Water Conservancy District	4,521,962	36.00%	1,627,906
Pine Brook Water District	5,120,000	100.00%	5,120,000
Superior/McCaslin Interchange District	5,060,000	100.00%	5,060,000
Superior Metropolitan District #2	6,340,000	100.00%	6,340,000
Superior Metropolitan District #3	3,025,000	100.00%	3,025,000
Town of Nederland	1,607,768	100.00%	1,607,768
Sub total Overlapping Debt			186,144,520
School District Direct Debt (2)			245,875,000
Total Direct and Overlapping Debt			\$ 432,019,520

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

Notes:

- (1) Balances as of December 31, 2006
- (2) Balance as of June 30, 2007
- (3) The Percentage Applicable to the District is calculated by taking the percentage of the government's assessed value which is located within the boundaries of the District.

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

BOULDER VALLEY SCHOOL DISTRICT RE-2
Principal Property Taxpayers
January 1, 2007 and 9 Years Ago

Table 12

(Unaudited)

Taxpayer	2007			1998		
	Rank	Assessed Valuation	Percentage of Total Assessed Valuation	Rank	Assessed Valuation	Percentage of Total Assessed Valuation
Xcel Energy	1	\$ 59,138,890	1.42%			0.00%
Flatirons Holding LLC	2	45,037,420	1.08%			0.00%
Level 3 Communications	3	30,737,621	0.74%			0.00%
Qwest Communications	4	26,774,170	0.64%			0.00%
IBM Corp.	5	25,263,700	0.61%	4	28,155,260	1.24%
Roche Colorado Corporation	6	24,631,210	0.59%			0.00%
Sun Microsystems Inc.	7	15,033,010	0.36%			0.00%
Storage Technology Corp.	8	14,382,520	0.35%	2	\$ 37,632,700	1.66%
DDR Flatirons LLC	9	14,214,820	0.34%			0.00%
Flatirons Property Holding LLC	10	13,192,930	0.32%			0.00%
Public Service Company of Colorado				1	40,919,070	1.80%
U.S. West Communications				2	29,594,100	1.30%
Macerich Partnership				5	16,877,990	0.74%
Ball Corp.				8	11,978,200	0.53%
Syntex Chemical Inc.				6	14,152,230	0.62%
Valleylab Inc.				9	9,373,220	0.41%
Connecticut National				10	8,297,190	0.37%
STC Real Estate Co.						0.00%
Sub-total		<u>268,406,291</u>	<u>6.44%</u>		<u>196,979,960</u>	<u>8.67%</u>
Remaining Assessed Valuation		<u>3,896,565,992</u>	<u>93.56%</u>		<u>2,076,024,220</u>	<u>91.33%</u>
Total Assessed Valuation		<u>\$ 4,164,972,283</u>	<u>100.00%</u>		<u>\$ 2,273,004,180</u>	<u>100.00%</u>

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

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

Source: Boulder County and Broomfield County Assessors Office

BOULDER VALLEY SCHOOL DISTRICT RE-2
District Employees-Full Time Equivalents
Last 7 Fiscal Years*

(Unaudited)

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

* Amounts prior to 2001 are not available

SOURCE: Boulder Valley School District RE-2

Table 13

2006	2007
1.00	1.00
5.00	6.40
21.40	21.50
13.90	11.00
53.60	51.90
35.60	32.90
2.40	2.00
132.90	126.70
1,460.20	1,504.60
199.00	191.90
15.40	13.50
56.40	57.70
7.80	13.50
3.40	4.00
-	2.60
0.80	2.60
41.70	44.10
45.70	58.40
2.00	2.00
-	1.10
13.40	11.30
14.10	14.50
1.90	2.00
23.30	19.70
22.30	20.00
34.90	32.40
1,942.30	1,995.90
107.10	96.90
674.60	672.30
265.10	266.60
152.10	164.20
44.60	55.70
155.70	154.90
125.60	119.00
478.00	493.80
3,600.00	3,652.20

Table 14

BOULDER VALLEY SCHOOL DISTRICT RE-2
Principal Employers
January 1, 2007 and 9 Years Ago

(Unaudited)

