



BOULDER VALLEY SCHOOL DISTRICT



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Boulder, Colorado • Boulder • Broomfield • Gilpin Counties



BOULDER VALLEY SCHOOL DISTRICT



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the fiscal year ended June 30, 2019 • Boulder, Colorado

PREPARED BY: BUSINESS SERVICES DIVISION

William A. Sutter, SFO
Chief Financial Officer

Justin A. Petrone, CPA
Director of Accounting Services

BOULDER VALLEY SCHOOL DISTRICT RE-2

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the fiscal year ended June 30, 2019

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November 19, 2019

Members of the Boulder Valley School District Community
Members of the Board of Education
Dr. Rob Anderson, Superintendent of Schools
Boulder Valley School District RE-2
Boulder, Colorado

It is our pleasure to submit the Comprehensive Annual Financial Report of Boulder Valley School District RE-2 ("the district") for the fiscal year ended June 30, 2019.

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 audit committee and board of education in fulfillment of those requirements.

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

CliftonLarsonAllen, LLP, Certified Public Accountants, have issued unmodified ("clean") opinions on the district's financial statements for the year ended June 30, 2019. The independent auditors' report is located at the front of the financial section of this report. The independent audit of the district's financial statements also included the federally mandated "Single Audit" designed to meet the specific needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the entity's internal controls and compliance with legal requirements, with special emphasis on internal control and legal compliance involving the administration of federal awards. The results of the district's Single Audit for the year ended June 30, 2019, provided no instances of material weaknesses in internal control or material violations of applicable laws, regulations, contracts or grant provisions. These reports are located in the Single Audit section of this report.

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

Profile of the Government

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

The district is located near the foothills of the Rocky Mountains approximately twenty miles northwest of Denver. The district is made up of approximately 500 square miles in the southern half of Boulder County, the northern part of Gilpin County and a significant portion of western Broomfield County. It covers one of the larger school regions in the metro-Denver area and encompasses the communities of Boulder, Broomfield, Erie, Gold Hill, Jamestown, Lafayette, Louisville, Nederland, Superior, and Ward. For the 2018-19 school year, the district's total student funded full time equivalent was 29,617, including charter schools. The district owns over 750 acres of prime Boulder and Broomfield County property and maintains 56 buildings spanning over four million square feet.

The district provides a challenging range of educational programs and services authorized by Colorado State Statute including pre-kindergarten, basic kindergarten through grade twelve education in elementary, middle and high schools, special education for special needs students, vocational education, culturally linguistically diverse education and numerous other educational and support programs.

Five charter schools are included as component units of the district for the 2019 CAFR: Boulder Preparatory High School, Horizons K-8 School, Peak to Peak K-12 Charter School, Summit Middle School and Justice High School. Funding for charter schools is based on charter enrollment and contract agreements between the individual charter school and the district.

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

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

Economic Conditions and Outlook

On December 10, 2018, the 54th annual Colorado Business Economic Outlook, the economic outlook for calendar year 2019, was presented by the Business Research Division of the Colorado Leeds School of Business.

Despite slower growth in 2015-2017, Colorado's economy has outperformed most other states in 2018, with quarterly real GDP and jobs growth still coming in at the sixth-fastest in the country. Colorado's per capita personal income growth rate was the fourth highest in the country in 2017. Labor force increases and the unemployment rate are also among the best in the nation at second fastest and 12th-lowest respectively. Wage growth was recorded across all industries. The job growth trend is projected to continue in 2019 at a rate likely to keep Colorado in the top 10 nationally.

Although the state's unemployment rate is projected to increase to 3.1 percent in 2019, the Labor Force Participation Rate (LPFR) is particularly robust in Colorado, ranking third in the nation behind Minnesota and North Dakota. An increasing LPFR will put upward pressure on the unemployment rate as more workers are seeking jobs, yet add to the available pool of workers in what is a very tight labor market.

Data from the Bureau of Labor Statistics show employment in Boulder County increased 1.7% between September 2017 and 2018, creating an additional 3,200 jobs. In September 2018, the Boulder County unemployment rate was 2.8% (not seasonally adjusted) compared to state unemployment of 3.1% and a national rate of 3.6% (not seasonally adjusted). The area's large concentration of jobs in sectors with higher-than-average wages contributes to above-average incomes for area residents. The median household income for Boulder County residents was \$80,834 in 2017 compared to \$69,117 for Colorado residents, according to data from the U.S. Census Bureau.

The entire 2019 Colorado Business Economic Outlook can be found at <https://www.colorado.edu/business/business-research-division>

The Denver-Aurora-Lakewood CPI (Consumer Price Index) is the measure of inflation that is used for the State of Colorado. The rate increase, used as a function of funding increases for the 2019-20 fiscal year, was determined to be 2.7 percent in February 2019. School districts face a significant challenge as the basket of goods measured by the CPI, like food, clothing, televisions and tobacco, is a poor measure of the cost increases in school districts.

Long-term Financial Planning

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

On May 21, 2019, the governor signed House Bill (HB) 19-1262, *State Funding For Full-day Kindergarten*. Beginning with fiscal year 2019-20, all kindergarten classes at district elementary schools will be full-day.

For the 2019-20 fiscal year, the legislature increased base per pupil funding by 2.7% for K-12 public education as well as provided additional dollars for statewide student growth. In addition, the district's student funded full-time equivalent is expected to decrease slightly (less than 1.0%) from the prior fiscal year. The Budget Stabilization Factor (previously referred to as the Negative Factor) reduction to statewide total program funding as calculated in the School Finance Act is projected to be \$572.4 million for the 2019-20 fiscal year, or 7.0% of total program funding. For the district, the Budget Stabilization Factor is expected to be \$19.2 million. While some expect this funding reduction should reflect a "new normal" for K-12 public education, many community leaders and advocacy groups are pushing to restore funding to pre-recession levels.

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

Fund Balance Requirements

In order to meet the challenges of school funding in Colorado, the board of education adopted Policy DB in 2005, which dictated a minimum level of year-end fund balance in order to ensure the district's ongoing financial health. To further bolster the district's financial position and

manage economic challenges, the board of education updated this policy in January 2009, strengthening the requirements of the policy. The policy restricts the district from using one-time money for ongoing expenditures. In addition, current policy specifies the amount to be held as a contingency reserve.

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

Spending Limitations:

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

Reserve Requirements:

- In addition, the General Operating Fund budget will be developed containing an ending fund balance equal to required reserves including the TABOR reserve plus a contingency reserve equal to a minimum of three percent of fiscal year spending. During fiscal year 2019, the board approved an increase in the contingency reserve to four percent. The need for additional reserves shall be reviewed annually.
- Funds in the contingency reserve shall not be spent without board approval. The request for approval must include a plan for ensuring that the expenditure will not exceed the fixed dollar amount approved by the board, and must also include a plan for replenishing the reserve within two years from first dispersal.
- The budgets for all other funds will be developed to include, at a minimum, the required TABOR reserve.
- The General Operating Fund budget will be developed on a generally accepted accounting principles (GAAP) basis.

At June 30, 2019, the district is in compliance with these fund balance requirements.

Major Initiatives

In 2019, the district developed a new Strategic Plan that aims at bringing everyone together to meet the needs of all students and to overcome the challenges we face, including an achievement gap that educators across Colorado and the nation have struggled to address. Additional details of the Strategic Plan can be found on the district's website - <https://www.bvsd.org/about/strategic-plan>

Long Term Outcomes

The Strategic Plan is focused on the needs of our students and includes specific, student-focused, measurable results that we want our students to achieve across the district:

Outcome #1 - all students benefit from challenging and relevant educational opportunities.

Outcome #2 - reduce disparities in achievement.

Outcome #3 - every student graduates with the skills necessary for post-graduate success.

Strategic Themes

The following strategic themes must be addressed to achieve long-term outcomes:

Strategic Theme 1 - ensure all instruction is challenging, engaging, relevant and meets the needs of all students.

Strategic Theme 2 - provide schools and educators with responsive and customized supports to best serve students.

Strategic Theme 3 - engage the talent and passion of our community and families through communication, empowerment and partnership.

Strategic Theme 4 - cultivate a positive and inclusive culture throughout the district that promotes the well-being of students, families and employees.

Phase 1 Initiatives

The Strategic Plan will require a comprehensive effort and be implemented over a few years. Beginning in Fall 2019, the following six initiatives have been selected to be implemented in Phase 1 of the Strategic Plan:

1a. Create a scope and sequence K12. This initiative will provide consistency and coherence across PK-12 so all students have access to high quality outcomes, ensuring equitable learning experiences for all students across our system.

1b. Define and implement common and aligned instructional practices. Instructional practices that are interdisciplinary and experiential in nature will benefit Long Term Outcomes #1 & 3, and common, researched-based strategies will allow us to better systematically develop our teaching staff.

3a. Create a tiered system of school requirements, supports, and accountability metrics which drive the allocation of resources. This initiative will allow us to implement the Strategic Initiatives in a differentiated way - not one size fits all. By individualizing this work, schools needs will be specifically met and we will blend the important balance of district initiatives with school autonomy based on performance.

3c. Create a system to monitor and assess academic return on investment for current and future programs. This will allow us to better understand what is and is not working, stop what is not working and reinvest in successful or new initiatives. With a focus on evidence of what works, this will positively impact our Long Term Outcomes and identify funds to invest more strategically. We will also be able to finally take things “off the plate”.

5a. Establish a system for strategically managing existing partnerships and building new partnerships. This initiative will allow us to partner with the greater community with a stronger focus on our long term outcomes.

6a. Define and put into practice culturally responsive principles and best practices that challenge inequity and bias. By implementing common best practices, we will be able to better serve all students and build stronger trust among our community.

Remaining phases of the Strategic Plan will be implemented in future years.

Bond Program

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

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

In April 2014, the district issued \$250,000,000 General Obligation Bonds and \$190,000,000 General Obligation Bonds in March 2017. In March 2019, the district issued \$136,520,000 General Obligation Bonds, which represents the remainder of the voter authorization. Through June 30, 2019, the district has completed numerous projects and successfully opened four new or replacement schools during August 2017. In addition, the district has begun preliminary project planning, conceptual design work and construction on several other capital projects. As of June 30, 2019, approximately 80% of the scope of work defined in the Educational Facilities Master Plan is either complete or under contract.

Operations and Technology Mill Levy

In November 2016, voters approved an operations and technology mill levy that generated \$24.4 million in property tax revenues for the fiscal year ended June 30, 2019, based on a levy of 3.709 mills. The district may increase the levy by no more than 1 mill per year and the levy cannot exceed 4 mills. The approved mill levy creates revenue flexibility for the district. Revenues will be spent on eligible costs to fund capital construction and new technology, upgrade existing technology, and fund maintenance needs of the district.

Other Information

Awards

The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the district for its comprehensive annual financial report and the Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the district for the fiscal year ended June 30, 2018. In order to be awarded a Certificate of Excellence and the Certificate of Achievement, the district must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. The Certificate of Excellence and Certificate of Achievement are valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the program requirements for both Certificate of Excellence and Certificate of Achievement programs. This document will be submitted to ASBO and GFOA respectively to determine eligibility for another certificate.

Acknowledgments

The preparation of this report on a timely basis was made possible by the dedicated service of the entire staff of the Business Services Division. We would like to express our sincere appreciation to all members of the department for their contributions to this report. We also thank the district's independent auditors, CliftonLarsonAllen LLP, for the professional manner in which they accomplished the audit and for their work to publish this Comprehensive Annual Financial Report. We would also like to thank Dr. Rob Anderson, Superintendent of Schools and the board of education for their interest in and support of the finance and accounting operations of the Boulder Valley School District RE-2 and Heather Grooters, CPA, District Accountant, for her assistance in the preparation of this document.

Respectfully Submitted,



William A. Sutter, SFO
Chief Financial Officer



Justin A. Petrone, CPA
Director of Accounting Services



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

**Boulder Valley School District
RE-2**

**for its Comprehensive Annual Financial Report
(CAFR) for the Fiscal Year Ended June 30, 2018.**

The CAFR meets the criteria established for
ASBO International's Certificate ^{of}
Excellence.



A handwritten signature in black ink, reading 'Tom Wohlleber'.

Tom Wohlleber,
CSRM President

A handwritten signature in black ink, reading 'Siobhán McMahon'.

Siobhán McMahon,
CAE Chief Operating
Officer



Government Finance Officers Association

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

Presented to

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

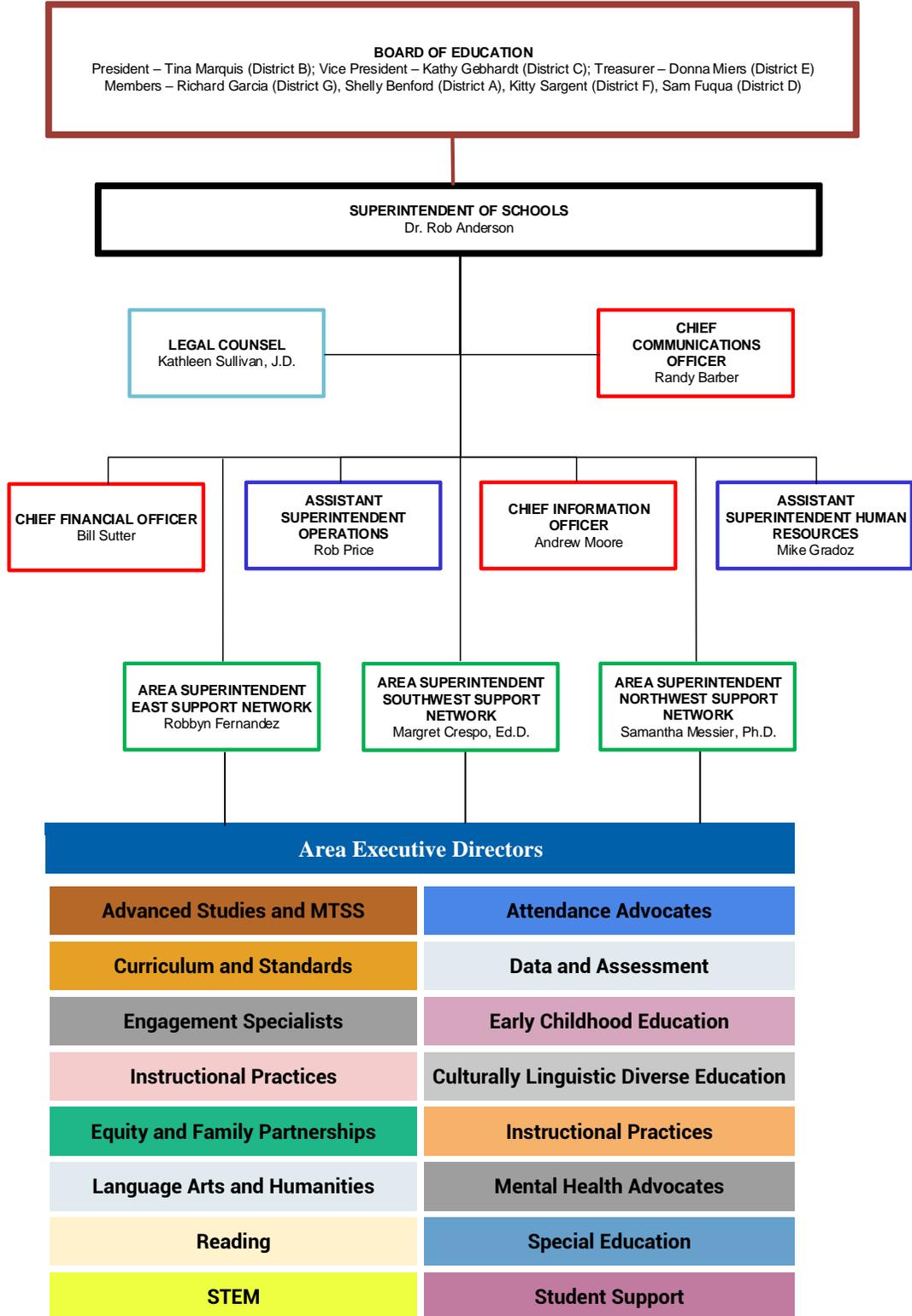
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morrill

Executive Director/CEO

District Organization



BOULDER VALLEY SCHOOL DISTRICT RE-2

List of Elected and Appointed Officials

June 30, 2019

Board of Education



District G
Richard Garcia

District A
Shelly Benford

District F
Kitty Sargent

District B
**Tina Marquis,
President**

District C
**Kathy Gebhardt,
Vice President**

District E
**Donna Miers,
Treasurer**

District D
Sam Fuqua

Superintendent's Cabinet



Rob Anderson, Ed.D..... Superintendent
Andrew Moore.....Chief Information Officer
Bill Sutter.....Chief Financial Officer
Kathleen Sullivan, J.D..... Legal Counsel
Rob Price.....Asst. Superintendent of Operational Services
Mike Gradoz..... Asst. Superintendent of Human Resources
Samantha Messier, Ph.D..... Area Superintendent (Northwest Network Schools)
Robbyn Fernandez..... Area Superintendent (East Network Schools)
Margaret Crespo, Ed.D..... Area Superintendent (Southwest Network Schools)
Randy Barber..... Chief Communications Officer
Terri Mulford.....Boulder Valley Education Association President
Ginger Ramsey.....Broomfield High School Principal



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INDEPENDENT AUDITORS' REPORT

Board of Education
Boulder Valley School District
Boulder, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Boulder Valley School District, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the discretely presented component units were not audited in accordance with *Government Auditing Standards*.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Boulder Valley School District as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

The combining and individual nonmajor fund financial statements and schedules which includes, the Colorado Department of Education Auditors Integrity Report, the schedule of expenditures of federal awards, the budgetary comparison schedules, the combining statements for the General Fund, and the Component Unit combining statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Board of Education
Boulder Valley School District

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

Report on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2019, on our consideration of Boulder Valley School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of Boulder Valley School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Boulder Valley School District's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Broomfield, Colorado
November 19, 2019

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, 2019. We encourage readers to consider the information presented here in conjunction with additional information that can be found in the letter of transmittal on pages 1-7 of this report.

Financial Highlights

- At June 30, 2019, the liabilities and deferred inflows of resources of the district exceeded its assets and deferred outflows of resources by \$939.1 million (net position). The net position deficit is due primarily to a June 30, 2019 net pension liability of \$745.4 million, related deferred inflows of resources of \$566.2 million, offset by related deferred outflows of resources of \$231.4 million, as required by GASB No. 68, which established reporting requirements for governments that provide their employees with pension benefits. The district reports its proportionate share of participation in PERA, the State's cost-sharing multi-employer defined benefit pension plan.
- Total net position increased \$81.8 million during fiscal year 2018-19, due primarily to net negative pension related expenses, as required by GASB No. 68.
- At June 30, 2019, the district's governmental funds reported combined fund balance of \$316.5 million, an increase of \$65.8 million from the prior year. The increase is due primarily to the issuance of general obligation bonds, offset by completion of capital projects in the 2014 Building Fund.
- At June 30, 2019, unassigned fund balance for the General Fund is \$36.9 million or 10.9% of total General Fund expenditures.
- The district's capital assets increased \$79.0 million during the current fiscal year to \$769.1 million at June 30, 2019. The increase is due to progress made on projects outlined in the Educational Facilities Master Plan, offset by depreciation expense and current year disposals.
- The district's noncurrent liabilities increased \$136.4 million during the current fiscal year, due primarily to the issuance of \$136.5 million General Obligation Bonds, Series 2019A, and related premium of \$20.9 million, offset by debt principal repayments of \$18.8 million.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

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

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

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

The government-wide financial statements can be found on pages 33-35 of this report.

Fund Financial Statements

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

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

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

The district reports three governmental funds that are considered major funds: the General Fund (which combines the district's General Operating Fund, Risk Management Fund,

Technology Fund, Athletics Fund, Community Schools Fund and Preschool Fund), the Bond Redemption Fund and the 2014 Building Fund. They are presented separately in the fund financial statements with the remaining governmental funds combined into a single aggregated presentation labeled non-major governmental funds. Nonmajor funds include the Food Services Fund, the Grants Fund, the Transportation Fund, the Operations and Technology Fund and the Capital Reserve Fund. Individual fund information for the nonmajor funds is presented as combining and individual fund statements and schedules after the notes section of this report.

The basic governmental fund financial statements can be found on pages 36-39 of this report.

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

The basic proprietary fund financial statements can be found on pages 40-42 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 43-44 of this report.

Notes to the Basic Financial Statements: The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found on pages 45-79 of this report.

Other Information: In addition to the basic financial statements and accompanying notes, this report also contains other required supplementary information that includes a budgetary comparison schedule for the General Fund and certain supporting pension and other post employment benefit schedules, and accompanying notes. Required supplementary information can be found on pages 83-88 of this report.

Combining and individual fund statements and schedules can be found on pages 92-121 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The liabilities and deferred inflows of resources of the district exceeded its assets and deferred outflows of resources by \$939.1 million (net position) at June 30, 2019.

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

	Governmental Activities	
	<u>2019</u>	<u>2018</u>
Assets		
Current and Other Assets	\$ 385,194,951	\$ 328,802,023
Capital Assets	769,070,657	690,037,105
Total Assets	<u>1,154,265,608</u>	<u>1,018,839,128</u>
Deferred Outflows of Resources	<u>233,428,557</u>	<u>454,425,578</u>
Liabilities		
Noncurrent Liabilities	914,613,529	778,192,744
Net Pension Liability	745,436,907	1,546,601,653
Net OPEB Liability	37,229,999	35,317,870
Other Liabilities	63,197,675	70,187,004
Total Liabilities	<u>1,760,478,110</u>	<u>2,430,299,271</u>
Deferred Inflows of Resources	<u>566,272,245</u>	<u>63,833,349</u>
Net Position		
Net Investment in Capital Assets	71,034,168	80,455,577
Restricted for:		
Debt Service	47,072,101	42,712,366
Multiple Year Obligations	175,000	-
Preschool Expenditures	27,086	-
Operations and Technology	12,535,701	4,180,437
Emergencies	11,539,825	10,694,062
Medicaid	1,557,245	1,819,136
Unrestricted	(1,082,997,316)	(1,160,729,492)
Total Net Position	<u>\$ (939,056,190)</u>	<u>\$ (1,020,867,914)</u>

During fiscal year 2018-19, the district issued \$136.5 million General Obligation Bonds, Series 2019A, which represents the third and final debt issuance of the \$576.5 million approved by voters November 2014 to complete capital projects defined in the district's Educational Facilities Master Plan. During fiscal year 2018-19, the bond issuance and progress towards completion of those projects caused the following changes in district assets and liabilities:

- Current and other assets increased \$56.4 million, due primarily to a \$38.2 million increase in cash and investments (bond proceeds) restricted for capital projects, and a

\$17.2 million increase in unrestricted cash and investments due primarily to an excess of revenues over expenses, excluding adjustments to net pension and OPEB expense.