<u>Employer</u>	<u>2007</u>			<u>1998</u>		
	<u>Rank</u>	<u>Number of Employees</u>	<u>Percentage of Total County Employment</u>	<u>Rank</u>	<u>Number of Employees</u>	<u>Percentage of Total County Employment</u>
University of Colorado Boulder Campus	1	7,050	4.23%	1	4,820	3.02%
IBM Corp.	2	4,200	2.52%	2	4,000	2.51%
Sun Microsystems, Inc.	3	3,800	2.28%			
Boulder Valley School District RE-2	4	3,600	2.16%	4	3,176	1.99%
Ball Corp.	5	3,000	1.80%	6	2,400	1.50%
State of Colorado	6	2,820	1.69%			
Level 3 Communications, Inc.	7	2,000	1.20%			
Boulder Community Hospital	8	1,907	1.14%	7	2,000	1.25%
Boulder County	9	1,600	0.96%	9	1,500	0.94%
University Corp. For Atmospheric Research	10	1,362	0.82%			
Storage Technology Corp.				3	3,619	2.27%
Centrobe				5	2,600	1.63%
St. Vrain Valley School District				8	1,881	1.18%
City of Boulder				10	1,500	0.94%
Sub Total		31,339	18.81%		27,496	17.23%
Other Employers		135,304	81.19%		132,126	82.77%
Total		<u>166,643</u>	<u>100.00%</u>		<u>159,622</u>	<u>100.00%</u>

Source: Boulder County Business Report Book of Lists 2/23/07 - 3/1/07.

BOULDER VALLEY SCHOOL DISTRICT RE-2

School Building Information

Last 10 Fiscal Years

(Unaudited)

School	1998	1999	2000	2001	2002
Elementary Schools					
Aurora 7					
Square Feet	50,435	50,435	50,435	0	0
Capacity	na	na	448	0	0
Enrollment	238	270	347	0	0
Bear Creek					
Square Feet	39,549	39,549	39,549	39,549	39,549
Capacity	na	na	403	405	376
Enrollment	349	347	341	362	341
Birch					
Square Feet	42,694	42,694	42,694	44,714	44,714
Capacity	na	na	531	531	531
Enrollment	474	452	450	431	378
BCSIS					
Square Feet	0	4,791	5,816	25,922	25,922
Capacity	0	na	133	190	221
Enrollment	0	112	128	160	200
Coal Creek					
Square Feet	53,916	53,916	53,916	53,916	53,916
Capacity	na	na	586	559	557
Enrollment	561	541	561	553	539
Columbine					
Square Feet	48,078	48,078	48,078	48,078	48,078
Capacity	na	na	397	395	499
Enrollment	373	374	348	351	335
Community Montessori					
Square Feet	42,583	42,583	42,583	42,583	42,583
Capacity	na	na	112	104	144
Enrollment	120	126	136	149	154
Creekside					
Square Feet	0	0	0	46,976	46,976
Capacity	0	0	0	402	450
Enrollment	0	0	0	327	352
Crest View					
Square Feet	53,831	53,831	53,831	55,007	55,007
Capacity	na	na	667	614	493
Enrollment	511	550	538	517	501
Douglass					
Square Feet	49,438	49,438	49,438	54,772	54,772
Capacity	na	na	475	475	451
Enrollment	417	451	443	453	447
Eisenhower					
Square Feet	52,526	52,526	52,526	53,601	53,601
Capacity	na	na	611	611	611
Enrollment	494	491	447	452	426

Table 15

2003	2004	2005	2006	2007
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
39,549	39,549	39,549	39,549	39,549
379	310	350	370	350
336	343	337	348	343
44,714	44,714	44,714	44,714	44,714
502	440	438	463	463
391	400	403	409	415
25,922	25,922	25,922	25,922	25,922
211	210	230	230	230
217	229	259	285	287
53,916	53,916	53,916	53,916	53,916
555	473	460	460	465
524	537	511	491	478
48,078	48,078	48,078	48,078	48,078
499	341	352	413	431
305	312	346	384	402
42,583	42,583	42,583	42,583	42,583
144	126	140	180	200
153	148	148	193	215
46,976	46,976	46,976	46,976	46,976
416	308	289	316	316
309	293	285	269	329
55,007	55,007	55,007	55,007	55,007
493	385	485	510	530
473	492	494	501	510
54,772	54,772	54,772	54,772	54,772
451	410	435	435	435
469	476	482	469	455
53,601	53,601	53,601	53,601	53,601
611	548	548	500	525
422	420	436	449	440

BOULDER VALLEY SCHOOL DISTRICT RE-2

School Building Information

Last 10 Fiscal Years

(Unaudited)

School	1998	1999	2000	2001	2002
Emerald					
Square Feet	56,300	56,300	56,300	56,300	56,300
Capacity	na	na	615	557	557
Enrollment	614	607	562	464	451
Fireside					
Square Feet	60,307	60,307	60,307	60,307	60,307
Capacity	na	na	555	557	555
Enrollment	533	526	492	531	492
Flatirons					
Square Feet	33,469	33,469	33,469	33,469	33,469
Capacity	na	na	322	264	234
Enrollment	257	255	265	260	257
Foothill					
Square Feet	57,819	57,819	57,819	57,819	57,819
Capacity	na	na	514	485	504
Enrollment	511	499	465	432	416
Gold Hill					
Square Feet	3,316	3,316	3,316	3,316	3,316
Capacity	na	na	51	51	51
Enrollment	27	30	34	30	34
Heatherwood					
Square Feet	51,092	51,092	51,092	52,016	52,016
Capacity	na	na	525	469	424
Enrollment	441	436	417	387	363
High Peaks					
Square Feet	11,497	11,497	11,497	24,521	24,521
Capacity	na	na	264	326	307
Enrollment	216	236	259	281	277
Jamestown					
Square Feet	5,030	5,030	5,030	5,030	5,030
Capacity	na	na	37	27	27
Enrollment	29	22	35	17	17
Kohl					
Square Feet	52,745	52,745	52,745	54,113	54,113
Capacity	na	na	664	504	509
Enrollment	705	696	676	470	467
Lafayette					
Square Feet	51,109	51,109	51,109	56,764	56,764
Capacity	na	na	579	408	408
Enrollment	470	490	481	421	394
Louisville					
Square Feet	46,575	46,575	46,575	57,018	57,018
Capacity	na	na	562	562	560
Enrollment	574	600	570	487	458

Table 15
(continued)

2003	2004	2005	2006	2007
56,300	56,300	56,300	56,300	56,300
585	420	384	377	377
411	382	384	376	390
60,307	60,307	60,307	60,307	60,307
504	440	465	460	440
443	416	454	449	433
33,469	33,469	33,469	33,469	33,469
237	300	295	315	320
241	307	297	298	307
57,819	57,819	57,819	57,819	57,819
504	435	440	485	510
419	430	463	486	504
3,316	3,316	3,316	3,316	3,316
51	41	41	41	41
33	37	34	26	26
52,016	52,016	52,016	52,016	52,016
421	316	312	319	321
332	350	332	323	340
24,521	24,521	24,521	24,521	24,521
248	240	240	287	240
278	279	296	299	293
5,030	5,030	5,030	5,030	5,030
27	18	18	18	18
18	22	12	15	16
54,113	54,113	54,113	54,113	54,113
509	480	480	460	480
445	437	442	467	453
56,764	56,764	56,764	56,764	56,764
381	296	298	298	350
387	331	333	353	396
57,018	57,018	57,018	57,018	57,018
504	460	460	460	460
430	440	432	404	409

BOULDER VALLEY SCHOOL DISTRICT RE-2
School Building Information
Last 10 Fiscal Years

(Unaudited)

School	1998	1999	2000	2001	2002
Majestic Heights					
Square Feet	29,894	29,894	29,894	0	0
Capacity	na	na	160	0	0
Enrollment	244	157	113	0	0
Mapleton					
Square Feet	21,387	21,387	21,387	21,387	21,387
Capacity	na	na	189	184	184
Enrollment	167	154	158	154	144
Martin Park					
Square Feet	45,665	45,665	45,665	0	0
Capacity	na	na	225	0	0
Enrollment	197	180	137	0	0
Mesa					
Square Feet	45,670	45,670	45,670	45,670	45,670
Capacity	na	na	403	349	349
Enrollment	339	317	349	357	357
Nederland					
Square Feet	61,470	61,470	61,470	61,470	61,470
Capacity	na	na	468	444	418
Enrollment	400	353	363	289	310
Pioneer					
Square Feet	72,398	72,398	72,398	72,398	72,398
Capacity	na	na	421	374	443
Enrollment	291	287	314	290	322
Ryan					
Square Feet	49,176	49,176	49,176	49,176	49,176
Capacity	na	na	584	504	506
Enrollment	498	532	503	478	421
Sanchez					
Square Feet	49,887	49,887	49,887	49,887	49,887
Capacity	na	na	399	403	371
Enrollment	328	309	320	355	346
Superior					
Square Feet	69,765	69,765	69,765	69,765	69,765
Capacity	na	na	577	553	495
Enrollment	556	683	666	603	577
University Hill					
Square Feet	64,993	64,993	64,993	68,696	68,696
Capacity	na	na	416	462	467
Enrollment	401	396	384	397	346
Washington					
Square Feet	29,959	29,959	29,959	29,959	29,959
Capacity	na	na	344	344	344
Enrollment	287	283	291	299	291