- Capital assets increased \$79.0 million, which includes \$107.3 million of additions, primarily as a result of progress made on projects outlined in the Educational Facilities Master Plan, offset by \$28.2 million of depreciation expense.

Noncurrent liabilities increased 136.4 million due to the following:

- The district issued \$136.5 million in bonds (Series 2019A), as described above, and related bond premium of \$20.9 million.
- In connection with issuance of the Series 2019A bonds, the district issued \$162.7 million General Obligation Refunding Bonds, Series 2019B. Proceeds from the bond sale, including premium of \$13.6 million were used to refund all of the outstanding General Obligation Bonds, Series 2009, which included \$172.2 million of outstanding principal plus accrued interest. Unamortized premiums associated with the Series 2009 bonds (\$2.3 million) were removed. The refunding generated a net present value savings of \$26.4 million.
- The district made principal payments on general obligation bonds and capital leases of \$18.4 million and \$0.4 million, respectively.
- The district recorded bond premium amortization of \$4.3 million and a \$0.4 million increase in compensated absences from the prior year.

Net pension liability decreased \$801.2 million, in addition to changes in related deferred inflows of resources and deferred outflows of resources, due to the application of GASB Nos. 68 and 71. The net impact caused the district to recognize \$77.0 million of negative pension related expense during 2019 in the Statement of Activities, when compared to the district's monthly required contributions. Prior year pension related expense in the Statement of Activities was \$288.1 million. The significant change is primarily the result of Senate Bill (SB) 18-200, passed by the Colorado General Assembly and signed into law on June 4, 2018. SB 18-200 requires increases to employer and employee contribution rates and modifications to certain retirement benefits. Beginning July 1, 2018, the State is also required to contribute \$225.0 million each year directly to Colorado PERA for the benefit of the School Division Trust Fund and certain other divisions of Colorado PERA.

At June 30, 2019, \$71.0 million of the district's net position represents its investment in capital assets (e.g. land, land improvements, buildings, equipment, and vehicles), less the outstanding debt used to acquire these assets. This balance decreased \$9.4 million from the prior year, due primarily to the amount by which capital asset depreciation expense exceeds debt principal repayments. The district utilizes capital assets to provide services to its constituents; consequently these assets are not available for future spending. Although the district's investment in capital assets is reported net of related debt, the resources necessary to repay the debt must be provided from other sources since the capital assets cannot be liquidated to pay the debt.

In addition, \$72.9 million of the district's net position is subject to external restrictions on how the assets may be used. Restricted net position increased \$13.5 million over the prior year, due primarily to an increase in unspent property tax receipts restricted as a result of the operations and technology mill levy approved by voters November 2016.

The remaining unrestricted balance of net position is a deficit of \$1,083.0 million.

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

	Governmental Activities	
	<u>2019</u>	<u>2018</u>
Revenues:		
Program Revenues:		
Charges For Services	\$ 21,208,708	\$ 20,663,111
Operating Grants and Contributions	30,789,525	29,388,223
Capital Grants and Contributions	1,748,840	2,948,183
General Revenues:		
Local Property Taxes	323,013,456	316,510,576
Specific Ownership Taxes	17,900,304	17,466,367
State Equalization	63,459,349	51,061,211
Other Revenues	6,367,181	5,948,989
Total Revenues	464,487,363	443,986,660
Expenses:		
Instruction	220,754,222	438,306,597
Supporting Services	133,392,310	254,949,972
Interest Expense	28,529,107	29,659,313
Total Expenses	382,675,639	722,915,882
Change in Net Position	81,811,724	(278,929,222)
Net Position, Beginning	(1,020,867,914)	(741,938,692)
Net Position, Ending	\$ (939,056,190)	\$ (1,020,867,914)

Governmental Activities: Overall, the district's net position increased \$81.8 million from the prior year. Factors contributing to this increase include the following:

Local Property Taxes: The \$6.5 million increase is due primarily to an increase in the operations and technology mill levy approved by voters in November 2016, which generated \$24.4 million of revenue in fiscal year 2018-19, compared to \$17.9 million in the prior year.

State Equalization: The \$12.4 million increase is due to an increase in State funding under the school finance act. With no significant change in local property values, State equalization payments increased to cover the increase in total program funding, as determined by the State.

Instruction Expenses: The \$217.6 million decrease in instruction expense is due to a \$239.2 million decrease in net additional pension expense related to GASB No. 68, offset by a 3.4% cost of living increase, movement on the negotiated salary schedules, a 5.0% health insurance cost increase and a 0.5% increase in required contributions to the state's retirement plan.

Supporting Services: The \$121.6 million decrease in supporting services expense is due to a \$131.4 million decrease in net additional pension expense related to GASB No. 68, offset by a 3.4% cost of living increase, movement on the negotiated salary schedules, a 5.0% health insurance cost increase and a 0.5% increase in required contributions to the state's retirement plan.

Financial Analysis of the Government's Funds

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

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

At June 30, 2019, the district's governmental funds reported combined fund balances of \$316.5 million, an increase of \$65.8 million from the prior year. Approximately 11.7% of this amount (\$36.9 million) constitutes unassigned fund balance, which is available for spending at the district's discretion. Remaining fund balance is either nonspendable, restricted, or assigned to indicate that it is either not in a spendable form (\$2.1 million), restricted for particular purposes (\$272.0 million), or assigned for particular purposes (\$5.6 million).

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

General Fund: The General Fund is the chief operating fund of the district. For reporting purposes, the General Fund includes the General Operating Fund, Risk Management Fund, Technology Fund, Athletics Fund, Community Schools Fund and Preschool Fund. A Combining Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances of the General Fund are shown on pages 92-95 of this report. As of June 30, 2019, the General Fund reports ending fund balance of \$50.6 million, an increase of \$2.9 million from the prior year.

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

	<u>2019</u>	<u>2018</u>	<u>Amount of Change</u>	<u>Percentage Change</u>
<u>Revenues</u>				
Property Taxes	\$236,876,053	\$237,887,006	\$ (1,010,953)	-0.4%
Specific Ownership Taxes	17,900,304	17,466,367	433,937	2.5%
State Equalization	63,459,349	51,061,211	12,398,138	24.3%
Other State Revenue	15,443,293	9,140,970	6,302,323	68.9%
Local Revenues	18,403,585	17,965,910	437,675	2.4%
Federal Grants	1,844,112	1,827,721	16,391	0.9%
Total	<u>\$353,926,696</u>	<u>\$335,349,185</u>	<u>\$ 18,577,511</u>	5.5%

Property Taxes: Property tax revenues were based upon a levy of 36.009 mills applied against an assessed valuation of \$6,645 million compared to 35.879 mills and an assessed valuation of \$6,657 million in the prior year, which caused net decrease of 0.4% from the prior year.

State Equalization: State equalization increased 24.3% over the prior year. While total program funding increased, as determined by the State, static properties (applicable to total program funding) caused the State to increase its portion of funding to the district.

Other State Revenue: Other State revenue increased 68.9% over the prior year. As a component of Senate Bill 18-200 the State is required to make a direct on-behalf payment of \$225.0 million to Colorado PERA each year beginning July 1, 2018. The payment is allocated based on the proportionate amount of annual payroll to the School Division Trust Fund, State Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund. The district's proportionate share of the School Division Trust Fund's payment is \$6.1 million for fiscal year 2018-19. Generally accepted accounting principles require the district to report its proportionate share of on-behalf payments as both a revenue and offsetting expenditure, and accounts primarily for the increase in other State revenue from the prior year.

The following table reflects expenditures by major program area. Overall, expenditures increased by 6.2% from the previous year.

	<u>2019</u>	<u>2018</u>	<u>Amount of Change</u>	<u>Percentage Change</u>
<u>Expenditures</u>				
Instruction - Regular Programs	\$184,787,677	\$172,490,956	\$ 12,296,721	7.1%
Instruction - Special Programs	54,252,286	53,614,983	637,303	1.2%
Student Support Services	15,603,637	13,765,871	1,837,766	13.4%
Instructional Staff Services	14,016,364	13,684,382	331,982	2.4%
General Administration	4,385,953	4,355,610	30,343	0.7%
School Administration	23,822,668	23,335,162	487,506	2.1%
Business Services	4,425,091	4,408,871	16,220	0.4%
Operations and Maintenance	16,410,537	15,443,705	966,832	6.3%
Central Support Services	15,018,798	12,466,227	2,552,571	20.5%
Community Services	7,136,194	6,582,109	554,085	8.4%
Total	<u>\$339,859,205</u>	<u>\$320,147,876</u>	<u>\$ 19,711,329</u>	6.2%

Approximately 90% of General Fund expenditures are for staff salaries and benefits. For fiscal year 2018-19, employees received a 3.4% cost of living increase and step increases for experience and education, in accordance with district approved salary schedules. The district was also required to make an additional 0.5% contribution to PERA, the State of Colorado's retirement plan, and increased its contribution to health insurance by 5.0%. As noted above, the district also recognized a \$6.1 million expenditure related to on-behalf payments made by the State to Colorado PERA. On-behalf payments were allocated \$4.4 million to Instruction – Regular Programs and \$1.7 million to Central Support Services above, which would have otherwise increased 4.6% and 7.3%, respectively, when compared to the prior year. No such expenditures were recognized in the prior year.

Bond Redemption Fund: The Bond Redemption Fund reported fund balance of \$49.6 million, an increase of \$4.6 million from the prior year. Property tax revenues of \$53.6 million in the current year were based upon a 2019 levy of 8.150 mills applied to an assessed valuation of \$6,645 million, compared to 8.095 mills and an assessed valuation of \$6,657 million in the prior year. The large ending fund balance is necessary to have sufficient cash on hand to make debt service payments as they become due in the subsequent year. Property tax levies are based upon a calendar year cycle while debt service payments are made each fiscal year in December and June.

2014 Building Fund: The 2014 Building Fund accounts for the issuance of debt approved by voters November 2014 and activity related to completion of capital projects defined in the district's Educational Facilities Master Plan. June 30, 2019, fund balance of \$196.8 million is restricted for those capital projects.

General Operating Fund Highlights

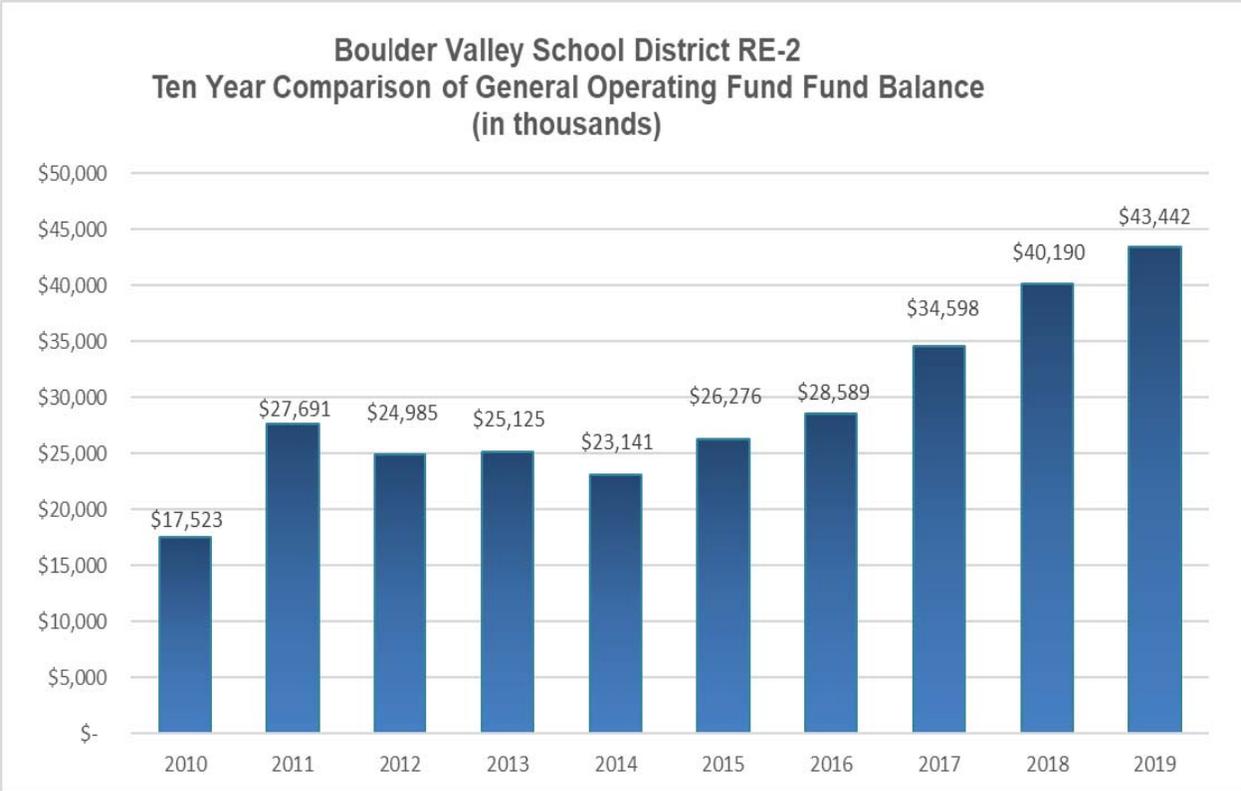
The General Operating Fund is the core operating fund of the district. For the year ended June 30, 2019, fund balance of the General Operating Fund increased \$3.3 million to \$43.4 million. Changes in revenues and expenditures of the General Operating Fund have been explained above as they represent the predominant activity of the General Fund.

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Regular Instruction	54.06%	54.41%	55.74%	56.57%	56.52%
Special Instruction	16.24%	15.99%	16.16%	16.46%	16.12%
Instructional Support	7.78%	7.59%	7.93%	8.45%	8.71%
Subtotal Instruction	<u>78.08%</u>	<u>77.99%</u>	<u>79.83%</u>	<u>81.48%</u>	<u>81.35%</u>
School Administration and Operations	15.75%	15.48%	13.79%	12.74%	12.39%
District Wide/Community Services	6.17%	6.53%	6.38%	5.78%	6.26%
Subtotal Support	<u>21.92%</u>	<u>22.01%</u>	<u>20.17%</u>	<u>18.52%</u>	<u>18.65%</u>
Total	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

General Operating Fund expenditures by function for the past five fiscal years are shown in the table above. The district has spent a minimum of 77.99% of General Operating Fund resources on instruction-related activities over the past five fiscal years.

An analysis of the district's General Operating Fund ending fund balance is shown in the following chart. Over the ten year period from fiscal year 2009-10 to 2017-18, fund balance of the General Operating Fund has fluctuated from a low of \$17.5 million at June 30, 2010, to a high of \$43.4 million at June 30, 2019.



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

In addition, voters approved an operations and technology mill levy in November 2016. As discussed above, this allowed the district to allocate eligible expenses related to operations and maintenance and central support services from the General Operating Fund to the Operations and Technology Fund (\$14.0 million of eligible costs in the current year and \$13.6 million in the prior year).

General Fund Budgetary Highlights

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

The board of education adopted the 2018-19 budget in June 2018, and approved the revised budget in January 2019. A surplus from fiscal year 2017-18 caused beginning fund balance to come in \$15.9 million higher than anticipated as part of the 2018-19 budget development process. The surplus was caused by a combination of carryover balances for schools and departments, in addition to revenues exceeding budgeted amounts, and was utilized as follows:

- \$6.3 million increase in the total General Fund appropriation, excluding reserves.
- \$3.4 million increase in contingency reserve, which is in addition to TABOR emergency reserves and increased from 3% to 4% of fiscal year spending of the General Operating Fund.
- \$3.5 million increase in transfer out to the Capital Reserve Fund.

A Budgetary Comparison Schedule for the General Fund is included on page 83 of this report. Significant differences between final budgeted and actual revenues are as follows:

Actual revenues exceeded budget by \$5.7 million (1.6%), related primarily to \$6.1 million in on-behalf payments made by the State to Colorado PERA, as discussed above. As the amount of the district's proportionate share of the on-behalf payment was not provided until after June 30, 2019, the district did not include this revenue in its fiscal year 2018-19 budget. Property taxes were less than budgeted amounts by \$0.7 million due to higher than anticipated abatements.

Actual expenditures were \$12.5 million less than budget (3.5%), after deducting unspent reserves. \$5.3 million of the savings is due to carryover related to schools, departments and the Medicaid program that will be spent in the subsequent year. Planned technology, athletic and preschool purchases of \$0.5 million, \$0.1 million and \$0.6 million, respectively, will be completed in fiscal year 2019-20. Offsetting the budget savings is \$6.1 million of unbudgeted expenditures related to on-behalf payments made by the State of Colorado PERA, as discussed above. The remaining balance less than budget relates to various personnel and other cost savings throughout the General Fund.

Transfers out were \$0.7 million less than budget, due primarily to cost savings of the Transportation Fund, which allowed the related transfer to be reduced as of June 30, 2019.

Capital Assets and Debt Administration

Capital Assets: The district's investment in capital assets as of June 30, 2019, and 2018, is summarized as follows:

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

	Governmental Activities	
	<u>2019</u>	<u>2018</u>
Land	\$ 9,738,354	\$ 9,746,279
Construction in Progress	63,250,973	95,355,875
Land Improvements	46,561,342	43,152,807
Buildings	639,703,898	530,894,808
Equipment	6,764,866	6,777,036
Vehicles	3,051,224	4,110,300
	<hr/>	<hr/>
Total Capital Assets	<u>\$ 769,070,657</u>	<u>\$ 690,037,105</u>

Changes in capital assets from the prior year include \$107.3 million of capital asset addition, offset by \$28.2 million of depreciation expense. The majority of current year capital additions are related to projects funded by the district's voter approved debt.

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

Debt Administration: The district's long term debt as of June 30, 2019 and 2018, is summarized as follows:

Boulder Valley School District RE-2 Long Term Debt

	Governmental Activities	
	<u>2019</u>	<u>2018</u>
General Obligation Bonds	\$ 812,260,000	\$ 703,570,000
Bond Premium	91,357,339	63,595,404
Capital Lease	1,550,574	1,963,832
Compensated Absences	9,445,616	9,063,508
	<hr/>	<hr/>
Total Long Term Debt	<u>\$ 914,613,529</u>	<u>\$ 778,192,744</u>

As noted above, the district issued \$136.5 million General Obligation Bonds, Series 2019A, and \$162.7 million General Obligation Refunding Bonds, Series 2019B, during fiscal year 2018-19. As part of the transaction, the district received premiums of \$20.9 million and \$13.6 million, respectively, and refunded all General Obligation Bonds, Series 2009 (\$172.2 million).

During the current fiscal year, the district repaid \$18.4 million of principal on general obligation bonds and \$0.4 million of principal on capital leases.

The district maintains an “AA+” rating from Fitch Ratings, an “Aa1” rating from Moody’s Investors Services and an “AA+” rating from Standard & Poor’s for its general obligation debt. The district’s ratings are the highest among any Colorado school district.

State statute limits the amount of general obligation debt a government may issue to 20% of its total assessed valuation. At June 30, 2019, the district’s legal debt limit is \$1,329.0 million, which exceeds the district’s total outstanding debt by \$516.7 million.

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

Economic Factors and Next Year’s Budget

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

The majority of the district’s General Operating Fund revenues are a result of state level decisions. The Colorado State Legislature approved the 2019-20 SFA and increased the statewide per pupil base funding by inflation, or 2.7%. However, for the tenth consecutive year the Colorado State Legislature continued to lower the statewide total funding by applying a budget stabilization factor (negative factor, previously) to reduce total program funding received by each school district. For Boulder Valley School District RE-2, this budget stabilization factor in the SFA is expected to equate to \$19.2 million in lost state revenues for 2019-20.

On May 21, 2019, the governor signed House Bill (HB) 19-1262, *State Funding For Full-day Kindergarten*. Beginning with fiscal year 2019-20, all kindergarten classes at district elementary schools will be full-day.

For the fiscal year ended June 30, 2019 the district’s required contribution rate to Colorado PERA is 20.15% of covered payroll. As a result of Senate Bill 18-200, the district’s contribution rate will increase to 20.40% on July 1, 2019 and will increase to 20.90% on July 1, 2020. Similarly, employee contribution rates will increase from 8.0% during the fiscal year ended June 30, 2019, to 8.75% as of July 1, 2019, to 10.0% as of July 1, 2020.

The district’s projected state per pupil revenue (PPR) for 2019-20 is \$8,425 (slightly rounded). Total program funding, defined by the SFA, is projected to be \$252.7 million, an increase of \$12.5 million from the prior year.