Table 15
(continued)

2003	2004	2005	2006	2007
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
21,387	0	0	0	0
184	0	0	0	0
128	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
45,670	45,670	45,670	45,670	45,670
349	310	330	315	315
347	348	346	319	357
61,470	61,470	61,470	61,470	61,470
390	345	332	345	355
312	302	331	317	319
72,398	72,398	72,398	72,398	72,398
443	355	329	341	348
339	356	396	404	427
49,176	49,176	49,176	49,176	49,176
479	369	363	350	357
411	390	383	390	398
49,887	49,887	49,887	49,887	49,887
422	301	278	316	334
296	288	262	280	286
69,765	69,765	69,765	69,765	69,765
524	480	500	500	500
570	589	600	629	650
68,696	68,696	68,696	68,696	68,696
467	510	492	314	375
336	503	391	307	322
29,959	0	0	0	0
344	0	0	0	0
285	0	0	0	0

BOULDER VALLEY SCHOOL DISTRICT RE-2

School Building Information

Last 10 Fiscal Years

(Unaudited)

School	1998	1999	2000	2001	2002
Whittier					
Square Feet	35,122	35,122	35,122	35,122	35,122
Capacity	na	na	320	264	291
Enrollment	275	260	236	232	247
Middle Schools					
Angevine					
Square Feet	121,676	121,676	121,676	121,676	121,676
Capacity	na	na	902	926	971
Enrollment	715	722	755	732	709
Baseline					
Square Feet	75,041	75,041	75,041	76,668	76,668
Capacity	na	na	488	527	535
Enrollment	426	444	474	484	455
Broomfield Heights					
Square Feet	107,385	107,385	107,385	107,385	107,385
Capacity	na	na	891	891	935
Enrollment	1010	960	966	629	571
Burbank					
Square Feet	83,572	83,572	83,572	83,572	83,572
Capacity	na	na	494	494	503
Enrollment	384	349	349	304	312
Casey					
Square Feet	84,007	84,007	84,007	84,007	84,007
Capacity	na	na	563	563	636
Enrollment	410	378	337	334	357
Centennial					
Square Feet	86,564	99,556	99,556	99,556	99,556
Capacity	na	na	752	708	750
Enrollment	622	648	675	688	677
Halcyon					
Square Feet	8,736	8,736	8,736	8,736	8,736
Capacity	na	na	na	na	na
Enrollment	18	13	15	15	16
Louisville					
Square Feet	84,913	84,913	84,913	88,887	88,887
Capacity	na	na	563	641	677
Enrollment	593	693	677	656	601
Manhattan*					
Square Feet	0	0	0	0	0
Capacity	0	0	0	0	0
Enrollment	0	0	0	0	0
Platt					
Square Feet	117,573	117,573	117,573	117,573	117,573
Capacity	na	na	769	813	812
Enrollment	629	640	625	623	566

Table 15
(continued)

2003	2004	2005	2006	2007
35,122	35,122	35,122	35,122	35,122
291	300	320	300	325
239	303	328	319	323
121,676	121,676	121,676	121,676	121,676
971	862	902	863	906
650	668	616	587	536
76,668	0	0	0	0
553	0	0	0	0
416	0	0	0	0
107,385	107,385	107,385	107,385	107,385
935	935	914	914	914
572	551	562	555	565
83,572	0	0	0	0
503	0	0	0	0
258	0	0	0	0
84,007	84,007	84,007	84,007	84,007
582	582	612	612	535
317	341	361	366	313
99,556	99,556	99,556	99,556	99,556
750	750	750	750	772
648	641	596	588	559
8,736	8,736	8,736	8,736	8,736
na	na	na	na	na
13	15	12	14	11
88,887	88,887	88,887	88,887	88,887
695	673	651	651	651
575	547	541	546	560
0	83,572	83,572	83,572	83,572
0	590	579	605	618
0	587	449	443	422
117,573	117,573	117,573	117,573	117,573
790	729	729	707	707
530	529	524	531	549