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

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

Requests for Information

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

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

BASIC FINANCIAL STATEMENTS



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Boulder Valley School District RE-2

STATEMENT OF NET POSITION

June 30, 2019

	PRIMARY GOVERNMENT GOVERNMENTAL ACTIVITIES	COMPONENT UNITS CHARTER SCHOOLS
ASSETS		
Cash and Investments	\$ 101,186,198	\$ 11,785,392
Restricted Cash and Investments	271,657,249	4,175,360
Accounts Receivable	988,835	779
Taxes Receivable, Net	8,039,152	-
Grants Receivable	1,036,485	-
Inventories	1,511,861	-
Prepaid Items and Other	775,171	26,296
Capital Assets, Not Being Depreciated	72,989,327	3,335,406
Capital Assets, Net of Accumulated Depreciation	696,081,330	25,178,333
TOTAL ASSETS	1,154,265,608	44,501,566
DEFERRED OUTFLOWS OF RESOURCES		
Loss on Debt Refunding, Net of Accumulated Amortization	-	2,852,855
Pension Related Items	231,421,289	13,400,902
Other Post-Employment Benefits Related Items	2,007,268	656,186
TOTAL DEFERRED OUTFLOWS OF RESOURCES	233,428,557	16,909,943
LIABILITIES		
Accounts and Retainage Payable	28,913,897	199,572
Accrued Liabilities	10,092,818	-
Accrued Compensation and Benefits	16,981,750	1,269,892
Unearned Revenues	2,332,311	34,785
Accrued Interest Payable	2,965,361	276,656
Claims Payable	1,911,538	-
Noncurrent Liabilities		
Due Within One Year	27,606,574	824,486
Due in More Than One Year	887,006,955	17,110,621
Net Pension Liability	745,436,907	41,788,134
Net Other Post-Employment Benefits Liability	37,229,999	2,087,062
TOTAL LIABILITIES	1,760,478,110	63,591,208
DEFERRED INFLOWS OF RESOURCES		
Pension Related Items	566,172,923	31,071,153
Other Post-Employment Benefits Related Items	99,322	240,500
TOTAL DEFERRED INFLOWS OF RESOURCES	566,272,245	31,311,653
NET POSITION		
Net Investment in Capital Assets	71,034,168	13,676,736
Restricted for Advanced Placement Testing	-	10,729
Restricted for Scholarships	-	1,480,402
Restricted for Debt Service	47,072,101	2,185,419
Restricted for Repair and Maintenance	-	220,429
Restricted for Multiple Year Obligations	175,000	-
Restricted for Colorado Preschool Program	27,086	-
Restricted for Operations and Technology	12,535,701	727,539
Restricted for Special Education	-	90,000
Restricted for Capital Renewal	-	30,000
Restricted for Emergencies	11,539,825	906,370
Restricted for Medicaid	1,557,245	-
Restricted for Donations	-	25,226
Unrestricted	(1,082,997,316)	(52,844,202)
TOTAL NET POSITION	\$ (939,056,190)	\$ (33,491,352)

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

Boulder Valley School District RE-2

STATEMENT OF ACTIVITIES

Year Ended June 30, 2019

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
PRIMARY GOVERNMENT				
Instruction	\$ 220,754,222	\$ 9,822,913	\$ 20,219,459	\$ 1,651,020
Supporting Services	133,392,310	11,385,795	10,570,066	97,820
Interest Expense	28,529,107	-	-	-
TOTAL PRIMARY GOVERNMENT	\$ 382,675,639	\$ 21,208,708	\$ 30,789,525	\$ 1,748,840
COMPONENT UNITS				
Charter Schools	25,087,633	2,374,665	1,398,088	649,525
TOTAL COMPONENT UNITS	\$ 25,087,633	\$ 2,374,665	\$ 1,398,088	\$ 649,525

GENERAL REVENUES

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

TOTAL GENERAL REVENUES

CHANGE IN NET POSITION

NET POSITION, Beginning

NET POSITION, Ending

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

NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION	
PRIMARY GOVERNMENT GOVERNMENTAL ACTIVITIES	COMPONENT UNITS CHARTER SCHOOLS
\$ (189,060,830)	\$ -
(111,338,629)	-
(28,529,107)	-
<u>(328,928,566)</u>	<u>-</u>
	<u>(20,665,355)</u>
	<u>(20,665,355)</u>
323,013,456	-
17,900,304	-
63,459,349	-
32,621	290,096
5,201,707	221,316
-	25,945,571
1,132,853	653,680
<u>410,740,290</u>	<u>27,110,663</u>
81,811,724	6,445,308
<u>(1,020,867,914)</u>	<u>(39,936,660)</u>
<u>\$ (939,056,190)</u>	<u>\$ (33,491,352)</u>

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

Boulder Valley School District RE-2

BALANCE SHEET GOVERNMENTAL FUNDS

June 30, 2019

	GENERAL	BOND REDEMPTION	2014 BUILDING	NONMAJOR GOVERNMENTAL FUNDS	TOTAL
ASSETS					
Cash and Investments	\$ 73,175,051	\$ -	\$ -	\$ 20,557,409	\$ 93,732,460
Restricted Cash and Investments	19,594	48,737,470	222,900,185	-	271,657,249
Accounts Receivable	411,624	-	160,000	417,211	988,835
Taxes Receivable, Net	5,983,760	1,299,992	-	755,400	8,039,152
Grants Receivable	-	-	97,820	938,665	1,036,485
Inventories	1,309,271	-	-	202,590	1,511,861
Prepaid Items	762,254	-	-	-	762,254
Deposits	12,917	-	-	-	12,917
TOTAL ASSETS	\$ 81,674,471	\$ 50,037,462	\$ 223,158,005	\$ 22,871,275	\$ 377,741,213
LIABILITIES					
Accounts and Retainage Payable	\$ 2,616,467	\$ -	\$ 26,186,655	\$ 110,775	\$ 28,913,897
Accrued Liabilities	9,860,775	-	-	232,043	10,092,818
Accrued Compensation and Benefits	15,921,986	-	34,212	1,025,552	16,981,750
Unearned Revenues	586,192	-	160,000	1,586,119	2,332,311
TOTAL LIABILITIES	28,985,420	-	26,380,867	2,954,489	58,320,776
DEFERRED INFLOWS OF RESOURCES					
Property Tax Revenue	2,137,548	483,506	-	257,190	2,878,244
FUND BALANCES					
Nonspendable	2,071,525	-	-	43,556	2,115,081
Restricted	11,590,529	49,553,956	196,777,138	14,053,779	271,975,402
Assigned	-	-	-	5,562,261	5,562,261
Unassigned	36,889,449	-	-	-	36,889,449
TOTAL FUND BALANCES	50,551,503	49,553,956	196,777,138	19,659,596	316,542,193
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 81,674,471	\$ 50,037,462	\$ 223,158,005	\$ 22,871,275	\$ 377,741,213

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

Boulder Valley School District RE-2
RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2019

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

Total Fund Balances	\$ 316,542,193
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.	769,070,657
Other long-term assets are not available to pay for current year expenditures and, therefore, are reported as unavailable revenue in the funds.	2,878,244
An internal service fund is used by management to charge the costs of employee health and dental insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.	5,542,200
Long-term liabilities and related items, including bonds payable (\$812,260,000), bond premium (\$91,357,339), capital lease (\$1,550,574), compensated absences (\$9,445,616), and accrued interest payable (\$2,965,361) are not due and payable in the current year and, therefore, are not reported in the funds.	(917,578,890)
Net pension (\$745,436,907) and net OPEB (\$37,229,999) liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(782,666,906)
Deferred outflows of resources related to pensions \$231,421,289 and OPEB \$2,007,268 used in governmental activities are not financial resources and, therefore, are not reported in the funds.	233,428,557
Deferred inflows of resources related to pensions (\$566,172,923) and OPEB (\$99,322) used in governmental activities are not due and payable in the current year and, therefore, are not reported in the funds.	<u>(566,272,245)</u>
Net Position of Governmental Activities	<u>\$ (939,056,190)</u>

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

Boulder Valley School District RE-2
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2019

	GENERAL	BOND REDEMPTION	2014 BUILDING	NONMAJOR GOVERNMENTAL FUNDS	TOTAL
REVENUES					
Local Sources	\$ 273,179,942	\$ 54,387,121	\$ 6,040,172	\$ 36,914,189	\$ 370,521,424
State Sources	78,902,642	-	-	6,141,828	85,044,470
Federal Sources	1,844,112	-	97,820	12,258,919	14,200,851
TOTAL REVENUES	353,926,696	54,387,121	6,137,992	55,314,936	469,766,745
EXPENDITURES					
Current					
Instruction	239,039,963	-	-	8,329,798	247,369,761
Supporting Services	100,819,242	-	-	44,507,983	145,327,225
Capital Outlay	-	-	115,792,016	2,869,234	118,661,250
Debt Service					
Principal	-	18,395,000	-	413,258	18,808,258
Interest	-	31,400,100	-	30,148	31,430,248
Issuance Costs	-	918,494	979,785	-	1,898,279
TOTAL EXPENDITURES	339,859,205	50,713,594	116,771,801	56,150,421	563,495,021
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	14,067,491	3,673,527	(110,633,809)	(835,485)	(93,728,276)
OTHER FINANCING SOURCES (USES)					
Insurance Proceeds	92,367	-	-	-	92,367
Sale of Capital Assets	-	-	743,795	433,705	1,177,500
Bonds Issued	-	162,745,000	136,520,000	-	299,265,000
Bond Premium	-	13,551,434	20,867,275	-	34,418,709
Payment to Escrow Agent	-	(175,377,940)	-	-	(175,377,940)
Transfers In	-	-	-	11,306,680	11,306,680
Transfers Out	(11,306,680)	-	-	-	(11,306,680)
TOTAL OTHER FINANCING SOURCES (USES)	(11,214,313)	918,494	158,131,070	11,740,385	159,575,636
NET CHANGE IN FUND BALANCES	2,853,178	4,592,021	47,497,261	10,904,900	65,847,360
FUND BALANCES, Beginning	47,698,325	44,961,935	149,279,877	8,754,696	250,694,833
FUND BALANCES, Ending	\$ 50,551,503	\$ 49,553,956	\$ 196,777,138	\$ 19,659,596	\$ 316,542,193

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, 2019

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

Net Change in Fund Balances	\$ 65,847,360
Capital outlays to acquire capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are reported as assets in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount by which capital outlay \$107,349,637 exceeded depreciation expense (\$28,246,390) in the current year. In addition, the district disposed of capital assets with a net book value of (\$7,925) and contributed to a charter school the portion of construction in progress that was completed on the charter's behalf as of June 30, 2019 (\$61,770).	79,033,552
Revenues that do not provide current financial resources are unavailable in the governmental fund financial statements but are recognized in the government-wide financial statements. This amount represents the change in unavailable property tax revenue \$927,121 and other local revenue (\$1,944,255).	(1,017,134)
Repayments of debt principal are expenditures in the governmental funds, but they reduce long-term liabilities in the statement of net position and do not affect the statement of activities.	18,808,258
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position and does not affect the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt related items: debt issued (\$299,265,000), bond premium (\$34,418,709), amortization of loss on refunding (\$180,946), amortization of bond premium \$4,327,348, and payment to escrow agent \$175,377,940 (less the portion representing accrued interest expense of \$2,097,144).	(156,256,511)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported expenditures in the governmental funds. This amount represents the change in accrued interest payable (\$376,747), compensated absences (\$382,108), and miscellaneous expenses related to current year loss on refunding \$1,228,630.	469,775
An internal service fund is used by management to charge the costs of employee health and dental insurance to individual funds. The net revenue of the internal service fund is included in governmental activities in the statement of activities.	(1,071,222)
Some items reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. This is the amount of pension expense \$76,983,835 and OPEB expense (\$986,189) not reported in the governmental funds.	<u>75,997,646</u>
Change in Net Position of Governmental Activities	<u><u>\$ 81,811,724</u></u>

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

Boulder Valley School District RE-2
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2019

	<u>GOVERNMENTAL ACTIVITIES</u> <u>INTERNAL</u> <u>SERVICE FUNDS</u>
ASSETS	
Current	
Cash and Investments	\$ 7,453,738
TOTAL ASSETS	<u>7,453,738</u>
LIABILITIES	
Current	
Claims Payable	<u>1,911,538</u>
TOTAL LIABILITIES	<u>1,911,538</u>
NET POSITION	
Unrestricted	<u>5,542,200</u>
TOTAL NET POSITION	<u>\$ 5,542,200</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 NET POSITION
PROPRIETARY FUNDS
Year Ended June 30, 2019

	GOVERNMENTAL ACTIVITIES
	INTERNAL SERVICE FUNDS
OPERATING REVENUES	
Premiums and Services	\$ 34,488,444
Other	1,275,544
TOTAL OPERATING REVENUES	35,763,988
OPERATING EXPENSES	
Personnel	445,632
Insurance Premiums and Claims	33,475,687
Administrative Fees	1,103,421
Other	1,810,470
TOTAL OPERATING EXPENSES	36,835,210
CHANGE IN NET POSITION	(1,071,222)
NET POSITION, Beginning	6,613,422
NET POSITION, Ending	\$ 5,542,200

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

Boulder Valley School District RE-2

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

Year Ended June 30, 2019

GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS

Cash Flows From Operating Activities

Premiums Received and Other Receipts	\$ 35,763,988
Cash Payments for Premiums, Claims and Other Expenses	(36,751,571)
Cash Paid to Employees for Salaries and Benefits	(445,632)

Net Cash Provided (Used) by Operating Activities (1,433,215)

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (1,433,215)

CASH AND CASH EQUIVALENTS, Beginning

8,886,953

CASH AND CASH EQUIVALENTS, Ending

\$ 7,453,738

RECONCILIATION OF CHANGE IN NET POSITION TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES

Change in Net Position	\$ (1,071,222)
Adjustments to Reconcile Change in Net Position to Net Cash Provided (Used) by Operating Activities	
Changes in Assets and Liabilities Related to Operations	
Claims Payable	<u>(361,993)</u>

Net Cash Provided (Used) by Operating Activities \$ (1,433,215)

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

Boulder Valley School District RE-2
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
June 30, 2019

	PRIVATE PURPOSE TRUST FUNDS	AGENCY FUND
ASSETS		
Cash and Investments	\$ 1,401,564	\$ 5,741,549
TOTAL ASSETS	1,401,564	5,741,549
LIABILITIES		
Due to Student and School Groups	-	5,741,549
TOTAL LIABILITIES	-	5,741,549
NET POSITION		
Held in Trust for Scholarships	1,401,564	-
TOTAL NET POSITION	\$ 1,401,564	\$ -

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

Boulder Valley School District RE-2
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
Year Ended June 30, 2019

	<u>PRIVATE PURPOSE TRUST FUNDS</u>
ADDITIONS	
Contributions and Investment Earnings	\$ 37,032
DEDUCTIONS	
Scholarships and Awards	45,468
CHANGE IN HELD IN TRUST FOR SCHOLARSHIPS	(8,436)
HELD IN TRUST FOR SCHOLARSHIPS, Beginning	<u>1,410,000</u>
HELD IN TRUST FOR SCHOLARSHIPS, Ending	<u><u>\$ 1,401,564</u></u>

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

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

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

Government-Wide and Fund Financial Statements

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

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (Continued)

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

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

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

The district reports the following major governmental funds:

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

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

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

Additionally, the district reports the following fund types:

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

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

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Equity

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

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

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Equity (Continued)

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

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

Inventories - Materials and supplies inventories are stated at average cost using the first-in/first-out (FIFO) method. Food Services Fund inventories consist of purchased and donated commodities. Donated commodities, received at no cost under a program supported by the federal government, are valued based upon the cost furnished by the federal government. 2014 Building Fund inventories include certain parts inventory that will be returned, rather than consumed.

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

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

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

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

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

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

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Equity (Continued)

Deferred Outflows of Resources - In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The district reports certain items in this category related to its defined benefit pension and OPEB plans (see Notes 9 and 10).

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

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

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

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

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

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

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

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

Net Pension Liability - The district reports a net pension liability for its proportionate share of PERA's unfunded pension liability, which is expected to be liquidated primarily with resources of the General Fund. See Note 9 for additional information.

Net OPEB Liability - The district reports a net OPEB liability for its proportionate share of PERA's unfunded OPEB liability, which is expected to be liquidated primarily with resources of the General Fund. See Note 10 for additional information.

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Equity (Continued)

Deferred Inflows of Resources - In addition to liabilities, the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The governmental funds report as deferred inflows of resources unavailable revenues from property taxes which are deferred and recognized as an inflow of resources in the period that the amounts are earned. In the statement of net position, the district reports certain items in this category related to its defined benefit pension and OPEB plans (see Notes 9 and 10).

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

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

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

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

Fund Balance Policy - The district's policy is to have a sufficient balance in the General Fund with sufficient working capital and a margin of safety to address local and regional emergencies without borrowing. The district shall strive to maintain a yearly fund balance in the General Operating Fund in which the total fund balance is 3% of the total operating expenditures in addition to any amounts required by statute. At June 30, 2019, unassigned fund balance of the General Operating Fund was sufficient to meet this policy.

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Equity (Continued)

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

Revenues

Property Taxes - Property taxes for a calendar year are certified in arrears on December 10 and attached as a lien on the property the previous January 1. For example, property taxes owed in 2019 are certified to the county in December 2018 and are available for collection on the levy date, January 1. Property taxes are payable in full by April 30 or in two equal installments due February 28 and June 15. Property tax receipts collected by the county are generally remitted to the district in the subsequent month.

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

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

On-behalf Payments

GAAP requires that direct on-behalf payments for fringe benefits and salaries made by one entity to a third party recipient for the employees of another, legally separate entity be recognized as revenue and expenditures by the employer government. The State of Colorado makes direct on-behalf payments for retirement benefits to Colorado PERA. Beginning on July 1, 2018, the State of Colorado is required to make a payment to PERA each year equal to \$225 million. PERA allocates the contribution to the trust funds of the State, School, Denver Public Schools, and Judicial Division Trust Funds of PERA, as proportionate to the annual payroll of each division. This annual payment is required on July 1st of each year thereafter until there are no unfunded actuarial accrued liabilities of any division of PERA that receives the direct distribution. The amount of on-behalf payments made for the district by the State of Colorado has been recorded in the fund financial statements.

NOTE 2: CASH AND INVESTMENTS

At June 30, 2019, the district had the following cash and investments:

Cash on Hand	\$	81,795
Deposits		18,850,698
Investments		365,285,067
Total		\$ 384,217,560

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019

NOTE 2: CASH AND INVESTMENTS (Continued)

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

Primary Government Cash and Investments	\$ 101,186,198
Primary Government Restricted Cash and Investments	271,657,249
Fiduciary Funds Cash and Investments	7,143,113
Charter School Cash Held by District	<u>4,231,000</u>
Total	<u><u>\$ 384,217,560</u></u>

Deposits

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

Investments

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

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

The district had the following investments at June 30, 2019:

	Less than 1 year	1 to 5 years	Total	S&P Rating
Governmental Activities				
Money Market Mutual Fund	\$ 8,125,789	\$ -	\$ 8,125,789	AAAm
Local Government Investment Pool	357,159,278	-	357,159,278	AAAm
	<u>\$ 365,285,067</u>	<u>\$ -</u>	<u>\$ 365,285,067</u>	
Component Units				
Money Market Mutual Fund	\$ 1,028,262	\$ -	\$ 1,028,262	AAAm
Colorado Surplus Asset Fund (CSAFE)	1,689,212	-	1,689,212	AAAm
Local Government Investment Pool	4,824,916	-	4,824,916	AAAm
	<u>\$ 7,542,390</u>	<u>\$ -</u>	<u>\$ 7,542,390</u>	

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019

NOTE 2: CASH AND INVESTMENTS (Continued)

Investments (Continued)

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

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

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

Local Government Investment Pool - At June 30, 2019, the district had \$357,159,278 invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces the requirements of creating and operating Colotrust. The pool operates in conformity with the Securities and Exchange Commission's Rule 2a-7 as promulgated under the Investment Company Act of 1940, as amended, which includes the maintenance of each share equal in value to \$1.00. Investments within Colotrust are limited to those allowed by state statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments. This district's investment in Colotrust is measured using net asset value. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

Fair Value of Investments

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

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

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

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

Level 3: Unobservable inputs for an asset or liability.

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019

NOTE 2: CASH AND INVESTMENTS (Continued)

Fair Value of Investments (Continued)

The following table presents the fair value of measurements of assets recognized in the accompanying statement of net position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30, 2019.

Investments by Fair Value Levels	Balance	Fair Value Measurement Using		
	June 30, 2019	Level 1	Level 2	Level 3
Component Units				
Endowment (held with Community First Foundation)	\$ 1,447,157	\$ -	\$ -	\$ 1,447,157
Common Stock	30,477	30,477	-	-
Total	<u>\$ 1,477,634</u>	<u>\$ 30,477</u>	<u>\$ -</u>	<u>\$ 1,447,157</u>

Money market mutual funds held by the district and component unit are valued at amortized cost. Component unit investments also include \$187,727 held in a money market fund valued at amortized cost.

Restricted Cash and Investments

Restricted cash and investments include \$48,737,470 in the Bond Redemption Fund restricted for future debt service payments and \$222,900,185 in the 2014 Building Fund for unspent bond proceeds restricted for capital projects.

NOTE 3: INTERFUND TRANSFERS

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Balance</u>
Capital Reserve Fund	General Fund	\$ 5,171,453
Transportation Fund	General Fund	4,972,376
Food Services Fund	General Fund	<u>1,162,851</u>
Total		<u>\$ 11,306,680</u>

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

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019

NOTE 4: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019, is summarized below.

	Balances 6/30/18	Additions	Deletions	Balances 6/30/19
Governmental Activities				
Capital Assets, Not Being Depreciated				
Land	\$ 9,746,279	\$ -	\$ (7,925)	\$ 9,738,354
Construction in Progress	95,355,875	106,601,505	(138,706,407)	63,250,973
Total Capital Assets, Not Being Depreciated	<u>105,102,154</u>	<u>106,601,505</u>	<u>(138,714,332)</u>	<u>72,989,327</u>
Capital Assets, Being Depreciated				
Land Improvements	57,923,039	7,469,670	-	65,392,709
Buildings	737,382,867	131,100,894	(29,729)	868,454,032
Equipment	16,987,880	753,129	(291,436)	17,449,573
Vehicles	22,105,204	69,076	(381,994)	21,792,286
Total Capital Assets, Being Depreciated	<u>834,398,990</u>	<u>139,392,769</u>	<u>(703,159)</u>	<u>973,088,600</u>
Less Accumulated Depreciation For				
Land Improvements	14,770,232	4,061,135	-	18,831,367
Buildings	206,488,059	22,291,804	(29,729)	228,750,134
Equipment	10,210,844	765,299	(291,436)	10,684,707
Vehicles	17,994,904	1,128,152	(381,994)	18,741,062
Total Accumulated Depreciation	<u>249,464,039</u>	<u>28,246,390</u>	<u>(703,159)</u>	<u>277,007,270</u>
Total Capital Assets, Being Depreciated, Net	<u>584,934,951</u>	<u>111,146,379</u>	<u>-</u>	<u>696,081,330</u>
Governmental Activities Capital Assets, Net	<u>\$ 690,037,105</u>	<u>\$ 217,747,884</u>	<u>\$ (138,714,332)</u>	<u>\$ 769,070,657</u>
Component Units				
Capital Assets, Not Being Depreciated				
Land	\$ 3,318,094	\$ -	\$ -	\$ 3,318,094
Construction in Progress	52,999	79,082	(114,769)	17,312
Total Capital Assets, Not Being Depreciated	<u>3,371,093</u>	<u>79,082</u>	<u>(114,769)</u>	<u>3,335,406</u>
Capital Assets, Being Depreciated				
Land Improvements*	4,001,435	10,914	-	4,012,349
Buildings*	29,324,659	366,818	-	29,691,477
Equipment	560,651	52,168	-	612,819
Total Capital Assets, Being Depreciated	<u>33,886,745</u>	<u>429,900</u>	<u>-</u>	<u>34,316,645</u>
Less Accumulated Depreciation For				
Land Improvements	1,590,729	174,007	-	1,764,736
Buildings	6,478,811	611,273	-	7,090,084
Equipment	231,960	51,532	-	283,492
Total Accumulated Depreciation	<u>8,301,500</u>	<u>836,812</u>	<u>-</u>	<u>9,138,312</u>
Total Capital Assets, Being Depreciated, Net	<u>25,585,245</u>	<u>(406,912)</u>	<u>-</u>	<u>25,178,333</u>
Component Units Capital Assets, Net	<u>\$ 28,956,338</u>	<u>\$ (327,830)</u>	<u>\$ (114,769)</u>	<u>\$ 28,513,739</u>

*\$188,074 has been reclassified from Buildings to Land Improvements as of June 30, 2018.

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019

NOTE 4: CAPITAL ASSETS (Continued)

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

Governmental Activities	
Instruction	\$ 24,574,359
Supporting Services	<u>3,672,031</u>
Total	<u>\$ 28,246,390</u>

NOTE 5: SHORT-TERM DEBT

During the year ended June 30, 2019, the district borrowed \$109,047,509 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, 2019, from property taxes received primarily from February through June. The schedule of changes is summarized below.

	<u>Balances 6/30/18</u>	<u>Additions</u>	<u>Payments</u>	<u>Balances 6/30/19</u>
State-sponsored interest-free loan	\$ -	\$ 109,047,509	\$ 109,047,509	\$ -
Total	<u>\$ -</u>	<u>\$ 109,047,509</u>	<u>\$ 109,047,509</u>	<u>\$ -</u>

NOTE 6: LONG-TERM DEBT

Following is a summary of long-term debt transactions of the district for the year ended June 30, 2019.

	<u>Balances 6/30/18</u>	<u>Additions</u>	<u>Payments</u>	<u>Balances 6/30/19</u>	<u>Due Within One Year</u>
Governmental Activities					
General Obligation Bonds	\$ 703,570,000	\$ 299,265,000	\$ 190,575,000	\$ 812,260,000	\$ 20,375,000
Bond Premium	63,595,404	34,418,709	6,656,774	91,357,339	-
Capital Lease	1,963,832	-	413,258	1,550,574	419,558
Compensated Absences	<u>9,063,508</u>	<u>6,927,622</u>	<u>6,545,514</u>	<u>9,445,616</u>	<u>6,812,016</u>
Total	<u>\$ 778,192,744</u>	<u>\$ 340,611,331</u>	<u>\$ 204,190,546</u>	<u>\$ 914,613,529</u>	<u>\$ 27,606,574</u>

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

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019

NOTE 6: LONG-TERM DEBT (Continued)

General Obligation Bonds

General obligation bonds payable at June 30, 2019, are comprised of the following issues:

<p>\$136,520,000 General Obligation Bonds, Series 2019A. 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 2048. Interest accrues at rates ranging from 5.00% to 6.00%.</p>	<p>\$ 136,520,000</p>
<p>\$162,745,000 General Obligation Refunding Bonds, Series 2019B. Issued to refund the General Obligation Bonds, Series 2009. Principal payments due on December 1 and interest payments due on December 1 and June 1, through 2034. Interest accrues at rates ranging from 3.00% to 5.00%.</p>	<p>162,745,000</p>
<p>\$190,000,000 General Obligation Bonds, Series 2017A. 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 2047. Interest accrues at rates ranging from 5.00% to 5.25%.</p>	<p>190,000,000</p>
<p>\$93,740,000 General Obligation Refunding Bonds, Series 2017B. Issued to refund the General Obligation Bonds, Series 2007. Principal payments due on December 1 and interest payments due on December 1 and June 1, through 2028. Interest accrues at rates ranging from 2.00% to 4.00%.</p>	<p>87,995,000</p>
<p>\$250,000,000 General Obligation Bonds, Series 2015. Issued to implement a district-wide capital construction and improvement program. Principal payments due on December 1 and interest payments due on December 1 and June 1, through 2044. Interest accrues at rates ranging from 4.00% to 5.00%.</p>	<p><u>235,000,000</u></p>
<p>Total</p>	<p><u><u>\$ 812,260,000</u></u></p>

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019

NOTE 6: LONG-TERM DEBT (Continued)

General Obligation Bonds (Continued)

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

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 20,375,000	\$ 37,083,900	\$ 57,458,900
2021	20,865,000	36,299,000	57,164,000
2022	21,755,000	35,312,650	57,067,650
2023	22,840,000	34,239,100	57,079,100
2024	18,125,000	33,282,575	51,407,575
2025 - 2029	104,245,000	152,506,625	256,751,625
2030 - 2034	130,900,000	125,336,213	256,236,213
2035 - 2039	162,230,000	93,052,175	255,282,175
2040 - 2044	206,415,000	47,852,063	254,267,063
2045 - 2049	104,510,000	8,156,325	112,666,325
Total	<u>\$ 812,260,000</u>	<u>\$ 603,120,626</u>	<u>\$ 1,415,380,626</u>

On November 4, 2014, voters approved a ballot measure authorizing the district to issue general obligation bonds in an amount not to exceed \$576,520,000. The bonds have been issued in three series and are for the purpose of funding capital projects outlined in the district's Facilities Master Plan. On April 14, 2015, the district issued \$250,000,000 of General Obligations Bonds, Series 2015. On March 16, 2017, the district issued \$190,000,000 of General Obligation Bonds, Series 2017A. On March 6, 2019, the district issued \$136,520,000 of General Obligation Bonds, Series 2019A, which was the remaining amount authorized.

On March 6, 2019, the district issued \$162,745,000 of General Obligation Refunding Bonds, Series 2019B. Proceeds from the issuance, including bond premium of \$13,551,434, were used to pay the costs of issuing the bonds and to refund the General Obligation Bonds, Series 2009 (\$172,180,000 aggregate outstanding principal, plus accrued interest). The Series 2019B refunding bonds mature December 1, 2034, which is the same maturity as the refunded Series 2009 bonds. The transaction resulted in an aggregate reduction in total debt service costs of \$32,985,880 and an economic gain of \$26,448,004, which is the difference between the net present value of the debt service payments on the old debt and new debt.

Capital Lease

The district acquired certain school buses under capital lease financing agreements. The buses have an 8-year estimated useful life. At June 30, 2019, the net book value of buses under capital lease agreements is \$1,964,946 (\$2,973,350 less accumulated depreciation of \$1,008,404). These lease agreements qualify as capital leases and, therefore, have been recorded at the present value of future minimum lease payments as of the inception date.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2019, were as follows:

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019

NOTE 6: LONG-TERM DEBT (Continued)

Capital Lease (Continued)

<u>Year Ended June 30,</u>	<u>Governmental Activities</u>
2020	\$ 443,406
2021	443,406
2022	443,406
2023	<u>276,972</u>
Total minimum lease payments	1,607,190
Less: amount representing interest	<u>(56,616)</u>
Present value of minimum lease payments	<u><u>\$ 1,550,574</u></u>

Operating Lease

The district leases the majority of its non-bus fleet of vehicles. Total costs for the lease was \$436,209 for the year ended June 30, 2019. Future minimum lease payments for the lease are as follows:

<u>Year Ended June 30,</u>	<u>Governmental Activities</u>
2020	\$ 430,113
2021	222,220
2022	164,661
2023	75,512
2024	4,536
Total	<u><u>\$ 897,042</u></u>

Component Units

Changes in long-term debt of the Component Units for the year ended June 30, 2019, were as follows:

	<u>Balances 6/30/18</u>	<u>Additions</u>	<u>Payments</u>	<u>Balances 6/30/19</u>	<u>Due Within One Year</u>
Loan Payable	\$ 413,742	\$ -	\$ 92,230	\$ 321,512	\$ 91,197
Note Payable	1,121,521	-	47,571	1,073,950	50,505
Bonds Payable	16,150,000	-	655,000	15,495,000	680,000
Bond Premium	1,023,356	-	63,960	959,396	-
Compensated Absences	<u>75,447</u>	<u>149,035</u>	<u>139,233</u>	<u>85,249</u>	<u>2,784</u>
Total	<u><u>\$ 18,784,066</u></u>	<u><u>\$ 149,035</u></u>	<u><u>\$ 997,994</u></u>	<u><u>\$ 17,935,107</u></u>	<u><u>\$ 824,486</u></u>

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019

NOTE 6: LONG-TERM DEBT (Continued)

Component Units (Continued)

Component unit loan, note, and bonds payable consist of the following at June 30, 2019:

\$400,000 Loan Payable to the district, July 2016.

Issued to enhance the scope of a district capital project to improve the charter school's building. The loan bears no interest and requires minimum annual payments of \$80,000, beginning in the fiscal year ended June 30, 2017. The loan matures June 30, 2021. \$ 160,000

\$250,000 Loan Payable, August 2007.

Issued to purchase a building. Monthly payments are required through September 30, 2030. Interest accrues at a variable rate calculated from the 5-Year Treasury Rate plus 1.28 percentage points. At June 30, 2019, the interest rate was 4.75%. 161,512

\$1,210,000 Note Payable, July 2016.

Issued to purchase a building. Monthly payments are required through May 30, 2021 and a payment of \$979,449 due at maturity, June 20, 2021. Interest accrues at a fixed rate of 6.0%. 1,073,950

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

Issued to refund the Series 2004 Charter School Revenue and Refunding Bonds. Due in annual installments ranging from \$470,000 to \$1,350,000 through August 2034; interest (ranging from 2.00% to 5.00%) payable semi-annually on August 15 and February 15. 15,495,000

Total \$ 16,890,462

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

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 91,197	\$ 7,430	\$ 98,627
2021	91,741	6,886	98,627
2022	12,311	6,316	18,627
2023	12,908	5,719	18,627
2024	13,535	5,092	18,627
2025 - 2029	78,194	14,943	93,137
2030 - 2031	21,626	663	22,289
Total	<u>\$ 321,512</u>	<u>\$ 47,049</u>	<u>\$ 368,561</u>

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

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 50,505	\$ 63,063	\$ 113,568
2021	1,023,445	60,109	1,083,554
Total	<u>\$ 1,073,950</u>	<u>\$ 123,172</u>	<u>\$ 1,197,122</u>

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019

NOTE 6: LONG-TERM DEBT (Continued)

Component Units (Continued)

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

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 680,000	\$ 724,150	\$ 1,404,150
2021	710,000	696,350	1,406,350
2022	740,000	667,350	1,407,350
2023	770,000	637,150	1,407,150
2024	800,000	605,750	1,405,750
2025 - 2029	4,585,000	2,398,125	6,983,125
2030 - 2034	5,860,000	1,098,500	6,958,500
2035	1,350,000	33,750	1,383,750
Total	<u>\$ 15,495,000</u>	<u>\$ 6,861,125</u>	<u>\$ 22,356,125</u>

NOTE 7: FUND BALANCES

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

	BOND		2014		NONMAJOR	
	GENERAL	REDEMPTION	BUILDING	GOVERNMENTAL FUNDS		TOTAL
FUND BALANCES						
Nonspendable:						
Inventories	\$ 1,309,271	\$ -	\$ -	\$ 43,556	\$ -	\$ 1,352,827
Prepaid Items	762,254	-	-	-	-	762,254
Total Nonspendable	2,071,525	-	-	43,556	-	2,115,081
Restricted For:						
Debt Service	-	49,553,956	-	-	-	49,553,956
Capital Projects	-	-	196,777,138	-	-	196,777,138
Multiple Year Obligations	175,000	-	-	-	-	175,000
Colorado Preschool Program	27,086	-	-	-	-	27,086
Operations and Technology	-	-	-	12,345,152	-	12,345,152
Emergencies	9,831,198	-	-	1,708,627	-	11,539,825
Medicaid	1,557,245	-	-	-	-	1,557,245
Total Restricted	11,590,529	49,553,956	196,777,138	14,053,779	-	271,975,402
Assigned To:						
Transportation	-	-	-	554,165	-	554,165
Capital Projects	-	-	-	5,008,096	-	5,008,096
Total Assigned	-	-	-	5,562,261	-	5,562,261
Unassigned, Reported In						
General Fund	36,889,449	-	-	-	-	36,889,449
Total Unassigned	36,889,449	-	-	-	-	36,889,449
Total Fund Balances	<u>\$ 50,551,503</u>	<u>\$ 49,553,956</u>	<u>\$ 196,777,138</u>	<u>\$ 19,659,596</u>	<u>\$ -</u>	<u>\$ 316,542,193</u>

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019

NOTE 8: RISK MANAGEMENT

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

Joint School District Worker's Compensation Self-Insurance Pool

The district, along with Aurora, Cherry Creek, and Littleton School Districts, combined to form the Joint School District Workers' Compensation Self-Insurance Pool (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.

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 each 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 \$500,000 are pooled between the member districts, and losses in excess of \$500,000 are reinsured for up to statutory limits.

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

Colorado School Districts Self Insurance Pool

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

Health and Dental Self-Insurance

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

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019

NOTE 8: RISK MANAGEMENT (Continued)

Health and Dental Self-Insurance (Continued)

	Health Insurance	Dental Insurance
Claims Payable, June 30, 2017	\$ 1,932,401	\$ 183,426
Claims Incurred and Adjustments Payments	19,555,853 (19,393,799)	2,220,436 (2,224,786)
Claims Payable, June 30, 2018	2,094,455	179,076
Claims Incurred and Adjustments Payments	22,104,329 (22,452,277)	2,257,397 (2,271,442)
Claims Payable, June 30, 2019	<u>\$ 1,746,507</u>	<u>\$ 165,031</u>

Claims payable at June 30, 2019 are expected to be liquidated within the next fiscal year.

NOTE 9: DEFINED BENEFIT PENSION PLAN

Summary of Significant Accounting Policies

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

The Colorado General Assembly passed significant pension reform through Senate Bill (SB) 18-200: *Concerning Modifications To the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years*. The bill was signed into law by Governor Hickenlooper on June 4, 2018. A brief description of some of the major changes to plan provisions required by SB 18-200 for the SCHDTF are listed below. A full copy of the bill can be found online at www.leg.colorado.gov.

- Increases employer contribution rates for the SCHDTF by 0.25 percent on July 1, 2019.
- Increases employee contribution rates for the SCHDTF by a total of 2 percent (to be phased in over a period of 3 years starting on July 1, 2019).
- As specified in C.R.S. § 24-51-413, the State is required to contribute \$225 million each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the total annual payroll of the SCHDTF, State Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund. A portion of the direct distribution allocated to the SCHDTF is considered a nonemployer contribution for financial reporting purposes.

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

Summary of Significant Accounting Policies (Continued)

- Modifies the retirement benefits, including temporarily suspending and reducing the annual increase for all current and future retirees, modifying the highest average salary for employees with less than five years of service credit on December 31, 2019 and raises the retirement age for new employees.
- Member contributions, employer contributions, the direct distribution from the state, and the annual increases will be adjusted based on certain statutory parameters beginning July 1, 2020, and then each year thereafter, to help keep PERA on path to full funding in 30 years.

General Information about the Pension Plan

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

Benefits provided as of December 31, 2018 - PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

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

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

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

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

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

As of December 31, 2018, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Pursuant to SB 18-200, there are no annual increases (AI) for 2018 and 2019 for all benefit recipients. Thereafter, benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 1.5 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 will receive the lesser of an annual increase of 1.5 percent or the average CPI-W for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the SCHDTF. The automatic adjustment provision may raise or lower the aforementioned AI for a given year by up to one-quarter of 1 percent based on the parameters specified C.R.S. § 24-51-413.

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

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

Contributions provisions as of June 30, 2019 - Eligible employees, the district and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, et seq. and § 24-51-413. Eligible employees are required to contribute 8 percent of their PERA-includable salary during the period of July 1, 2018 through June 30, 2019. Employer contribution requirements are summarized in the table below:

	January 1, 2018 Through December 30, 2018	January 1, 2019 Through December 30, 2019
Employer Contribution Rate ¹	10.15%	10.15%
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f) ¹	(1.02)%	(1.02)%
Amount Apportioned to the SCHDTF ¹	9.13%	9.13%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411 ¹	4.50%	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411 ¹	5.50%	5.50%
Total Employer Contribution Rate to the SCHDTF ¹	19.13%	19.13%

Contribution rates for the SCHDTF are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

As specified in C.R.S. § 24-51-413, the State is required to contribute \$225 million each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the total annual payroll of the SCHDTF, State Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund. A portion of the direct distribution allocated to the SCHDTF is considered a nonemployer contribution for financial reporting purposes.

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the district is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the district were \$45,436,835 for the year ended June 30, 2019.

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

The net pension liability for the SCHDTF was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. Standard update procedures were used to roll-forward the total pension liability to December 31, 2018. The district's proportion of the net pension liability was based on the district's contributions to the SCHDTF for the calendar year 2017 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

At June 30, 2019, the district reported a liability of \$745,436,907 for its proportionate share of the net pension liability that reflected a reduction for support from the State as a nonemployer contributing entity. The amount recognized by the district as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the district were as follows:

The district's proportionate share of the net pension liability	\$ 745,436,907
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the district	\$ 101,928,144
Total	<u>\$ 847,365,051</u>

At December 31, 2018, the district's proportion was 4.20983020 percent, which was a decrease of 0.57301345 percent from its proportion measured as of December 31, 2017. The district's proportion includes the primary government (approximately 97.88%) and four of the district's five charter schools (approximately 2.12%). Peak to Peak Charter School's proportion is calculated separately by PERA. The district allocates its proportion to the primary government and to each of the four charter schools based on contributions to the SCHDTF for the calendar year, which is the same methodology used by PERA in allocating to its members. Required footnote disclosures for each of the five charter schools are included in their respective separately issued financial statements.

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

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

For the year ended June 30, 2019, the district recognized net negative pension expense of \$75,791,310 and revenue of \$523,826 for support from the State as a nonemployer contributing entity. At June 30, 2019, the district reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 25,286,050	\$ -
Changes of assumptions or other inputs	139,139,056	463,581,576
Net difference between projected and actual earnings on pension plan investments	40,630,966	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	3,341,391	102,591,347
Contributions subsequent to the measurement date	23,023,826	-
Total	\$ 231,421,289	\$ 566,172,923

\$23,023,826 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,

2020	\$ (66,162,942)
2021	(188,410,110)
2022	(125,428,332)
2023	22,225,924
2024	-
Thereafter	-

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

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

Actuarial assumptions. The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50 – 9.70 percent
Long-term investment Rate of Return, net of pension plan investment expenses, including price inflation	7.25 percent
Discount rate	4.78 percent
Post-retirement benefit increases:	
PERA Benefit Structure hired prior to 1/1/07	2.00 percent
PERA Benefit Structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

The revised assumptions shown below were reflected in the roll-forward calculation of the total pension liability from December 31, 2017 to December 31, 2018:

Discount rate	7.25 percent
Post-retirement benefit increases:	
PERA Benefit Structure hired prior to 1/1/07	0% through 2019 and 1.5% compounded annually, thereafter
PERA Benefit Structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

Healthy mortality assumptions for active members reflect the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

Healthy, post-retirement mortality assumptions reflect the RP-2014 White Collar Healthy Annuitant Mortality Table, adjusted as follows:

- Males: Mortality improvement projected to 2018 using the MP-2015 projection scale, a 93 percent factor applied to rates for ages less than 80, a 113 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- Females: Mortality improvement projected to 2020 using the MP-2015 projection scale, a 68 percent factor applied to rates for ages less than 80, a 106 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

For disabled retirees, the mortality assumption was based on 90 percent of the RP-2014 Disabled Retiree Mortality Table.

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

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

The actuarial assumptions used in the December 31, 2016, valuations were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2016.

Several factors were considered in evaluating the long-term rate of return assumption for the SCHDTF, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

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

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
U.S. Equity – Large Cap	21.20%	4.30%
U.S. Equity – Small Cap	7.42%	4.80%
Non U.S. Equity – Developed	18.55%	5.20%
Non U.S. Equity – Emerging	5.83%	5.40%
Core Fixed Income	19.32%	1.20%
High Yield	1.38%	4.30%
Non U.S. Fixed Income – Developed	1.84%	0.60%
Emerging Market Debt	0.46%	3.90%
Core Real Estate	8.50%	4.90%
Opportunity Fund	6.00%	3.80%
Private Equity	8.50%	6.60%
Cash	1.00%	0.20%
Total	100.00%	

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.25%.

Discount rate - The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in SB 18-200. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200. Employer contributions also include the current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point, the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions included reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As specified in law, the State will provide an annual direct distribution of \$225 million (actual dollars), commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the projection test indicates the SCHDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount determination does not use the municipal bond rate, and therefore, the discount rate is 7.25 percent.

As of the prior measurement date, the long-term expected rate of return on plan investments of 7.25 percent and the municipal bond index rate of 3.43 percent were used in the discount rate determination resulting in a discount rate of 4.78 percent, 2.47 percent lower compared to the current measurement date.