BOULDER VALLEY SCHOOL DISTRICT RE-2
School Building Information
Last 10 Fiscal Years

(Unaudited)

School	1998	1999	2000	2001	2002
Southern Hills					
Square Feet	72,260	72,260	72,260	72,260	72,260
Capacity	na	na	405	545	539
Enrollment	383	403	420	465	476
High Schools					
Boulder					
Square Feet	223,615	223,615	223,615	229,281	229,281
Capacity	na	na	2008	2012	2015
Enrollment	1876	1837	1789	1806	1876
Broomfield					
Square Feet	203,580	203,580	203,580	218,163	218,163
Capacity	na	na	1573	1583	1565
Enrollment	1297	1331	1320	1345	1323
Centaurus					
Square Feet	187,466	187,466	187,466	190,610	190,610
Capacity	na	na	1616	1723	1652
Enrollment	1778	1437	1283	1112	1108
Fairview					
Square Feet	256,392	256,392	256,392	256,392	256,392
Capacity	na	na	1974	1942	1889
Enrollment	1934	1953	1903	1934	1937
Monarch					
Square Feet	0	228,827	228,827	228,827	228,827
Capacity	0	na	1716	1759	1728
Enrollment	0	622	1045	1427	1563
New Vista					
Square Feet	42,583	42,583	42,583	42,583	42,583
Capacity	na	na	342	342	342
Enrollment	335	337	341	341	335
Combination Schools					
Aspen Creek K-8					
Square Feet	0	0	0	114,478	114,478
Capacity	0	0	0	1199	978
Enrollment	0	0	0	712	791
Eldorado K-8					
Square Feet	0	0	0	117,336	117,336
Capacity	0	0	0	1161	946
Enrollment	0	0	0	522	796
Monarch K-8					
Square Feet	104,744	108,802	108,802	108,802	108,802
Capacity	829	829	829	853	808
Enrollment	690	803	893	752	677

Table 15
(continued)

2003	2004	2005	2006	2007
72,260	72,260	72,260	72,260	72,260
539	503	503	503	503
480	523	537	503	478
229,281	229,281	229,281	229,281	229,281
2015	2015	2015	1994	1900
1919	1929	1970	1932	1093
218,163	218,163	218,163	218,163	218,163
1565	1593	1599	1599	1606
1337	1321	1375	1413	1407
190,610	190,610	190,610	190,610	190,610
1638	1616	1530	1607	1581
1060	1003	990	996	1051
256,392	256,392	256,392	256,392	256,392
1889	1861	1861	1861	1840
1916	1880	1891	1871	1903
228,827	228,827	228,827	228,827	228,827
1728	1728	1728	1728	1728
1576	1626	1679	1633	1562
42,583	76,668	76,668	76,668	76,668
342	345	637	659	659
344	332	341	339	337
114,478	114,478	114,478	114,478	114,478
995	948	969	969	969
787	817	870	875	869
117,336	117,336	117,336	117,336	117,336
966	899	942	876	876
869	956	938	935	994
108,802	108,802	108,802	108,802	108,802
782	746	753	753	766
671	719	709	696	741

BOULDER VALLEY SCHOOL DISTRICT RE-2
School Building Information
Last 10 Fiscal Years

(Unaudited)

School	1998	1999	2000	2001	2002
Nederland Middle/Senior					
Square Feet	97,080	97,080	97,080	97,080	97,080
Capacity	na	na	663	557	650
Enrollment	374	380	357	398	407
Vocational/Technical Schools					
Arapahoe Ridge and Technical Education Center					
Square Feet	129,579	129,579	129,579	129,579	129,579
Capacity	na	na	981	904	904
Enrollment	129	181	170	139	138
Charter Schools					
Boulder Preparatory High School					
Square Feet	0	3,500	3,500	3,500	6,000
Capacity	0	na	na	na	na
Enrollment	0	32	41	44	67
Horizons K-8 School					
Square Feet	30,814	30,814	30,814	30,814	30,814
Capacity	na	na	313	313	403
Enrollment	284	307	297	306	313
Peak To Peak K-12 School					
Square Feet	0	0	0	9,000	31,000
Capacity	0	0	0	na	na
Enrollment	0	0	0	195	606
Summit Middle School					
Square Feet	7,165	7,165	7,165	29,894	29,894
Capacity	na	na	217	271	320
Enrollment	270	254	253	258	304
Sojourner K-8 School					
Square Feet	0	0	na	na	na
Capacity	0	0	na	na	na
Enrollment	0	0	35	60	53
Justice High 6-12 School					
Square Feet	0	0	0	0	0
Capacity	0	0	0	0	0
Enrollment	0	0	0	0	0