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

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

Sensitivity of the district's proportionate share of the net pension liability to changes in the discount rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	\$ 947,695,505	\$ 745,436,907	\$ 575,707,836

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

NOTE 10: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN

Summary of Significant Accounting Policies

OPEB - The district participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit OPEB fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the OPEB Plan

Plan description - Eligible employees of the district are provided with OPEB through the HCTF—a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. Title 24, Article 51, Part 12 of the C.R.S., as amended, sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at www.copera.org/investments/pera-financial-reports.

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019

NOTE 10: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

General Information about the OPEB Plan (Continued)

Benefits provided - The HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member's years of service credit. For members who retire having service credit with employers in the Denver Public Schools (DPS) Division and one or more of the other four Divisions (State, School, Local Government and Judicial), the premium subsidy is allocated between the HCTF and the Denver Public Schools Health Care Trust Fund (DPS HCTF). The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

C.R.S. § 24-51-1202 et seq. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare.

Enrollment in the PERACare is voluntary and is available to benefit recipients and their eligible dependents, certain surviving spouses, and divorced spouses and guardians, among others. Eligible benefit recipients may enroll into the program upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period.

PERA Benefit Structure

The maximum service-based premium subsidy is \$230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The basis for the maximum service-based subsidy, in each case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5 percent reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

For benefit recipients who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, C.R.S. § 24-51-1206(4) provides an additional subsidy. According to the statute, PERA cannot charge premiums to benefit recipients without Medicare Part A that are greater than premiums charged to benefit recipients with Part A for the same plan option, coverage level, and service credit. Currently, for each individual PERACare enrollee, the total premium for Medicare coverage is determined assuming plan participants have both Medicare Part A and Part B and the difference in premium cost is paid by the HCTF or the DPS HCTF on behalf of benefit recipients not covered by Medicare Part A.

Contributions - Pursuant to Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended, certain contributions are apportioned to the HCTF. PERA-affiliated employers of the State, School, Local Government, and Judicial Divisions are required to contribute at a rate of 1.02 percent of PERA-includable salary into the HCTF.

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019

NOTE 10: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

General Information about the OPEB Plan (Continued)

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the district is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the district were \$2,422,664 for the year ended June 30, 2019.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2019, the district reported a liability of \$37,229,999 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2017. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2018. The district's proportion of the net OPEB liability was based on the district's contributions to the HCTF for the calendar year 2018 relative to the total contributions of participating employers to the HCTF.

At December 31, 2018, the district's proportion was 2.73640935 percent, which was an increase of 0.01881392 percent from its proportion measured as of December 31, 2017.

For the year ended June 30, 2019, the district recognized OPEB expense of \$1,018,616. At June 30, 2019, the district reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 135,123	\$ 56,671
Changes of assumptions or other inputs	261,163	-
Net difference between projected and actual earnings on OPEB plan investments	214,097	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	169,268	42,651
Contributions subsequent to the measurement date	1,227,617	-
Total	\$ 2,007,268	\$ 99,322

\$1,227,617 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30,

2020	\$ 122,896
2021	122,896
2022	122,951
2023	271,593
2024	38,744
Thereafter	1,249

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019

NOTE 10: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

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

Actuarial assumptions - The total OPEB liability in the December 31, 2017 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50 percent in aggregate
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25 percent
Discount rate	7.25 percent
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	5.00 percent
Medicare Part A premiums	3.25 percent for 2018, gradually rising to 5.00 percent in 2025

Calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each actuarial valuation and on the pattern of sharing of costs between employers of each fund to that point.

The actuarial assumptions used in the December 31, 2017, valuations were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting. In addition, certain actuarial assumptions pertaining to per capita health care costs and their related trends are analyzed and reviewed by PERA's actuary, as discussed below.

In determining the additional liability for PERACare enrollees who are age sixty-five or older and who are not eligible for premium-free Medicare Part A, the following monthly costs/premiums are assumed for 2018 for the PERA Benefit Structure:

Medicare Plan	Cost for Members Without <u>Medicare Part A</u>	Premiums for Members Without <u>Medicare Part A</u>
Self-Funded Medicare Supplement Plans	\$736	\$367
Kaiser Permanente Medicare Advantage HMO	602	236
Rocky Mountain Health Plans Medicare HMO	611	251
UnitedHealthcare Medicare HMO	686	213

The 2018 Medicare Part A premium is \$422 per month.

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019

NOTE 10: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

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

In determining the additional liability for PERACare enrollees in the PERA Benefit Structure who are age sixty-five or older and who are not eligible for premium-free Medicare Part A, the following chart details the initial expected value of Medicare Part A benefits, age adjusted to age 65 for the year following the valuation date:

Medicare Plan	Cost for Members Without <u>Medicare Part A</u>
Self-Funded Medicare Supplement Plans	\$289
Kaiser Permanente Medicare Advantage HMO	300
Rocky Mountain Health Plans Medicare HMO	270
UnitedHealthcare Medicare HMO	400

All costs are subject to the health care cost trend rates, as discussed below.

Health care cost trend rates reflect the change in per capita health costs over time due to factors such as medical inflation, utilization, plan design, and technology improvements. For the PERA benefit structure, health care cost trend rates are needed to project the future costs associated with providing benefits to those PERACare enrollees not eligible for premium-free Medicare Part A.

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and heuristics developed by health plan actuaries and administrators, and projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services. Effective December 31, 2017, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

The PERA benefit structure health care cost trend rates that were used to measure the total OPEB liability are summarized in the table below:

<u>Year</u>	<u>PERACare Medicare Plans</u>	<u>Medicare Part A Premiums</u>
2018	5.00%	3.25%
2019	5.00%	3.50%
2020	5.00%	3.75%
2021	5.00%	4.00%
2022	5.00%	4.25%
2023	5.00%	4.50%
2024	5.00%	4.75%
2025+	5.00%	5.00%

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019

NOTE 10: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

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

Mortality assumptions for the determination of the total pension liability for each of the Division Trust Funds as shown below are applied, as applicable, in the determination of the total OPEB liability for the HCTF. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

Healthy mortality assumptions for active members were based on the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

Healthy, post-retirement mortality assumptions for the School and Judicial Divisions were based on the RP-2014 White Collar Healthy Annuitant Mortality Table, adjusted as follows:

- Males: Mortality improvement projected to 2018 using the MP-2015 projection scale, a 93 percent factor applied to rates for ages less than 80, a 113 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- Females: Mortality improvement projected to 2020 using the MP-2015 projection scale, a 68 percent factor applied to rates for ages less than 80, a 106 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

For disabled retirees, the mortality assumption was based on 90 percent of the RP-2014 Disabled Retiree Mortality Table.

The following health care costs assumptions were updated and used in the measurement of the obligations for the HCTF:

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2018 plan year.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2016.

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019

NOTE 10: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

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

Several factors were considered in evaluating the long-term rate of return assumption for the HCTF, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

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

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
U.S. Equity – Large Cap	21.20%	4.30%
U.S. Equity – Small Cap	7.42%	4.80%
Non U.S. Equity – Developed	18.55%	5.20%
Non U.S. Equity – Emerging	5.83%	5.40%
Core Fixed Income	19.32%	1.20%
High Yield	1.38%	4.30%
Non U.S. Fixed Income – Developed	1.84%	0.60%
Emerging Market Debt	0.46%	3.90%
Core Real Estate	8.50%	4.90%
Opportunity Fund	6.00%	3.80%
Private Equity	8.50%	6.60%
Cash	1.00%	0.20%
Total	100.00%	

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.25%.

Sensitivity of the district's proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates - The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
PERACare Medicare trend rate	4.00%	5.00%	6.00%
Initial Medicare Part A trend rate	2.25%	3.25%	4.25%
Ultimate Medicare Part A trend rate	4.00%	5.00%	6.00%
Net OPEB Liability	\$36,201,930	\$37,229,999	\$38,412,456

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019

NOTE 10: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

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

Discount rate - The discount rate used to measure the total OPEB liability was 7.25 percent. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2018, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Transfers of a portion of purchase service agreements intended to cover the costs associated with OPEB benefits were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the projection test indicates the HCTF's fiduciary net position was projected to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent.

Sensitivity of the district's proportionate share of the net OPEB liability to changes in the discount rate - The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$41,657,126	\$37,229,999	\$33,445,216

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

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019

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, 2019, 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, 2019, the district had construction commitments totaling approximately \$73.1 million, primarily for facility construction contracts to be funded with bond proceeds. Subsequent to June 30, 2019, the district entered into additional construction commitments of approximately \$3.5 million for the same purpose.

TABOR Amendment

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

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

The Amendment requires all governments to establish a reserve for emergencies, which is calculated as three percent of fiscal year spending. At June 30, 2019, \$11,539,825 was restricted to satisfy the reserve requirement.



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REQUIRED SUPPLEMENTARY INFORMATION



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Boulder Valley School District RE-2

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Year Ended June 30, 2019

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL Positive (Negative)
REVENUES				
Property Taxes	\$ 243,156,569	\$ 237,579,055	\$ 236,876,053	\$ (703,002)
Specific Ownership Taxes	18,033,297	18,033,297	17,900,304	(132,993)
Tuition and Fees	12,982,687	12,250,106	12,115,821	(134,285)
Other Local Revenue	5,104,777	6,128,314	6,287,764	159,450
State Equalization	59,994,767	63,365,683	63,459,349	93,666
Other State Revenue	9,435,768	9,355,982	15,443,293	6,087,311
Federal Grants	1,500,000	1,500,000	1,844,112	344,112
TOTAL REVENUES	350,207,865	348,212,437	353,926,696	5,714,259
EXPENDITURES				
Current				
Instruction - Regular Programs	188,667,323	189,154,900	184,787,677	4,367,223
Instruction - Special Programs	55,639,233	56,419,313	54,252,286	2,167,027
Student Support Services	14,691,336	17,540,763	15,603,637	1,937,126
Instructional Staff Services	14,885,235	15,143,811	14,016,364	1,127,447
General Administration	4,538,875	4,798,256	4,385,953	412,303
School Administration	23,947,683	24,443,472	23,822,668	620,804
Business Services	4,470,752	4,507,744	4,425,091	82,653
Operations and Maintenance	18,668,810	17,547,211	16,410,537	1,136,674
Central Support Services	12,417,268	15,103,309	15,018,798	84,511
Community Services	8,118,324	7,706,277	7,136,194	570,083
Emergency Reserves	9,546,674	9,831,198	-	9,831,198
Reserves	11,295,913	15,048,560	-	15,048,560
TOTAL EXPENDITURES	366,887,426	377,244,814	339,859,205	37,385,609
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(16,679,561)	(29,032,377)	14,067,491	43,099,868
OTHER FINANCING SOURCES (USES)				
Insurance Proceeds	60,000	50,000	92,367	42,367
Transfers Out	(8,512,620)	(12,012,276)	(11,306,680)	705,596
TOTAL OTHER FINANCING SOURCES (USES)	(8,452,620)	(11,962,276)	(11,214,313)	747,963
NET CHANGE IN FUND BALANCE	(25,132,181)	(40,994,653)	2,853,178	43,847,831
FUND BALANCE, Beginning	31,756,429	47,698,325	47,698,325	-
FUND BALANCE, Ending	\$ 6,624,248	\$ 6,703,672	\$ 50,551,503	\$ 43,847,831

Boulder Valley School District RE-2
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION AND OTHER POST EMPLOYMENT BENEFIT LIABILITIES
June 30, 2019

As of December 31,	2018	2017	2016
Net Pension Liability			
District's proportion of the net pension liability	4.20983020%	4.78284365%	4.74682720%
District's proportionate share of the net pension liability	\$ 745,436,907	\$ 1,546,601,653	\$ 1,413,314,018
State's proportionate share of the net pension liability associated with the district**	<u>101,928,144</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 847,365,051</u>	<u>\$ 1,546,601,653</u>	<u>\$ 1,413,314,018</u>
District's covered payroll	231,436,700	220,627,079	213,046,306
District's proportionate share of the net pension liability as a percentage of its covered payroll	322.09%	701.00%	663.38%
Plan fiduciary net position as a percentage of the total pension liability	57.01%	43.96%	43.10%
Net Other Post Employment Benefit (OPEB) Liability			
District's proportion of the net OPEB liability	2.73640935%	2.71759543%	2.69815594%
District's proportionate share of the net OPEB liability	37,229,999	35,317,870	34,982,509
District's covered payroll	231,436,700	220,627,079	213,046,306
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	16.09%	16.01%	16.42%
Plan fiduciary net pension as a percentage of the total OPEB liability	17.03%	17.53%	16.72%

* The amounts presented for each fiscal year were determined as of December 31 based on the measurement date of the Plan. This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

**A direct distribution provision to allocate funds from the State of Colorado to Colorado PERA on an annual basis began in July 2018 based on the Senate Bill 18-200.

<u>2015</u>	<u>2014</u>	<u>2013</u>
4.71872892%	4.67428842%	4.61595307%
\$ 721,696,274	\$ 633,523,091	\$ 588,763,568
-	-	-
<u>\$ 721,696,274</u>	<u>\$ 633,523,091</u>	<u>\$ 588,763,568</u>
205,643,263	195,818,956	186,083,709
350.95%	323.52%	316.40%
59.20%	62.80%	64.06%

Boulder Valley School District RE-2
SCHEDULE OF THE CONTRIBUTIONS AND RELATED RATIOS
June 30, 2019

As of June 30,	<u>2019</u>	<u>2018</u>	<u>2017</u>
Defined Benefit Pension Plan			
Statutorily required contributions	\$ 45,436,835	\$ 42,710,516	\$ 39,564,497
Contributions in relation to the statutorily required contribution	<u>45,436,835</u>	<u>42,710,516</u>	<u>39,564,497</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	237,516,126	226,254,847	215,258,416
Contribution as a percentage of covered payroll	19.13%	18.88%	18.38%
Defined Benefit Other Post Employment Benefit Plan			
Statutorily required contributions	\$ 2,422,664	\$ 2,307,799	\$ 2,195,636
Contributions in relation to the statutorily required contribution	<u>2,422,664</u>	<u>2,307,799</u>	<u>2,195,636</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	237,516,126	226,254,847	215,258,416
Contribution as a percentage of covered payroll	1.02%	1.02%	1.02%

* The amounts presented for each fiscal year were determined as of June 30. This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

2016	2015	2014
\$ 37,290,415	\$ 33,858,535	\$ 30,643,126
<u>37,290,415</u>	<u>33,858,535</u>	<u>30,643,126</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
210,323,829	200,583,738	191,759,237
17.73%	16.88%	15.98%
\$ 2,145,303	\$ 2,045,954	\$ 1,955,944
<u>2,145,303</u>	<u>2,045,954</u>	<u>1,955,944</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
210,323,829	200,583,738	191,759,237
1.02%	1.02%	1.02%

Boulder Valley School District RE-2
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2019

NOTE 1: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets

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

- By April, 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.
- By June 30, the budget is legally adopted by the board of education.
- By January 31, 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 resources. All appropriations lapse at the end of each fiscal year. Authorization to transfer budget amounts between programs and/or departments within any fund and the reallocation of budget line items within any program and/or department rests with the superintendent. Revisions and/or supplemental appropriations that alter the total expenditures of any fund must be approved by the board of education.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES



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GENERAL FUND

Boulder Valley School District RE-2

COMBINING BALANCE SHEET

GENERAL FUND

June 30, 2019

	<u>GENERAL OPERATING</u>	<u>RISK MANAGEMENT</u>	<u>TECHNOLOGY</u>
ASSETS			
Cash and Investments	\$ 66,516,658	\$ 715,031	\$ 1,329,099
Restricted Cash and Investments	19,594	-	-
Accounts Receivable	323,909	-	27,983
Taxes Receivable, Net	5,983,760	-	-
Inventories	576,781	-	732,490
Prepaid Items	499,845	-	217,980
Deposits	-	-	-
	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 73,920,547</u>	<u>\$ 715,031</u>	<u>\$ 2,307,552</u>
LIABILITIES			
Accounts Payable	\$ 2,616,467	\$ -	\$ -
Accrued Liabilities	9,860,775	-	-
Accrued Compensation and Benefits	15,799,058	-	-
Unearned Revenues	64,250	-	-
	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES	<u>28,340,550</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
Property Tax Revenue	2,137,548	-	-
	<hr/>	<hr/>	<hr/>
FUND BALANCES			
Nonspendable	1,076,626	-	950,470
Restricted	10,775,299	131,084	75,221
Unassigned	31,590,524	583,947	1,281,861
	<hr/>	<hr/>	<hr/>
TOTAL FUND BALANCES	<u>43,442,449</u>	<u>715,031</u>	<u>2,307,552</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 73,920,547</u>	<u>\$ 715,031</u>	<u>\$ 2,307,552</u>

ATHLETICS	COMMUNITY SCHOOLS	PRESCHOOL	TOTAL GENERAL FUND
\$ 239,552	\$ 3,429,684	\$ 945,027	\$ 73,175,051
-	-	-	19,594
-	59,732	-	411,624
-	-	-	5,983,760
-	-	-	1,309,271
44,429	-	-	762,254
-	12,917	-	12,917
<u>\$ 283,981</u>	<u>\$ 3,502,333</u>	<u>\$ 945,027</u>	<u>\$ 81,674,471</u>
\$ -	\$ -	\$ -	\$ 2,616,467
-	-	-	9,860,775
9,570	104,663	8,695	15,921,986
-	388,843	133,099	586,192
<u>9,570</u>	<u>493,506</u>	<u>141,794</u>	<u>28,985,420</u>
-	-	-	2,137,548
44,429	-	-	2,071,525
110,176	221,167	277,582	11,590,529
<u>119,806</u>	<u>2,787,660</u>	<u>525,651</u>	<u>36,889,449</u>
<u>274,411</u>	<u>3,008,827</u>	<u>803,233</u>	<u>50,551,503</u>
<u>\$ 283,981</u>	<u>\$ 3,502,333</u>	<u>\$ 945,027</u>	<u>\$ 81,674,471</u>

Boulder Valley School District RE-2
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GENERAL FUND
Year Ended June 30, 2019

	GENERAL OPERATING	RISK MANAGEMENT	TECHNOLOGY
REVENUES			
Local Sources	\$ 261,398,830	\$ 7,754	\$ 423,716
State Sources	78,902,642	-	-
Federal Sources	1,844,112	-	-
TOTAL REVENUES	342,145,584	7,754	423,716
EXPENDITURES			
Current			
Instruction - Regular Programs	178,210,460	-	1,040,842
Instruction - Special Programs	50,833,462	-	-
Student Support Services	14,613,921	-	-
Instructional Staff Services	12,844,915	-	456,655
General Administration	4,277,300	-	-
School Administration	23,640,388	-	-
Business Services	4,382,496	42,595	-
Operations and Maintenance	15,425,467	917,417	-
Central Support Services	11,078,367	3,419,623	520,808
Community Services	11,105	-	-
TOTAL EXPENDITURES	315,317,881	4,379,635	2,018,305
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	26,827,703	(4,371,881)	(1,594,589)
OTHER FINANCING SOURCES (USES)			
Insurance Proceeds	-	92,367	-
Transfers In	1,069,228	4,354,366	1,704,966
Transfers Out	(24,644,218)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(23,574,990)	4,446,733	1,704,966
NET CHANGE IN FUND BALANCES	3,252,713	74,852	110,377
FUND BALANCES, Beginning	40,189,736	640,179	2,197,175
FUND BALANCES, Ending	\$ 43,442,449	\$ 715,031	\$ 2,307,552

ATHLETICS	COMMUNITY SCHOOLS	PRESCHOOL	TOTAL GENERAL FUND
\$ 1,246,578	\$ 8,659,524	\$ 1,443,540	\$ 273,179,942
-	-	-	78,902,642
-	-	-	1,844,112
<u>1,246,578</u>	<u>8,659,524</u>	<u>1,443,540</u>	<u>353,926,696</u>
-	-	5,536,375	184,787,677
3,418,824	-	-	54,252,286
-	-	989,716	15,603,637
-	-	714,794	14,016,364
108,653	-	-	4,385,953
-	-	182,280	23,822,668
-	-	-	4,425,091
193	-	67,460	16,410,537
-	-	-	15,018,798
-	6,842,122	282,967	7,136,194
<u>3,527,670</u>	<u>6,842,122</u>	<u>7,773,592</u>	<u>339,859,205</u>
<u>(2,281,092)</u>	<u>1,817,402</u>	<u>(6,330,052)</u>	<u>14,067,491</u>
-	-	-	92,367
2,070,254	-	6,662,990	15,861,804
-	(2,469,228)	(55,038)	(27,168,484)
<u>2,070,254</u>	<u>(2,469,228)</u>	<u>6,607,952</u>	<u>(11,214,313)</u>
(210,838)	(651,826)	277,900	2,853,178
<u>485,249</u>	<u>3,660,653</u>	<u>525,333</u>	<u>47,698,325</u>
<u>\$ 274,411</u>	<u>\$ 3,008,827</u>	<u>\$ 803,233</u>	<u>\$ 50,551,503</u>



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NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

Transportation Fund - This fund accounts for a 2005 mill levy dedicated by election to the district's transportation needs.

Operations and Technology Fund - This fund accounts for revenues and expenditures related to an operations and technology mill levy approved by voters November 2016.