Source: Boulder Valley School District RE-2

Table 15
(continued)

2003	2004	2005	2006	2007
97,080	97,080	97,080	97,080	97,080
650	650	650	650	650
422	387	387	391	385
129,579	129,579	129,579	129,579	129,579
904	882	876	820	925
138	308	281	279	223
6,000	6,000	6,000	6,000	6,000
na	na	na	na	na
78	84	88	103	125
30,814	30,814	30,814	30814	30814
403	330	351	315	342
320	309	309	321	320
104,365	104,365	116,679	116,679	116,679
na	na	na	na	na
1027	1107	1175	1236	1292
29,894	29,894	29,894	29,894	29,894
320	278	337	337	337
303	308	309	307	312
na	0	0	0	0
na	0	0	0	0
34	0	0	0	0
0	0	na	na	na
0	0	na	na	na
0	0	0	0	79

BOULDER VALLEY SCHOOL DISTRICT RE-2
Miscellaneous Statistical Data
Last 10 School Years

(Unaudited)

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Enrollment Data							
Student Full Time Equivalent							
Elementary	11,162.0	11,362.5	11,196.5	11,211.5	11,218.0	11,019.5	10,888.5
Middle	6,264.0	6,404.0	6,529.0	6,647.5	6,800.0	6,733.5	6,731.0
Senior	7,480.5	7,764.0	8,002.5	8,256.5	8,451.0	8,643.0	8,811.0
Other	167.0	202.0	214.5	196.0	234.0	233.5	213.0
Total	<u>25,073.5</u>	<u>25,732.5</u>	<u>25,942.5</u>	<u>26,311.5</u>	<u>26,703.0</u>	<u>26,629.5</u>	<u>26,643.5</u>
Total Enrollment							
K-12 Enrollment	25,964.0	26,618.0	26,729.0	27,204.0	27,609.0	27,493.0	27,604.0
Pre-K Enrollment	246.0	300.0	311.0	296.0	315.0	314.0	256.0
Total	<u>26,210.0</u>	<u>26,918.0</u>	<u>27,040.0</u>	<u>27,500.0</u>	<u>27,924.0</u>	<u>27,807.0</u>	<u>27,860.0</u>
Student Teacher Ratio							
Elementary	N/A	23.51	23.08	24.10	23.28	22.94	22.60
Middle	N/A	22.50	20.79	20.87	20.45	20.57	20.33
Senior	N/A	24.11	22.55	22.18	22.14	22.49	22.83
Number of Students Eligible to Receive School Lunches Free Or At Reduced Cost							
Elementary	1,989	1,975	1,880	1,995	2,087	2,141	2,213
Combination	181	180	171	181	190	195	201
Middle	723	718	684	725	759	779	805
Senior	724	718	683	726	758	778	804
Total	<u>3,617</u>	<u>3,591</u>	<u>3,418</u>	<u>3,627</u>	<u>3,794</u>	<u>3,893</u>	<u>4,023</u>
Number of Teachers by Education Level*							
Bachelor's Degree							
Bachelor's Degree + 12 Hours							
Bachelor's Degree + 24 Hours							
Bachelor's Degree + 36 Hours							
Bachelor's Degree + 48 Hours							
Master's Degree							
Master's Degree + 12 Hours							
Master's Degree + 24 Hours							
Master's Degree + 36 Hours							
Master's Degree + 48 Hours							
Doctorate							
Other							
Total							
Average Teacher Pay by Education Level*							
Bachelor's Degree							
Bachelor's Degree + 12 Hours							
Bachelor's Degree + 24 Hours							
Bachelor's Degree + 36 Hours							
Bachelor's Degree + 48 Hours							
Master's Degree							
Master's Degree + 12 Hours							
Master's Degree + 24 Hours							
Master's Degree + 36 Hours							
Master's Degree + 48 Hours							
Doctorate							
Other							