Capital Projects Funds

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

Boulder Valley School District RE-2

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS

June 30, 2019

	SPECIAL REVENUE			
	FOOD SERVICES	GRANTS	TRANSPORTATION	OPERATIONS AND TECHNOLOGY
ASSETS				
Cash and Investments	\$ 109,388	\$ 575,149	\$ 1,727,155	\$ 12,688,456
Accounts Receivable	314,681	102,530	-	-
Taxes Receivable, Net	-	-	176,165	579,235
Grants Receivable	-	938,665	-	-
Inventories	202,590	-	-	-
	\$ 626,659	\$ 1,616,344	\$ 1,903,320	\$ 13,267,691
TOTAL ASSETS	\$ 626,659	\$ 1,616,344	\$ 1,903,320	\$ 13,267,691
LIABILITIES				
Accounts and Retainage Payable	\$ -	\$ -	\$ -	\$ -
Accrued Liabilities	232,043	-	-	-
Accrued Compensation and Benefits	212,753	34,450	778,349	-
Unearned Revenues	4,225	1,581,894	-	-
	449,021	1,616,344	778,349	-
TOTAL LIABILITIES	449,021	1,616,344	778,349	-
DEFERRED INFLOWS OF RESOURCES				
Property Tax Revenue	-	-	66,641	190,549
	-	-	66,641	190,549
FUND BALANCES				
Nonspendable	43,556	-	-	-
Restricted	134,082	-	504,165	13,077,142
Assigned	-	-	554,165	-
	177,638	-	1,058,330	13,077,142
TOTAL FUND BALANCES	177,638	-	1,058,330	13,077,142
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 626,659	\$ 1,616,344	\$ 1,903,320	\$ 13,267,691

**CAPITAL
PROJECTS**

CAPITAL RESERVE	TOTAL
\$ 5,457,261	\$ 20,557,409
-	417,211
-	755,400
-	938,665
-	202,590
<u>\$ 5,457,261</u>	<u>\$ 22,871,275</u>
\$ 110,775	\$ 110,775
-	232,043
-	1,025,552
-	1,586,119
<u>110,775</u>	<u>2,954,489</u>
-	257,190
-	43,556
338,390	14,053,779
<u>5,008,096</u>	<u>5,562,261</u>
<u>5,346,486</u>	<u>19,659,596</u>
<u>\$ 5,457,261</u>	<u>\$ 22,871,275</u>

Boulder Valley School District RE-2
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2019

	SPECIAL REVENUE			
	FOOD SERVICES	GRANTS	TRANSPORTATION	OPERATIONS AND TECHNOLOGY
REVENUES				
Local Sources	\$ 4,344,317	\$ 488,585	\$ 7,496,646	\$ 24,379,824
State Sources	100,379	2,677,983	3,363,466	-
Federal Sources	3,250,399	9,008,520	-	-
TOTAL REVENUES	7,695,095	12,175,088	10,860,112	24,379,824
EXPENDITURES				
Current				
Instruction - Regular Programs	-	1,884,105	-	-
Instruction - Special Programs	-	4,829,340	1,616,353	-
Student Support Services	-	2,499,680	-	-
Instructional Staff Services	-	1,877,924	-	-
School Administration	-	707,490	-	-
Business Services	-	38,657	-	-
Operations and Maintenance	-	-	212,755	10,986,418
Student Transportation	-	2,452	13,955,241	-
Central Support Services	-	-	-	4,940,381
Food Services Operations	8,951,545	50,628	-	-
Community Services	-	17,318	-	-
Adult Education	-	267,494	-	-
Capital Outlay	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
TOTAL EXPENDITURES	8,951,545	12,175,088	15,784,349	15,926,799
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,256,450)	-	(4,924,237)	8,453,025
OTHER FINANCING SOURCES				
Sale of Capital Assets	-	-	-	-
Transfers In	1,162,851	-	4,972,376	-
TOTAL OTHER FINANCING SOURCES	1,162,851	-	4,972,376	-
NET CHANGE IN FUND BALANCE	(93,599)	-	48,139	8,453,025
FUND BALANCE, Beginning	271,237	-	1,010,191	4,624,117
FUND BALANCE, Ending	\$ 177,638	\$ -	\$ 1,058,330	\$ 13,077,142

**CAPITAL
PROJECTS**

CAPITAL RESERVE	TOTAL
\$ 204,817	\$ 36,914,189
-	6,141,828
-	12,258,919
<u>204,817</u>	<u>55,314,936</u>
-	1,884,105
-	6,445,693
-	2,499,680
-	1,877,924
-	707,490
-	38,657
-	11,199,173
-	13,957,693
-	4,940,381
-	9,002,173
-	17,318
-	267,494
2,869,234	2,869,234
413,258	413,258
30,148	30,148
<u>3,312,640</u>	<u>56,150,421</u>
<u>(3,107,823)</u>	<u>(835,485)</u>
433,705	433,705
5,171,453	11,306,680
<u>5,605,158</u>	<u>11,740,385</u>
2,497,335	10,904,900
<u>2,849,151</u>	<u>8,754,696</u>
<u>\$ 5,346,486</u>	<u>\$ 19,659,596</u>

Boulder Valley School District RE-2

BUDGETARY COMPARISON SCHEDULE

FOOD SERVICES FUND

Year Ended June 30, 2019

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Regular School Lunch	\$ 3,337,164	\$ 3,380,534	\$ 3,279,837	\$ (100,697)
State Sources	91,202	102,558	100,379	(2,179)
Federal Reimbursements	3,426,611	3,301,063	3,250,399	(50,664)
Breakfast Revenue	120,155	142,656	162,108	19,452
A La Carte	292,100	309,410	308,043	(1,367)
Other	710,113	728,690	594,329	(134,361)
TOTAL REVENUES	<u>7,977,345</u>	<u>7,964,911</u>	<u>7,695,095</u>	<u>(269,816)</u>
EXPENDITURES				
Current				
Food Services Operations	9,121,022	9,188,754	8,951,545	237,209
Reserves	171,174	174,082	-	174,082
TOTAL EXPENDITURES	<u>9,292,196</u>	<u>9,362,836</u>	<u>8,951,545</u>	<u>411,291</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,314,851)</u>	<u>(1,397,925)</u>	<u>(1,256,450)</u>	<u>141,475</u>
OTHER FINANCING SOURCES				
Transfers In	1,126,688	1,126,688	1,162,851	36,163
NET CHANGE IN FUND BALANCE	(188,163)	(271,237)	(93,599)	177,638
FUND BALANCE, Beginning	188,163	271,237	271,237	-
FUND BALANCE, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 177,638</u>	<u>\$ 177,638</u>

Boulder Valley School District RE-2

BUDGETARY COMPARISON SCHEDULE

GRANTS FUND

Year Ended June 30, 2019

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Local Sources	\$ 8,305,300	\$ 9,089,331	\$ 488,585	\$ (8,600,746)
State Sources	2,351,643	2,031,599	2,677,983	646,384
Federal Sources	8,843,057	8,379,070	9,008,520	629,450
TOTAL REVENUES	19,500,000	19,500,000	12,175,088	(7,324,912)
EXPENDITURES				
Current				
Instruction and Supporting Services-Unallocated	19,500,000	5,196,538	-	5,196,538
Instruction - Regular Programs	-	2,187,203	1,884,105	303,098
Instruction - Special Programs	-	5,439,032	4,829,340	609,692
Student Support Services	-	2,584,578	2,499,680	84,898
Instructional Staff Services	-	1,738,824	1,877,924	(139,100)
School Administration	-	754,985	707,490	47,495
Business Services	-	38,656	38,657	(1)
Operations and Maintenance	-	1,185,489	-	1,185,489
Student Transportation	-	-	2,452	(2,452)
Food Services Operations	-	-	50,628	(50,628)
Community Services	-	36,393	17,318	19,075
Adult Education	-	338,302	267,494	70,808
TOTAL EXPENDITURES	19,500,000	19,500,000	12,175,088	7,324,912
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE, Beginning	-	-	-	-
FUND BALANCE, Ending	\$ -	\$ -	\$ -	\$ -

Boulder Valley School District RE-2

BUDGETARY COMPARISON SCHEDULE

TRANSPORTATION FUND

Year Ended June 30, 2019

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Property Taxes	\$ 7,263,500	\$ 7,263,500	\$ 7,227,070	\$ (36,430)
State Transportation Reimbursement	3,636,007	3,636,007	3,363,466	(272,541)
Other Local Revenue	190,000	190,000	269,576	79,576
TOTAL REVENUES	11,089,507	11,089,507	10,860,112	(229,395)
EXPENDITURES				
Current				
Instruction - Special Programs	1,725,108	1,725,106	1,616,353	108,753
Operations and Maintenance	244,226	260,227	212,755	47,472
Student Transportation	14,818,246	14,820,170	13,955,241	864,929
Emergency Reserves	503,627	504,165	-	504,165
Reserves	503,627	504,165	-	504,165
TOTAL EXPENDITURES	17,794,834	17,813,833	15,784,349	2,029,484
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(6,705,327)	(6,724,326)	(4,924,237)	1,800,089
OTHER FINANCING SOURCES				
Transfers In	5,698,135	5,714,135	4,972,376	(741,759)
NET CHANGE IN FUND BALANCE	(1,007,192)	(1,010,191)	48,139	1,058,330
FUND BALANCE, Beginning	1,007,192	1,010,191	1,010,191	-
FUND BALANCE, Ending	\$ -	\$ -	\$ 1,058,330	\$ 1,058,330

Boulder Valley School District RE-2

BUDGETARY COMPARISON SCHEDULE

OPERATIONS AND TECHNOLOGY FUND

Year Ended June 30, 2019

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Positive (Negative)</u>
REVENUES				
Property Taxes	\$ 17,861,602	\$ 24,399,672	\$ 24,379,824	\$ (19,848)
TOTAL REVENUES	<u>17,861,602</u>	<u>24,399,672</u>	<u>24,379,824</u>	<u>(19,848)</u>
EXPENDITURES				
Current				
Operations and Maintenance	10,466,953	10,986,418	10,986,418	-
Central Support Services	8,940,381	8,940,381	4,940,381	4,000,000
Emergency Reserves	535,848	731,990	-	731,990
TOTAL EXPENDITURES	<u>19,943,182</u>	<u>20,658,789</u>	<u>15,926,799</u>	<u>4,731,990</u>
NET CHANGE IN FUND BALANCE	(2,081,580)	3,740,883	8,453,025	4,712,142
FUND BALANCE, Beginning	<u>4,494,985</u>	<u>4,624,117</u>	<u>4,624,117</u>	<u>-</u>
FUND BALANCE, Ending	<u>\$ 2,413,405</u>	<u>\$ 8,365,000</u>	<u>\$ 13,077,142</u>	<u>\$ 4,712,142</u>

Boulder Valley School District RE-2

BUDGETARY COMPARISON SCHEDULE

BOND REDEMPTION FUND

Year Ended June 30, 2019

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Property Taxes	\$ 55,902,263	\$ 53,355,308	\$ 53,603,388	\$ 248,080
Investment Earnings	250,000	575,000	783,733	208,733
TOTAL REVENUES	56,152,263	53,930,308	54,387,121	456,813
EXPENDITURES				
Fiscal Charges	12,000	4,500	-	4,500
Debt Service				
Principal	18,395,000	18,395,000	18,395,000	-
Interest	32,330,925	31,400,100	31,400,100	-
Debt Issuance Costs	425,000	918,495	918,494	1
TOTAL EXPENDITURES	51,162,925	50,718,095	50,713,594	4,501
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	4,989,338	3,212,213	3,673,527	461,314
OTHER FINANCING SOURCES (USES)				
Bonds Issued	172,605,000	162,745,000	162,745,000	-
Bond Premium	-	13,551,434	13,551,434	-
Payment to Escrow Agent	(172,180,000)	(175,377,940)	(175,377,940)	-
TOTAL OTHER FINANCING SOURCES (USES)	425,000	918,494	918,494	-
NET CHANGE IN FUND BALANCE	5,414,338	4,130,707	4,592,021	452,312
FUND BALANCE, Beginning	44,922,653	44,961,935	44,961,935	-
FUND BALANCE, Ending	\$ 50,336,991	\$ 49,092,642	\$ 49,553,956	\$ 452,312

Boulder Valley School District RE-2
BUDGETARY COMPARISON SCHEDULE
2014 BUILDING FUND
Year Ended June 30, 2019

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Local Sources				
Investment Earnings, Net	\$ 2,500,000	\$ 2,750,000	\$ 3,680,342	\$ 930,342
Capital Contribution	80,000	80,000	144,601	64,601
Other	-	2,060,000	2,215,229	155,229
Federal Sources	-	-	97,820	97,820
TOTAL REVENUES	2,580,000	4,890,000	6,137,992	1,247,992
EXPENDITURES				
Capital Outlay	142,301,225	138,806,613	115,792,016	23,014,597
Bond Issuance Costs	516,663	516,663	979,785	(463,122)
TOTAL EXPENDITURES	142,817,888	139,323,276	116,771,801	22,551,475
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(140,237,888)	(134,433,276)	(110,633,809)	23,799,467
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	-	743,795	743,795	-
Bonds Issued	136,520,000	136,520,000	136,520,000	-
Bond Premium	-	-	20,867,275	20,867,275
TOTAL OTHER FINANCING SOURCES (USES)	136,520,000	137,263,795	158,131,070	20,867,275
NET CHANGE IN FUND BALANCE	(3,717,888)	2,830,519	47,497,261	44,666,742
FUND BALANCE, Beginning	133,367,656	149,279,877	149,279,877	-
FUND BALANCE, Ending	\$ 129,649,768	\$ 152,110,396	\$ 196,777,138	\$ 44,666,742

Boulder Valley School District RE-2

BUDGETARY COMPARISON SCHEDULE

CAPITAL RESERVE FUND

Year Ended June 30, 2019

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Local Sources	\$ 81,836	\$ 180,976	\$ 204,817	\$ 23,841
TOTAL REVENUES	81,836	180,976	204,817	23,841
EXPENDITURES				
Capital Outlay				
Building Improvements	1,421,960	1,916,265	1,126,523	789,742
Operating Departments	983,006	1,573,678	1,204,192	369,486
School Projects	953,319	2,175,423	538,519	1,636,904
Debt Service				
Principal	413,258	413,258	413,258	-
Interest	30,148	30,148	30,148	-
Reserves	114,051	2,526,513	-	2,526,513
TOTAL EXPENDITURES	3,915,742	8,635,285	3,312,640	5,322,645
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,833,906)	(8,454,309)	(3,107,823)	5,346,486
OTHER FINANCING SOURCES				
Sale of Capital Assets	-	433,705	433,705	-
Transfers In	1,687,797	5,171,453	5,171,453	-
TOTAL OTHER FINANCING SOURCES (USES)	1,687,797	5,605,158	5,605,158	-
NET CHANGE IN FUND BALANCE	(2,146,109)	(2,849,151)	2,497,335	5,346,486
FUND BALANCE, Beginning	2,146,109	2,849,151	2,849,151	-
FUND BALANCE, Ending	\$ -	\$ -	\$ 5,346,486	\$ 5,346,486

INTERNAL SERVICE FUNDS

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

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

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



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Boulder Valley School District RE-2

COMBINING STATEMENT OF NET POSITION

INTERNAL SERVICE FUNDS

June 30, 2019

	<u>HEALTH INSURANCE FUND</u>	<u>DENTAL INSURANCE FUND</u>	<u>TOTAL</u>
ASSETS			
Current			
Cash and Investments	<u>\$ 6,623,494</u>	<u>\$ 830,244</u>	<u>\$ 7,453,738</u>
TOTAL ASSETS	<u>6,623,494</u>	<u>830,244</u>	<u>7,453,738</u>
LIABILITIES			
Current			
Claims Payable	<u>1,746,507</u>	<u>165,031</u>	<u>1,911,538</u>
TOTAL LIABILITIES	<u>1,746,507</u>	<u>165,031</u>	<u>1,911,538</u>
NET POSITION			
Unrestricted	<u>4,876,987</u>	<u>665,213</u>	<u>5,542,200</u>
TOTAL NET POSITION	<u>\$ 4,876,987</u>	<u>\$ 665,213</u>	<u>\$ 5,542,200</u>

Boulder Valley School District RE-2
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
Year Ended June 30, 2019

	HEALTH INSURANCE FUND	DENTAL INSURANCE FUND	TOTAL
OPERATING REVENUES			
Premiums and Services	\$ 31,946,608	\$ 2,541,836	\$ 34,488,444
Other	1,258,655	16,889	1,275,544
TOTAL OPERATING REVENUES	33,205,263	2,558,725	35,763,988
OPERATING EXPENSES			
Personnel	389,484	56,148	445,632
Insurance Premiums and Claims	31,218,290	2,257,397	33,475,687
Administrative Fees	933,053	170,368	1,103,421
Other	1,797,728	12,742	1,810,470
TOTAL OPERATING EXPENSES	34,338,555	2,496,655	36,835,210
CHANGE IN NET POSITION	(1,133,292)	62,070	(1,071,222)
NET POSITION, Beginning	6,010,279	603,143	6,613,422
NET POSITION, Ending	\$ 4,876,987	\$ 665,213	\$ 5,542,200

Boulder Valley School District RE-2

COMBINING STATEMENT OF CASH FLOWS

INTERNAL SERVICE FUNDS

Year Ended June 30, 2019

	<u>HEALTH</u> <u>INSURANCE FUND</u>	<u>DENTAL</u> <u>INSURANCE FUND</u>	<u>TOTAL</u>
Cash Flows From Operating Activities			
Premiums Received and Other Receipts	\$ 33,205,263	\$ 2,558,725	\$ 35,763,988
Cash Payments for Premiums, Claims and Other Expenses	(34,297,019)	(2,454,552)	(36,751,571)
Cash Paid to Employees for Salaries and Benefits	<u>(389,484)</u>	<u>(56,148)</u>	<u>(445,632)</u>
Net Cash Provided (Used) by Operating Activities	<u>(1,481,240)</u>	<u>48,025</u>	<u>(1,433,215)</u>
Net Change in Cash and Cash Equivalents	(1,481,240)	48,025	(1,433,215)
CASH AND CASH EQUIVALENTS, Beginning	<u>8,104,734</u>	<u>782,219</u>	<u>8,886,953</u>
CASH AND CASH EQUIVALENTS, Ending	<u>\$ 6,623,494</u>	<u>\$ 830,244</u>	<u>\$ 7,453,738</u>
RECONCILIATION OF CHANGE IN NET POSITION TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Change in Net Position	\$ (1,133,292)	\$ 62,070	\$ (1,071,222)
Adjustments to Reconcile Change in Net Position to Net Cash Provided (Used) by Operating Activities			
Changes in Assets and Liabilities Related to Operations			
Claims Payable	<u>(347,948)</u>	<u>(14,045)</u>	<u>(361,993)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (1,481,240)</u>	<u>\$ 48,025</u>	<u>\$ (1,433,215)</u>

Boulder Valley School District RE-2

BUDGETARY COMPARISON SCHEDULE

HEALTH INSURANCE FUND

Year Ended June 30, 2019

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
OPERATING REVENUES				
Premiums and Services	\$ 30,607,500	\$ 30,607,500	\$ 31,946,608	\$ 1,339,108
Other	517,000	547,000	1,258,655	711,655
TOTAL OPERATING REVENUES	31,124,500	31,154,500	33,205,263	2,050,763
OPERATING EXPENSES				
Personnel	272,988	369,992	389,484	(19,492)
Insurance Premiums and Claims	29,101,405	29,901,405	31,218,290	(1,316,885)
Administrative Fees	980,000	980,000	933,053	46,947
Other	2,429,000	2,141,000	1,797,728	343,272
Reserves	3,840,448	3,772,382	-	3,772,382
TOTAL OPERATING EXPENSES	36,623,841	37,164,779	34,338,555	2,826,224
CHANGE IN NET POSITION	(5,499,341)	(6,010,279)	(1,133,292)	4,876,987
NET POSITION, Beginning	5,499,341	6,010,279	6,010,279	-
NET POSITION, Ending	\$ -	\$ -	\$ 4,876,987	\$ 4,876,987

Boulder Valley School District RE-2

BUDGETARY COMPARISON SCHEDULE

DENTAL INSURANCE FUND

Year Ended June 30, 2019

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Positive (Negative)</u>
OPERATING REVENUES				
Premiums and Services	\$ 2,433,200	\$ 2,484,342	\$ 2,541,836	\$ 57,494
Other	9,000	13,000	16,889	3,889
TOTAL OPERATING REVENUES	<u>2,442,200</u>	<u>2,497,342</u>	<u>2,558,725</u>	<u>61,383</u>
OPERATING EXPENSES				
Personnel	54,795	58,412	56,148	2,264
Insurance Premiums and Claims	2,367,513	2,392,513	2,257,397	135,116
Administrative Fees	170,000	170,000	170,368	(368)
Other	19,000	19,000	12,742	6,258
Reserves	332,630	460,560	-	460,560
TOTAL OPERATING EXPENSES	<u>2,943,938</u>	<u>3,100,485</u>	<u>2,496,655</u>	<u>603,830</u>
CHANGE IN NET POSITION	<u>(501,738)</u>	<u>(603,143)</u>	<u>62,070</u>	<u>665,213</u>
NET POSITION, Beginning	<u>501,738</u>	<u>603,143</u>	<u>603,143</u>	<u>-</u>
NET POSITION, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 665,213</u>	<u>\$ 665,213</u>



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FIDUCIARY FUNDS

Private Purpose Trust Funds

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

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

Agency Fund

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



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Boulder Valley School District RE-2
COMBINING STATEMENT OF FIDUCIARY NET POSITION
PRIVATE PURPOSE TRUST FUNDS
June 30, 2019

	SCHOLARSHIP	TRUST	TOTAL
ASSETS			
Cash and Investments	\$ 1,166,467	\$ 235,097	\$ 1,401,564
TOTAL ASSETS	1,166,467	235,097	1,401,564
NET POSITION			
Held in Trust for Scholarships	\$ 1,166,467	\$ 235,097	\$ 1,401,564

Boulder Valley School District RE-2
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PRIVATE PURPOSE TRUST FUNDS
Year Ended June 30, 2019

	<u>SCHOLARSHIP</u>	<u>TRUST</u>	<u>TOTAL</u>
ADDITIONS			
Contributions and Investment Earnings	\$ 29,906	\$ 7,126	\$ 37,032
TOTAL ADDITIONS	<u>29,906</u>	<u>7,126</u>	<u>37,032</u>
DEDUCTIONS			
Scholarships and Awards	<u>43,468</u>	<u>2,000</u>	<u>45,468</u>
CHANGE IN HELD IN TRUST FOR SCHOLARSHIPS	(13,562)	5,126	(8,436)
HELD IN TRUST FOR SCHOLARSHIPS, Beginning	<u>1,180,029</u>	<u>229,971</u>	<u>1,410,000</u>
HELD IN TRUST FOR SCHOLARSHIPS, Ending	<u><u>\$ 1,166,467</u></u>	<u><u>\$ 235,097</u></u>	<u><u>\$ 1,401,564</u></u>

Boulder Valley School District RE-2
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
Year Ended June 30, 2019

	<u>Balances 6/30/18</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balances 6/30/19</u>
ASSETS				
Cash and Investments - Student Groups	\$ 2,697,202	\$ 5,878,861	\$ 6,019,669	\$ 2,556,394
Cash and Investments - School Groups	<u>2,518,091</u>	<u>8,148,010</u>	<u>7,480,946</u>	<u>3,185,155</u>
TOTAL ASSETS	<u>\$ 5,215,293</u>	<u>\$ 14,026,871</u>	<u>\$ 13,500,615</u>	<u>\$ 5,741,549</u>
LIABILITIES				
Due to Student Groups	\$ 2,697,202	\$ 5,878,861	\$ 6,019,669	\$ 2,556,394
Due to School Groups	<u>2,518,091</u>	<u>8,148,010</u>	<u>7,480,946</u>	<u>3,185,155</u>
TOTAL LIABILITIES	<u>\$ 5,215,293</u>	<u>\$ 14,026,871</u>	<u>\$ 13,500,615</u>	<u>\$ 5,741,549</u>



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COMPONENT UNITS

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

Boulder Valley School District RE-2

COMBINING STATEMENT OF NET POSITION

COMPONENT UNITS

June 30, 2019

	SUMMIT	HORIZONS	BOULDER PREP
ASSETS			
Cash and Investments	\$ 2,286,542	\$ 1,864,132	\$ 547,487
Restricted Cash and Investments	-	-	-
Accounts Receivable	-	-	-
Prepaid Items and Other	1,343	10,909	3,310
Capital Assets, Not Being Depreciated	-	-	76,400
Capital Assets, Net of Accumulated Depreciation	115,906	201,525	506,082
TOTAL ASSETS	2,403,791	2,076,566	1,133,279
DEFERRED OUTFLOWS OF RESOURCES			
Loss on Debt Refunding, Net of Accumulated Amortization	-	-	-
Pension Related Items	1,901,317	2,110,499	608,146
OPEB Related Items	79,074	453,747	4,840
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,980,391	2,564,246	612,986
LIABILITIES			
Accounts Payable	38,886	2,425	2,184
Accrued Compensation and Benefits	184,146	201,643	-
Unearned Revenues	-	-	-
Accrued Interest Payable	-	-	-
Noncurrent Liabilities			
Due Within One Year	80,000	-	11,197
Due in More Than One Year	80,000	-	150,315
Net Pension Liability	5,917,183	6,874,272	1,962,530
Net OPEB Liability	295,527	343,328	98,016
TOTAL LIABILITIES	6,595,742	7,421,668	2,224,242
DEFERRED INFLOWS OF RESOURCES			
Pension Related Items	4,448,367	4,876,325	1,661,602
OPEB Related Items	450	2,730	134,720
TOTAL DEFERRED INFLOWS OF RESOURCES	4,448,817	4,879,055	1,796,322
NET POSITION			
Net Investment in Capital Assets	115,906	201,525	420,970
Restricted for Advanced Placement Testing	-	-	-
Restricted for Scholarships	-	-	33,245
Restricted for Debt Service	-	-	-
Restricted for Repair and Maintenance	-	-	-
Restricted for Operations and Technology	233,923	9,472	40,427
Restricted for Special Education	90,000	-	-
Restricted for Capital Renewal	-	30,000	-
Restricted for Emergencies	129,649	124,912	39,747
Restricted for Donations	25,226	-	-
Unrestricted	(7,255,081)	(8,025,820)	(2,808,688)
TOTAL NET POSITION	\$ (6,660,377)	\$ (7,659,911)	\$ (2,274,299)

JUSTICE HIGH	PEAK TO PEAK	TOTAL
\$ 333,955	\$ 6,753,276	\$ 11,785,392
-	4,175,360	4,175,360
-	779	779
1,363	9,371	26,296
812,500	2,446,506	3,335,406
467,359	23,887,461	25,178,333
<u>1,615,177</u>	<u>37,272,753</u>	<u>44,501,566</u>
-	2,852,855	2,852,855
534,594	8,246,346	13,400,902
7,417	111,108	656,186
<u>542,011</u>	<u>11,210,309</u>	<u>16,909,943</u>
14,541	141,536	199,572
-	884,103	1,269,892
-	34,785	34,785
-	276,656	276,656
50,505	682,784	824,486
1,023,445	15,856,861	17,110,621
1,402,022	25,632,127	41,788,134
70,022	1,280,169	2,087,062
<u>2,560,535</u>	<u>44,789,021</u>	<u>63,591,208</u>
1,151,815	18,933,044	31,071,153
100,651	1,949	240,500
<u>1,252,466</u>	<u>18,934,993</u>	<u>31,311,653</u>
205,909	12,732,426	13,676,736
-	10,729	10,729
-	1,447,157	1,480,402
-	2,185,419	2,185,419
-	220,429	220,429
53,741	389,976	727,539
-	-	90,000
-	-	30,000
40,277	571,785	906,370
-	-	25,226
<u>(1,955,740)</u>	<u>(32,798,873)</u>	<u>(52,844,202)</u>
<u>\$ (1,655,813)</u>	<u>\$ (15,240,952)</u>	<u>\$ (33,491,352)</u>

Boulder Valley School District RE-2

COMBINING STATEMENT OF ACTIVITIES

COMPONENT UNITS

Year Ended June 30, 2019

	<u>SUMMIT</u>	<u>HORIZONS</u>	<u>BOULDER PREP</u>
EXPENSES			
Instruction	\$ 1,919,594	\$ 2,287,312	\$ 680,620
Supporting Services	1,317,413	1,111,241	371,669
Interest Expense	-	-	6,785
Component Unit	26,431	-	-
	<hr/>	<hr/>	<hr/>
TOTAL EXPENSES	3,263,438	3,398,553	1,059,074
	<hr/>	<hr/>	<hr/>
PROGRAM REVENUES			
Charges for Services	93,883	270,830	-
Operating Grants and Contributions	35,437	126,754	175,522
Capital Grants and Contributions	53,676	49,760	94,863
	<hr/>	<hr/>	<hr/>
TOTAL PROGRAM REVENUES	182,996	447,344	270,385
	<hr/>	<hr/>	<hr/>
NET EXPENSE (REVENUE)	(3,080,442)	(2,951,209)	(788,689)
	<hr/>	<hr/>	<hr/>
GENERAL REVENUES			
Per Pupil Revenues	2,915,110	2,694,616	803,605
Mill Levy Override	1,154,954	1,104,284	318,786
At-Risk Supplemental Aid	-	-	13,929
Grants and Contributions Not Restricted to Specific Programs	106,786	150,378	32,932
Investment Earnings	1,228	-	2,695
Other	-	7,363	-
	<hr/>	<hr/>	<hr/>
TOTAL GENERAL REVENUES	4,178,078	3,956,641	1,171,947
	<hr/>	<hr/>	<hr/>
CHANGE IN NET POSITION	1,097,636	1,005,432	383,258
	<hr/>	<hr/>	<hr/>
NET POSITION, Beginning	(7,758,013)	(8,665,343)	(2,657,557)
	<hr/>	<hr/>	<hr/>
NET POSITION, Ending	<u>\$ (6,660,377)</u>	<u>\$ (7,659,911)</u>	<u>\$ (2,274,299)</u>

JUSTICE HIGH	PEAK TO PEAK	TOTAL
\$ 512,232	\$ 8,984,161	\$ 14,383,919
732,113	6,204,873	9,737,309
65,997	867,192	939,974
-	-	26,431
<u>1,310,342</u>	<u>16,056,226</u>	<u>25,087,633</u>
15,423	1,994,529	2,374,665
543,304	517,071	1,398,088
26,688	424,538	649,525
<u>585,415</u>	<u>2,936,138</u>	<u>4,422,278</u>
<u>(724,927)</u>	<u>(13,120,088)</u>	<u>(20,665,355)</u>
722,010	11,400,458	18,535,799
189,570	4,642,178	7,409,772
51,023	-	64,952
-	-	290,096
-	217,393	221,316
-	581,365	588,728
<u>962,603</u>	<u>16,841,394</u>	<u>27,110,663</u>
237,676	3,721,306	6,445,308
<u>(1,893,489)</u>	<u>(18,962,258)</u>	<u>(39,936,660)</u>
<u>\$ (1,655,813)</u>	<u>\$ (15,240,952)</u>	<u>\$ (33,491,352)</u>



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STATISTICAL SECTION



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Boulder Valley School District RE-2
STATISTICAL SECTION
TABLE OF CONTENTS

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

Contents	Tables	Pages
Financial Trends		
These tables contain trend information to help the reader understand how the district's financial condition has changed over time.	1- 4	132 - 139
Revenue Capacity		
These tables contain information to help the reader assess the district's largest revenue source: property taxes.	5 - 8	140 - 147
Debt Capacity		
These tables present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	9 - 12	148 - 152
Demographic and Economic Information		
These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	13 -14	153 - 155
Operating Information		
These tables contain service data to help the reader understand how the information in the financial report relates to the services the district provides and the activities it performs.	15-18	156 - 169

Boulder Valley School District RE-2

NET POSITION BY COMPONENT

Last Ten Fiscal Years

(Unaudited)

	<u>June 30, 2010</u>	<u>June 30, 2011</u>	<u>June 30, 2012</u>	<u>June 30, 2013</u>
Governmental Activities				
Net Investment in Capital Assets	\$ 79,862,762	\$ 80,504,664	\$ 85,372,124	\$ 92,872,518
Restricted	39,488,349	33,808,972	33,189,140	33,197,541
Unrestricted	13,097,872	32,745,041	29,790,356	24,175,800
Total Governmental Activities	<u>132,448,983</u>	<u>147,058,677</u>	<u>148,351,620</u>	<u>150,245,859</u>
Business-Type Activities				
Net Investment in Capital Assets	247,954	221,203	175,072	147,140
Restricted	176,491	286,940	175,308	187,102
Unrestricted	(788,601)	(322,254)	(175,072)	(147,140)
Total Business-Type Activities	<u>(364,156)</u>	<u>185,889</u>	<u>175,308</u>	<u>187,102</u>
Primary Government				
Net Investment in Capital Assets	80,110,716	80,725,867	85,547,196	93,019,658
Restricted	39,664,840	34,095,912	33,364,448	33,384,643
Unrestricted	12,309,271	32,422,787	31,503,876	24,028,660
Total Primary Government	<u>\$ 132,084,827</u>	<u>\$ 147,244,566</u>	<u>\$ 150,415,520</u>	<u>\$ 150,432,961</u>

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

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

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

The district adopted GASB No. 75 in fiscal year 2018, which required the recognition of net OPEB liability and certain deferred inflows of resources and outflows of resources as of July 1, 2017.

Table 1

<u>June 30, 2014</u>	<u>June 30, 2015</u>	<u>June 30, 2016</u>	<u>June 30, 2017</u>	<u>June 30, 2018</u>	<u>June 30, 2019</u>
\$ 90,807,938	\$ 87,284,393	\$ 91,385,753	\$ 82,055,045	\$ 80,455,577	\$ 71,034,168
33,435,619	40,973,413	48,249,915	57,188,290	59,406,001	72,906,958
19,764,725	(573,818,207)	(619,368,387)	(847,337,304)	(1,160,729,492)	(1,082,997,316)
<u>144,008,282</u>	<u>(445,560,401)</u>	<u>(479,732,719)</u>	<u>(708,093,969)</u>	<u>(1,020,867,914)</u>	<u>(939,056,190)</u>
171,320	-	-	-	-	-
195,427	-	-	-	-	-
(165,560)	-	-	-	-	-
<u>201,187</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
90,979,258	87,284,393	91,385,753	82,055,045	80,455,577	71,034,168
33,631,046	40,973,413	48,249,915	57,188,290	59,406,001	72,906,958
19,599,165	(573,818,207)	(619,368,387)	(847,337,304)	(1,160,729,492)	(1,082,997,316)
<u>\$ 144,209,469</u>	<u>\$ (445,560,401)</u>	<u>\$ (479,732,719)</u>	<u>\$ (708,093,969)</u>	<u>\$ (1,020,867,914)</u>	<u>\$ (939,056,190)</u>

Boulder Valley School District RE-2

CHANGES IN NET POSITION

Last Ten Fiscal Years

(Unaudited)

	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013
Primary Government				
Expenses				
Governmental Activities				
Instruction	\$ 184,537,048	\$ 188,306,226	\$ 200,020,904	\$ 205,026,722
Supporting Services	93,260,558	102,051,046	103,678,052	98,720,151
Interest Expense	16,358,947	16,456,075	15,993,118	15,258,134
Total Governmental Activities	<u>294,156,553</u>	<u>306,813,347</u>	<u>319,692,074</u>	<u>319,005,007</u>
Business-Type Activities				
Food Services	6,033,046	5,735,910	5,946,779	6,350,628
Total Business-Type Activities	<u>6,033,046</u>	<u>5,735,910</u>	<u>5,946,779</u>	<u>6,350,628</u>
Total Primary Government Expenses	300,189,599	312,549,257	325,638,853	325,355,635
Program Revenues				
Governmental Activities				
Charges for Services				
Instruction	885,640	1,049,174	1,253,365	1,262,543
Supporting Services	10,934,983	10,931,866	11,245,296	11,851,986
Operating Grants and Contributions	24,748,470	25,719,981	23,819,210	22,481,256
Capital Grants and Contributions	3,747,258	386,381	6,531,809	2,708,752
Total Governmental Activities	<u>40,316,351</u>	<u>38,087,402</u>	<u>42,849,680</u>	<u>38,304,537</u>
Business-Type Activities				
Charges for Services				
Food Services	2,696,927	2,545,086	2,823,846	3,062,748
Operating Grants and Contributions	2,412,851	2,486,869	2,713,851	2,846,872
Total Business-Type Activities	<u>5,109,778</u>	<u>5,031,955</u>	<u>5,537,697</u>	<u>5,909,620</u>
Total Primary Government Program Revenues	45,426,129	43,119,357	48,387,377	44,214,157
Net (Expense) Revenue				
Governmental Activities	(253,840,202)	(268,725,945)	(276,842,394)	(280,700,470)
Business-Type Activities	<u>(923,268)</u>	<u>(703,955)</u>	<u>(409,082)</u>	<u>(441,008)</u>
Total Primary Government Net (Expense)	(254,763,470)	(269,429,900)	(277,251,476)	(281,141,478)
General Revenues and Transfers				
Governmental Activities				
Local Property Taxes	193,973,616	212,383,487	211,385,970	214,017,080
Specific Ownership Taxes	9,251,558	9,404,630	9,836,876	10,466,659
State Equalization	64,227,060	53,462,090	56,488,225	57,695,380
State Fiscal Stabilization Fund	-	7,628,224	180,742	-
Investment Earnings	716,554	444,720	126,883	85,715
Insurance Proceeds	-	-	-	-
Other Revenues	1,266,334	1,266,488	1,989,913	782,677
Transfers	<u>(225,000)</u>	<u>(1,254,000)</u>	<u>(398,501)</u>	<u>(452,802)</u>
Total Governmental Activities	269,210,122	283,335,639	279,610,108	282,594,709
Business-Type Activities				
Transfers	<u>225,000</u>	<u>1,254,000</u>	<u>398,501</u>	<u>452,802</u>
Total Primary Government Revenues and Transfers	269,435,122	284,589,639	280,008,609	283,047,511
Change in Net Position				
Governmental Activities	15,369,920	14,609,694	2,767,714	1,894,239
Business-type Activities	<u>(698,268)</u>	<u>550,045</u>	<u>(10,581)</u>	<u>11,794</u>
Total Primary Government	<u>\$ 14,671,652</u>	<u>\$ 15,159,739</u>	<u>\$ 2,757,133</u>	<u>\$ 1,906,033</u>

Table 2

June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019
\$ 214,083,289	\$ 240,165,692	\$ 254,328,181	\$ 399,988,960	\$ 438,306,597	\$ 220,754,222
114,982,286	131,540,473	150,229,150	218,805,843	254,949,972	133,392,310
14,685,794	16,003,560	24,306,236	24,858,328	29,659,313	28,529,107
<u>343,751,369</u>	<u>387,709,725</u>	<u>428,863,567</u>	<u>643,653,131</u>	<u>722,915,882</u>	<u>382,675,639</u>
6,939,928	-	-	-	-	-
<u>6,939,928</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
350,691,297	387,709,725	428,863,567	643,653,131	722,915,882	382,675,639
7,229,664	7,938,683	8,770,592	9,659,350	9,814,764	9,822,913
6,857,643	10,918,529	10,133,111	10,396,622	10,848,347	11,385,795
22,613,126	28,672,251	29,408,532	30,155,120	29,388,223	30,789,525
-	110,791	1,600,806	506,287	2,948,183	1,748,840
<u>36,700,433</u>	<u>47,640,254</u>	<u>49,913,041</u>	<u>50,717,379</u>	<u>52,999,517</u>	<u>53,747,073</u>
3,352,443	-	-	-	-	-
<u>3,049,864</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
6,402,307	-	-	-	-	-
43,102,740	47,640,254	49,913,041	50,717,379	52,999,517	53,747,073
(307,050,936)	(340,069,471)	(378,950,526)	(592,935,752)	(669,916,365)	(328,928,566)
<u>(537,621)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(307,588,557)	(340,069,471)	(378,950,526)	(592,935,752)	(669,916,365)	(328,928,566)
221,192,341	232,169,602	266,761,506	282,063,169	316,510,576	323,013,456
11,583,505	12,575,734	13,604,213	14,797,314	17,466,367	17,900,304
61,203,456	73,935,111	61,227,625	63,768,538	51,061,211	63,459,349
33,500	209,216	85,070	46,781	61,089	32,621
38,554	68,996	1,556,533	1,876,868	4,203,604	5,201,707
4,920,401	336,130	222,511	-	-	-
2,393,308	1,332,941	1,320,750	2,021,832	1,684,296	1,132,853
<u>(405,017)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>300,960,048</u>	<u>320,627,730</u>	<u>344,778,208</u>	<u>364,574,502</u>	<u>390,987,143</u>	<u>410,740,290</u>
405,017	-	-	-	-	-
301,365,065	320,627,730	344,778,208	364,574,502	390,987,143	410,740,290
(6,237,577)	(19,441,741)	(34,172,318)	(228,361,250)	(278,929,222)	81,811,724
14,085	-	-	-	-	-
<u>\$ (6,223,492)</u>	<u>\$ (19,441,741)</u>	<u>\$ (34,172,318)</u>	<u>\$ (228,361,250)</u>	<u>\$ (278,929,222)</u>	<u>\$ 81,811,724</u>

Boulder Valley School District RE-2

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(Unaudited)

	2010	2011	2012	2013
General Fund				
Reserved	\$ 7,441,515	\$ -	\$ -	\$ -
Unreserved	12,203,848	-	-	-
Subtotal	19,645,363	-	-	-
Other Governmental Funds				
Reserved	1,246,044	-	-	-
Unreserved, reported in				
Grants Fund	(1,422,177)	-	-	-
Debt Service Fund	24,032,073	-	-	-
Capital Projects Fund	101,209,140	-	-	-
Special Revenue Fund	-	-	-	-
Subtotal	125,065,080	-	-	-
Total Governmental Funds	\$ 144,710,443	\$ -	\$ -	\$ -
General Fund				
Nonspendable	\$ -	\$ 373,499	\$ 375,768	\$ 679,078
Restricted	-	8,446,994	8,837,606	8,835,965
Committed	-	3,579,393	2,471,900	2,636,718
Assigned	-	10,785,148	-	-
Unassigned	-	7,440,288	16,123,842	16,180,855
Subtotal	-	30,625,322	27,809,116	28,332,616
Other Governmental Funds				
Nonspendable	-	-	-	-
Restricted	-	24,974,541	30,816,441	27,945,863
Assigned	-	46,778,607	6,702,180	2,123,646
Unassigned	-	(100,540)	-	-
Subtotal	-	71,652,608	37,518,621	30,069,509
Total Governmental Funds	\$ -	\$ 102,277,930	\$ 65,327,737	\$ 58,402,125

Note: The district adopted GASB No. 54 in fiscal year 2011, which accounts for the change in presentation from fiscal year 2010.