*Amounts Prior to 2007 are not available

SOURCE: Boulder Valley School District RE-2

Table 16

2005	2006	2007
10,950.0	10,921.5	11,147.0
6,528.5	6,420.5	6,324.0
9,102.5	9,146.0	9,155.0
208.5	251.5	288.0
26,789.5	26,739.5	26,914.0
27,651.0	27,593.0	27,796.0
271.0	329.0	398.0
27,922.0	27,922.0	28,194.0
22.27	22.19	22.29
20.54	20.52	20.66
23.21	23.31	22.91
2,249	2,460	2,921
204	224	252
818	895	1,085
818	895	1,048
4,089	4,474	5,306
		143
		68
		68
		71
		267
		435
		176
		165
		118
		375
		46
		4
		1,936
		35,194
		37,886
		44,155
		45,156
		49,480
		45,738
		51,169
		56,258
		57,464
		61,999
		61,776
		59,936

COMPLIANCE SECTION

SINGLE AUDIT



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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component units and remaining fund information of the Boulder Valley School District RE-2, as of and for the year ended June 30, 2007, which collectively comprise the basic financial statements of the Boulder Valley School District RE-2, and have issued our report thereon dated November 2, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Boulder Valley School District RE-2's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Boulder Valley School District RE-2's financial statements that is more than inconsequential will not be prevented or detected by the Boulder Valley School District RE-2's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Boulder Valley School District RE-2's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

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

A handwritten signature in cursive script that reads "Swarlock & Company, LLC".

November 2, 2007

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, 2007. Boulder Valley School District RE-2's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Boulder Valley School District RE-2's management. Our responsibility is to express an opinion on the Boulder Valley School District RE-2's compliance based on our audit.

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

In our opinion, the Boulder Valley School District RE-2 complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007.

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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Boulder Valley School District RE-2's internal control over compliance.

A control deficiency in the Boulder Valley School District RE-2's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Boulder Valley School District RE-2's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the Boulder Valley School District RE-2's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the Boulder Valley School District RE-2's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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

Swanlund & Company LLC

November 2, 2007

BOULDER VALLEY SCHOOL DISTRICT RE-2

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2007

Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: unqualified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted?

_____ yes x no

Federal Awards

Internal control over major programs:

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

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

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

_____ yes x no

Identification of major programs:

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

Dollar threshold used to distinguish between type A and type B programs: \$373,314

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

Financial Statement Findings

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

Federal Awards Findings and Questioned Costs

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

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component units and remaining fund information of the Boulder Valley School District RE-2, as of and for the year ended June 30, 2007, which collectively comprise the basic financial statements of the Boulder Valley School District RE-2, and have issued our report thereon dated November 2, 2007. These financial statements are the responsibility of the Boulder Valley School District RE-2's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

Swanhorst & Company LLC

November 2, 2007

BOULDER VALLEY SCHOOL DISTRICT RE-2

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2007

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Accrued (Deferred) Revenue 6/30/06</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Accrued (Deferred) Revenue 6/30/07</u>
U.S. Department of Education					
Direct Programs					
Indian Education	84.060	\$ 2,748	\$ 21,473	\$ 23,247	\$ 4,522
Bilingual Education	84.290	48,665	70,435	21,770	-
Passed Through State Department of Education					
Adult Education	84.002	28,449	111,172	121,968	39,245
Title I	84.010	387,751	2,017,501	2,472,452	842,702
Special Education	84.027	1,144,289	5,425,286	4,990,611	709,614
Special Education Preschool	84.173	33,124	154,031	114,970	(5,937)
Safe and Drug Free Schools and Communities	84.184	62,222	423,182	475,334	114,374
Safe and Drug Free Schools and Communities	84.186	3,684	58,283	66,497	11,898
Even Start	84.213	79,216	232,689	180,871	27,398
Fund for the Improvement of Education	84.215	-	-	1,173	1,173
Charter Schools	84.282	-	68,678	106,109	37,431
21st Century Community Learning Centers	84.287	42,852	186,700	174,988	31,140
Innovative Programs	84.298	35,696	85,018	54,678	5,356
Education Technology	84.318	(6,586)	11,645	51,533	33,302
Advanced Placement Program	84.330	-	11,067	9,632	(1,435)
Comprehensive School Reform Demonstration	84.332	48,949	193,153	181,575	37,371
English Language Acquisition	84.365	33,205	278,004	322,261	77,462
Mathematics and Science Partnerships	84.366	30,790	136,798	167,066	61,058
Improving Teacher Quality	84.367	140,129	750,276	727,882	117,735
Hurricane Education Recovery	84.938	41,597	43,196	1,600	1
Passed Through State Department of Human Services					
Vocational Rehabilitation	84.126	24,231	169,252	177,315	32,294
Passed Through State Community College System					
Vocational Education	84.048	125,280	223,396	131,543	33,427
TOTAL U.S. DEPARTMENT OF EDUCATION		<u>2,306,291</u>	<u>10,671,235</u>	<u>10,575,075</u>	<u>2,210,131</u>
U.S. Department of Agriculture					
Passed Through State Department of Human Services					
Food Donation	10.550	(33,463)	254,012	287,475	-
Passed Through State Department of Education					
National School Lunch Program	10.555	310,957	1,428,280	1,313,185	195,862
School Breakfast Program	10.553	44,557	194,392	175,440	25,605
TOTAL U.S. DEPARTMENT OF AGRICULTURE		<u>322,051</u>	<u>1,876,684</u>	<u>1,776,100</u>	<u>221,467</u>
U.S. Department of Transportation					
Passed Through State Department of Transportation					
Highway Planning and Construction	20.205	-	4,855	34,960	30,105
Corporation for National and Community Service					
Passed Through State Department of Education					
Learn and Serve America	94.004	-	33,700	33,700	-
National Endowment for the Humanities					
Passed Through State Department of Education					
IMLS Grants to States	45.310	-	14,407	13,951	(456)
U.S. Department of Health and Human Services					
Passed Through State Department of Education					
Comprehensive School Health Program	93.938	(5,000)	5,000	10,000	-
TOTAL FEDERAL FINANCIAL ASSISTANCE		<u>\$ 2,623,342</u>	<u>\$ 12,605,881</u>	<u>\$ 12,443,786</u>	<u>\$ 2,461,247</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, 2007

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



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

INDEPENDENT AUDITORS' REPORT ON AUDITOR'S INTEGRITY REPORT

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component units and remaining fund information of the Boulder Valley School District RE-2, as of and for the year ended June 30, 2007, which collectively comprise the basic financial statements of the Boulder Valley School District RE-2, and have issued our report thereon dated November 2, 2007. These financial statements are the responsibility of the Boulder Valley School District RE-2's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

Swanhorst & Company LLC

November 2, 2007

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Colorado Department of Education
Fiscal Year 2006-2007
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	22,970,365	199,172,118	193,934,456	28,208,027
18 Risk Mgmt Sub-Fund of General Fund	473,133	3,265,212	3,480,265	258,080
19 Colorado Preschool Program Fund	60,113	878,238	857,254	81,096
Subtotal	23,503,610	203,315,568	198,271,975	28,547,204
11 Charter School Fund	6,700,068	19,015,797	17,775,926	7,939,939
20 Special Revenue Fund	45,628	483,187	484,662	44,153
21 Capital Reserve Spec Revenue Fund	0	0	0	0
22 Govt Designated-Purpose Grants Fund	0	12,690,247	12,690,247	0
23 Pupil Activity Special Revenue Fund	0	0	0	0
25 Transportation Fund	379,769	9,195,923	8,623,495	952,198
30 Debt Service Fund	0	0	0	0
31 Bond Redemption Fund	15,912,471	20,997,566	13,605,221	23,304,815
41 Building Fund	-0	123,266,486	2,784,085	120,482,401
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	2,575,484	6,040,551	5,905,364	2,710,670
TOTALS	49,117,030	395,005,325	260,140,975	183,981,380
Proprietary				
51 Food Service Fund	881,777	5,314,997	5,625,673	571,102
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	389,948	2,142,292	1,823,341	708,899
TOTALS	1,271,725	7,457,290	7,449,014	1,280,001
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	248,632	25,001	13,156	260,477
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	3,193,059	9,700,518	9,426,191	3,467,386
85 Foundations	0	0	0	0
TOTALS	3,441,691	9,725,519	9,439,347	3,727,863

*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.