Table 3

2014	2015	2016	2017	2018	2019
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 956,496	\$ 882,881	\$ 1,920,756	\$ 2,042,985	\$ 1,936,864	\$ 2,071,525
9,041,519	9,655,786	10,682,635	10,892,320	11,215,448	11,590,529
-	-	-	-	-	-
-	-	-	-	-	-
17,572,988	20,431,108	21,677,259	28,592,965	34,546,013	36,889,449
27,571,003	30,969,775	34,280,650	41,528,270	47,698,325	50,551,503
-	306,280	43,681	47,131	44,218	43,556
26,592,260	311,325,855	253,033,408	329,987,244	199,630,497	260,384,873
1,038,977	1,480,990	817,791	1,424,727	3,321,793	5,562,261
-	(306,280)	-	-	-	-
27,631,237	312,806,845	253,894,880	331,459,102	202,996,508	265,990,690
\$ 55,202,240	\$ 343,776,620	\$ 288,175,530	\$ 372,987,372	\$ 250,694,833	\$ 316,542,193

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

(Unaudited)

	2010	2011	2012	2013
Revenues				
Local Sources				
Current Property Taxes	\$ 193,946,500	\$ 212,537,152	\$ 211,543,619	\$ 213,298,330
Specific Ownership Taxes	9,251,558	9,404,630	9,836,876	10,466,659
Grants	570,743	643,019	523,146	554,519
Tuition and Fees	5,856,442	6,068,801	6,543,035	8,390,490
Interest	716,554	444,720	126,883	85,715
Food Service Revenue	-	-	-	-
Miscellaneous	10,977,773	7,565,108	10,457,358	5,581,447
State Sources				
Equalization	64,227,060	53,462,090	56,488,225	57,695,380
Special Education	4,525,751	4,300,112	4,695,420	4,835,600
State Fiscal Stabilization Fund	-	2,116,382	-	-
Transportation	2,506,921	2,730,405	2,915,419	3,172,498
Career and Technical Education	1,391,921	1,059,030	907,589	1,185,965
Grants	649,220	830,508	574,109	314,708
Miscellaneous	733,858	776,173	766,433	798,632
Federal Sources				
Grants	12,947,879	22,314,753	13,617,836	11,618,553
Food Service Reimbursements	-	-	-	-
Total Revenues	308,302,180	324,252,883	318,995,948	317,998,496
Expenditures				
Regular Instruction	129,345,449	129,694,776	134,540,220	138,803,749
Special Instruction	48,778,916	48,672,908	48,722,631	48,355,374
Instructional Support				
Student Services	8,338,184	7,821,093	10,695,514	11,059,003
Instructional Staff Support	12,228,132	11,839,653	11,754,232	11,261,483
School Administration and Operations				
School Administration	18,299,706	18,178,756	19,037,915	19,527,725
Operations and Maintenance	20,526,501	20,406,434	20,261,982	21,315,547
Student Transportation	10,146,947	10,954,306	11,874,817	11,255,337
District Wide/Community Services				
General Administration	2,678,408	2,783,571	2,916,898	3,014,889
Business Services	2,803,873	2,593,077	2,742,194	3,098,198
Central Services	10,173,778	10,299,898	12,044,255	11,505,688
Food Services Operations	-	90,810	52,735	141,375
Community Services	5,131,753	5,215,466	5,056,489	5,019,007
Debt Service				
Principal	9,870,000	11,570,000	14,890,000	12,250,000
Interest and Fiscal Charges	17,036,074	17,075,900	16,615,268	15,882,292
Issuance Costs	453,110	-	-	-
Capital Outlay	76,734,547	66,234,748	45,481,450	12,291,962
Total Expenditures	372,545,378	363,431,396	356,686,600	324,781,629
Other Financing Sources (Uses)				
Proceeds from Disposal of Capital Assets	-	-	1,138,960	-
Insurance Proceeds	-	-	-	310,323
Capital Lease Issuance	-	-	-	-
Transfers In	5,281,112	12,051,538	8,098,037	6,072,727
Transfers Out	(5,506,112)	(15,305,538)	(8,496,538)	(6,525,529)
Bonds Issued	53,645,000	-	-	-
Bond Premium	2,385,564	-	-	-
Payment to Escrow Agent	(57,792,146)	-	-	-
Total Other Financing Sources (Uses)	(1,986,582)	(3,254,000)	740,459	(142,479)
Net Change in Fund Balances	(66,229,780)	(42,432,513)	(36,950,193)	(6,925,612)
Fund Balance, Beginning	210,940,223	144,710,443	102,277,930	65,327,737
Fund Balance, Ending	<u>\$ 144,710,443</u>	<u>\$ 102,277,930</u>	<u>\$ 65,327,737</u>	<u>\$ 58,402,125</u>
Debt Service as a Percentage of Noncapital Expenditures	9.03%	9.30%	9.97%	9.11%

Table 4

2014	2015	2016	2017	2018	2019
\$ 222,469,147	\$ 232,737,396	\$ 265,538,822	\$ 282,661,800	\$ 316,788,318	\$ 322,086,335
11,583,505	12,575,734	13,604,213	14,797,314	17,466,367	17,900,304
639,331	760,001	906,614	475,839	532,949	488,585
9,649,790	10,393,455	11,203,532	12,244,933	12,463,420	12,659,649
38,554	68,996	1,556,533	1,876,868	4,203,604	5,201,707
-	3,902,609	3,916,335	4,078,093	4,303,249	4,311,696
6,830,825	6,020,558	6,891,706	6,312,380	6,300,670	7,873,148
61,203,456	73,935,111	61,227,625	63,768,538	51,061,211	63,459,349
5,397,619	5,402,497	5,635,253	5,637,318	5,954,555	6,224,256
-	-	-	-	-	-
3,205,307	3,261,096	3,373,313	3,435,924	3,456,332	3,363,466
1,014,120	1,193,205	1,036,753	1,318,335	1,218,600	1,276,597
474,378	1,193,149	1,350,313	2,094,887	2,420,509	2,677,983
874,855	2,124,898	2,682,316	2,480,955	2,061,492	8,042,819
11,041,016	11,462,839	10,923,247	11,148,542	10,506,954	10,950,452
-	3,308,404	3,399,479	3,449,718	3,364,608	3,250,399
334,421,903	368,339,948	393,246,054	415,781,444	442,102,838	469,766,745
147,962,035	153,657,447	161,240,464	165,136,756	174,569,011	186,671,782
51,208,372	54,275,508	55,598,390	56,177,077	59,345,228	60,697,979
12,240,626	12,726,343	12,988,596	13,641,261	15,984,302	18,103,317
12,512,844	13,551,009	13,673,608	15,052,235	15,467,009	15,894,288
20,442,615	21,750,812	22,490,479	23,395,287	24,135,687	24,530,158
22,312,345	22,950,430	23,362,058	24,429,867	27,232,358	27,609,710
12,030,563	12,210,790	13,076,272	13,064,692	13,539,572	13,957,693
3,030,421	3,562,599	3,830,105	4,537,316	4,355,610	4,385,953
3,773,977	3,892,155	4,063,248	4,179,456	4,412,421	4,463,748
17,696,836	13,467,695	14,377,750	15,952,518	15,815,301	19,959,179
3,053	7,821,082	8,324,680	8,353,744	8,645,754	9,002,173
5,478,236	5,969,646	6,388,203	6,466,584	6,924,930	7,421,006
12,790,000	13,370,000	14,001,432	19,648,553	22,684,533	18,808,258
15,312,930	14,709,074	26,949,772	23,265,293	35,154,085	31,430,248
-	913,732	-	988,286	-	1,898,279
5,195,630	6,275,843	69,822,398	158,383,576	136,346,885	118,661,250
341,990,483	361,104,165	450,187,455	552,672,501	564,612,686	563,495,021
-	-	-	-	-	1,177,500
4,773,712	495,830	222,511	109,068	217,309	92,367
-	-	1,117,800	1,855,550	-	-
5,038,558	6,086,810	6,334,746	6,849,695	9,248,563	11,306,680
(5,443,575)	(6,086,810)	(6,334,746)	(6,849,695)	(9,248,563)	(11,306,680)
-	250,000,000	-	283,740,000	-	299,265,000
-	30,812,900	-	36,995,651	-	34,418,709
-	-	-	(100,997,370)	-	(175,377,940)
4,368,695	281,308,730	1,340,311	221,702,899	217,309	159,575,636
(3,199,885)	288,544,513	(55,601,090)	84,811,842	(122,292,539)	65,847,360
58,402,125	55,232,107	343,776,620	288,175,530	372,987,372	250,694,833
\$ 55,202,240	\$ 343,776,620	\$ 288,175,530	\$ 372,987,372	\$ 250,694,833	\$ 316,542,193
8.27%	7.84%	10.69%	11.00%	13.16%	11.43%

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

(Unaudited)

Collection Year	Taxable Assessed Value			Total	Total Direct Tax Rate*
	Residential Property	Commercial Property	All Other**		
2010	2,451,438,580	1,562,360,162	864,866,444	4,878,665,186	39.999
2011	2,470,710,400	1,656,952,142	737,801,555	4,865,464,097	43.838
2012	2,429,617,885	1,599,185,710	699,134,869	4,727,938,464	44.843
2013	2,447,708,360	1,599,001,398	685,388,865	4,732,098,623	45.547
2014	2,503,236,110	1,701,380,837	698,454,024	4,903,070,971	45.372
2015	2,529,623,742	1,684,921,078	712,472,722	4,927,017,542	47.569
2016	3,048,839,500	2,001,509,673	802,017,995	5,852,367,168	45.814
2017	3,085,184,532	1,985,301,874	779,265,114	5,849,751,520	48.961
2018	3,463,362,884	2,339,997,347	853,748,209	6,657,108,440	47.780
2019	3,497,015,431	2,345,420,750	802,517,426	6,644,953,607	48.967

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

** Includes industrial (manufacturing/processing), vacant land, State assessed utilities and agricultural properties.

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
38,364,291,949	7.8637	7.96%	29.00%
38,538,770,816	7.9209	7.96%	29.00%
39,739,863,309	8.4053	7.96%	29.00%
39,966,908,824	8.4459	7.96%	29.00%
41,090,894,471	8.3806	7.96%	29.00%
41,411,589,636	8.4050	7.96%	29.00%
49,246,579,486	8.4148	7.96%	29.00%
49,607,874,852	8.4803	7.20%	29.00%
60,525,069,082	9.0918	7.20%	29.00%
60,852,706,558	9.1577	7.20%	29.00%



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Boulder Valley School District RE-2

Table 6

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years

(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
2009	2010	195,141,729	190,148,336	97.44%	80,169	190,228,505	97.48%
2010	2011	213,292,216	208,270,983	97.65%	149,647	208,420,630	97.72%
2011	2012	212,014,945	207,164,133	97.71%	167,457	207,331,590	97.79%
2012	2013	215,532,897	209,935,274	97.40%	126,768	210,062,042	97.46%
2013	2014	222,462,137	218,064,909	98.02%	151,746	218,216,655	98.09%
2014	2015	234,373,297	230,424,752	98.32%	102,815	230,527,567	98.36%
2015	2016	268,120,350	262,344,109	97.85%	340,674	262,684,783	97.97%
2016	2017	286,410,987	281,318,011	98.22%	303,124	281,621,135	98.33%
2017	2018	318,076,641	312,944,753	98.39%	183,882	313,128,635	98.44%
2018	2019	325,866,589	319,729,679	98.12%	185,963	319,915,642	98.17%

Note: Collections through July 31.

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

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

(Unaudited)

	2010	2011	2012	2013
Boulder Valley School District RE-2				
General Fund				
School Finance Act (*)	25.023	25.023	25.023	25.023
Budget Election	6.695	11.338	12.096	12.620
Abatements and Refunds	0.220	0.186	0.181	0.354
Subtotal General Fund	31.938	36.547	37.300	37.997
Operations and Technology Fund (**)	-	-	-	-
Transportation Fund	1.496	1.500	1.544	1.543
Bond Redemption Fund	6.565	5.791	5.999	6.007
Total Boulder Valley School District RE-2	39.999	43.838	44.843	45.547
Boulder County	23.667	24.645	24.645	24.645
Cities and Towns				
Boulder	10.295	10.818	11.981	11.981
Broomfield	28.968	28.968	28.968	28.968
Lafayette	15.009	14.334	14.387	14.379
Louisville	6.710	6.710	6.710	6.710
Jamestown	21.000	21.000	21.000	18.500
Nederland	14.883	15.156	16.527	16.917
Superior	8.050	9.480	9.480	9.430
Ward	3.480	3.399	3.700	3.800
	108.395	109.865	112.753	110.685
Special Districts (Ranges)	.508 to 79.366	.523 to 80.420	.566 to 78.265	.599 to 80.965
Fire Districts (Ranges)	2.500 to 15.192	2.500 to 15.130	2.500 to 15.454	2.500 to 17.445
Water/Sanitation Districts (Ranges)	.184 to 22.283	.184 to 17.545	.184 to 17.746	.184 to 17.743

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).

(*) Rate determined by the State of Colorado.

(**) Rate cannot increase by more than 1 mill per year, not to exceed 4 mills.

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

Table 7

2014	2015	2016	2017	2018	2019
25.023	25.023	25.023	25.023	25.023	25.023
12.576	13.012	11.348	11.473	10.416	10.722
0.492	0.526	0.311	0.513	0.440	0.264
<u>38.091</u>	<u>38.561</u>	<u>36.682</u>	<u>37.009</u>	<u>35.879</u>	<u>36.009</u>
-	-	-	1.709	2.709	3.709
1.489	1.482	1.247	1.248	1.097	1.099
<u>5.792</u>	<u>7.526</u>	<u>7.885</u>	<u>8.995</u>	<u>8.095</u>	<u>8.150</u>
45.372	47.569	45.814	48.961	47.780	48.967
25.120	24.794	22.624	24.064	22.726	24.026
11.981	11.981	11.981	11.981	11.981	11.981
28.968	28.968	28.968	28.968	28.968	28.968
14.368	16.331	16.039	17.228	16.879	16.572
6.710	6.710	6.710	6.710	8.869	7.934
18.500	18.500	25.200	25.200	25.200	23.500
17.274	17.274	17.274	17.274	17.274	17.274
9.430	9.430	9.430	9.430	9.430	9.430
3.800	4.325	3.700	3.855	3.866	3.866
<u>111.031</u>	<u>113.519</u>	<u>119.302</u>	<u>120.646</u>	<u>122.467</u>	<u>119.525</u>
.608 to 76.663	.632 to 73.479	.553 to 39.196	.559 to 39.196	.500 to 47.695	.726 to 32.192
2.500 to 18.445	2.500 to 19.445	2.500 to 20.445	2.500 to 21.445	2.500 to 20.445	2.500 to 20.445
.184 to 18.506	.184 to 25.374	.156 to 22.446	.156 to 23.429	.156 to 18.029	.156 to 19.093



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Boulder Valley School District RE-2

Table 8

PRINCIPAL PROPERTY TAXPAYERS Current Year and Nine Years Ago

(Unaudited)

Taxpayer	2019			2010		
	Rank	Assessed Valuation	Percentage of Total Assessed Valuation	Rank	Assessed Valuation	Percentage of Total Assessed Valuation
Public Service Co of Colorado	1	83,407,952	1.26%	1	55,638,190	1.14%
Oracle America Inc	2	50,821,500	0.76%			
Flatiron Property Holding LLC	3	49,655,190	0.75%			
GPIF Flatiron Business Park LLC	4	38,093,192	0.57%			
IBM Corporation	5	33,948,124	0.51%	8	20,631,010	0.42%
Ball Corporation	6	33,170,680	0.50%	10	18,665,300	0.38%
Charlotte Ball Seymour Childrens Trust	7	29,506,311	0.44%			
Qwest Corporation	8	29,443,572	0.44%	3	33,506,100	0.69%
Centurylink Communications Co LLC (formerly Level 3)	9	28,084,065	0.42%	4	33,315,200	0.68%
Ten Eleven Pearl LLC	10	23,311,355	0.35%			
Flatiron Holding LLC				2	45,240,320	0.93%
Macerich Twenty ninth Street LLC				5	25,850,260	0.53%
Roche Colorado Corporation				6	23,690,560	0.49%
Sun Microsystems Inc				7	21,405,330	0.44%
Sun Microsystems Subtotal		399,441,941	6.00%	9	19,575,000	0.40%
Remaining Assessed Valuation		6,245,511,666	94.00%		4,581,147,916	93.90%
Total Assessed Valuation		\$ 6,644,953,607	100.00%		\$ 4,878,665,186	100.00%

Source: Boulder County and Broomfield County Assessors' Office

Boulder Valley School District RE-2
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years

Table 9

(Unaudited)

Fiscal Year	General Obligation Bonds*	Certificates of Participation	Capital Leases	Total Primary Government	Percentage of Personal Income**	Debt Per Capita**
2010	391,819,081	3,710,000	-	395,529,081	2.70%	1,338
2011	380,235,881	3,145,000	-	383,380,881	2.46%	1,277
2012	367,912,681	-	-	367,912,681	2.22%	1,206
2013	356,354,757	-	-	356,354,757	2.06%	1,151
2014	342,645,466	-	-	342,645,466	1.85%	1,096
2015	609,200,710	-	-	609,200,710	3.17%	1,915
2016	593,639,485	-	951,368	594,590,853	2.90%	1,850
2017	792,965,939	-	2,383,365	795,349,304	3.63%	2,463
2018	767,165,404	-	1,963,832	769,129,236	3.31%	2,358
2019	903,617,339	-	1,550,574	905,167,913	3.68%	2,748

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

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

Source: Boulder Valley School District RE-2

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

Table 10

(Unaudited)

Fiscal Year	General Obligation Bonds	Less: Amounts Restricted for Debt Service	Total	Percentage of Actual Taxable Value of Property*	Per Capita**
2010	391,819,081	23,087,097	361,252,927	0.941638458	1,222
2011	380,235,881	23,322,828	356,913,053	0.926114262	1,189
2012	367,912,681	23,473,052	344,439,629	0.866735817	1,129
2013	356,354,757	23,655,325	332,699,432	0.832437238	1,075
2014	342,645,466	23,855,100	318,790,366	0.775817538	1,020
2015	609,200,710	30,679,879	578,520,831	1.397002231	1,819
2016	593,639,485	36,914,447	556,725,038	1.130484683	1,732
2017	792,965,939	43,885,243	749,080,696	1.510003600	2,320
2018	767,165,404	42,712,366	724,453,038	1.196947065	2,221
2019	812,260,000	47,072,101	765,187,899	1.257442671	2,323

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

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

Source: Boulder Valley School District RE-2

Boulder Valley School District RE-2

LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years

(Unaudited)

Assessed Valuation

Debt Limit Percentage

Legal Debt Limit

Debt Outstanding

Legal Debt Margin

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Debt Limit	\$ 975,733,037	\$ 973,092,819	\$ 945,587,693	\$ 946,419,725	\$ 980,614,194
Debt Applicable To Limit	<u>385,285,000</u>	<u>374,280,000</u>	<u>362,535,000</u>	<u>350,285,000</u>	<u>337,495,000</u>
Legal Debt Margin	<u>\$ 590,448,037</u>	<u>\$ 598,812,819</u>	<u>\$ 583,052,693</u>	<u>\$ 596,134,725</u>	<u>\$ 643,119,194</u>
Total Debt Applicable As A Percentage Of Debt Limit	39.49%	38.46%	38.34%	37.01%	34.42%

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

Table 11

\$ 6,644,953,607
20.00%
 1,328,990,721
812,260,000
\$ 516,730,721

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$ 985,403,508	\$ 1,170,473,434	\$ 1,169,950,304	\$ 1,331,421,688	\$ 1,328,990,721
<u>574,125,000</u>	<u>560,290,000</u>	<u>725,835,000</u>	<u>703,570,000</u>	<u>812,260,000</u>
<u>\$ 411,278,508</u>	<u>\$ 610,183,434</u>	<u>\$ 444,115,304</u>	<u>\$ 627,851,688</u>	<u>\$ 516,730,721</u>
58.26%	47.87%	62.04%	52.84%	61.12%

Boulder Valley School District RE-2
COMPUTATION OF DIRECT AND OVERLAPPING GENERAL OBLIGATION DEBT
June 30, 2019

Table 12

(Unaudited)

	<u>Outstanding General Obligation Debt</u>	<u>Percentage Applicable to the District (2)</u>	<u>Amount of Outstanding Debt Applicable to the District</u>
Overlapping Debt			
Boulder Central Area General Improvement District	3,835,000	100.00%	3,835,000
City of Boulder	13,975,000	100.00%	13,975,000
City of Lafayette	6,600,000	100.00%	6,600,000
City of Louisville	28,248,541	100.00%	28,248,541
Colorado Tech Center Metropolitan District	8,196,288	100.00%	8,196,288
East Boulder County Water District	350,000	100.00%	350,000
Interlocken Consolidated Metropolitan District	71,885,000	100.00%	71,885,000
Lafayette Corp Campus General Improvement District	1,945,000	100.00%	1,945,000
Lafayette Tech Center General Improvement District	1,670,000	100.00%	1,670,000
Nederland Community Library District	1,523,400	100.00%	1,523,400
North Metro Fire Rescue District	15,685,000	20.88%	3,275,028
Pine Brook Water District	3,018,431	100.00%	3,018,431
Rocky Mountain Fire	6,145,000	100.00%	6,145,000
Sugar Loaf Fire Protection District	188,514	100.00%	188,514
Superior/McCaslin Interchange District	1,910,000	100.00%	1,910,000
Town of Erie	14,960,000	1.96%	293,216
Town of Nederland	430,000	100.00%	430,000
Subtotal Overlapping Debt			153,488,418
School District Direct Debt (1)			905,167,913
Total Direct and Overlapping Debt			<u>\$ 1,058,656,331</u>

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

Notes:

- (1) Balance as of June 30, 2019
- (2) The Percentage Applicable to the district is calculated by taking the percentage of the government's assessed value which is located within the boundaries of the district.

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

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

Table 13

(Unaudited)

Fiscal Year	*Estimated Population(1)	**Personal Income(1) (millions)	**Per Capita Personal Income(1)	***Enrollment (Student (Funded FTE))	**Unemployment Rate(1)
2010	295,605	14,655	49,513	27,673.3	6.500%
2011	300,110	15,564	51,764	28,148.8	6.500%
2012	305,034	16,604	54,341	28,317.5	6.200%
2013	309,628	17,308	55,705	28,538.3	6.100%
2014	312,588	18,492	58,917	28,959.2	5.200%
2015	318,071	19,233	60,220	29,398.3	3.500%
2016	321,363	20,528	63,707	29,702.0	2.900%
2017	322,854	21,940	68,027	29,673.2	2.000%
2018	326,189	23,233	71,206	29,822.3	2.700%
2019	329,445	24,603	74,533	29,766.0	2.700%

Source: * Colorado State Demography Office. Most recent two years are projections.

** Colorado Department of Labor. Most recent two years are projections.

*** Boulder Valley School District RE-2

Note: (1) Amounts are for Boulder County



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Boulder Valley School District RE-2

Table 14

PRINCIPAL EMPLOYERS Current Year and Nine Years Ago

(Unaudited)

Employer	2019			2010		
	Rank	Number of Employees	Percentage of Total County Employment	Rank	Number of Employees	Percentage of Total County Employment
University of Colorado	1	6,463	2.76%	1	6,827	3.34%
St. Vrain Valley School District	2	4,661	1.99%	3	3,806	1.86%
Boulder Valley School District	3	4,200	1.80%	2	4,042	1.98%
Ball Corporation (including Ball Aerospace)	4	3,600	1.54%	4	3,571	1.75%
Boulder County	5	2,008	0.86%			
Level 3 Communications, Inc.	6	2,000	0.85%	10	2,000	0.98%
Oracle	7	2,000	0.85%			
Good Samaritan Medical Center	8	1,600	0.68%			
International Business Machines	9	1,400	0.60%	7	2,800	1.37%
City of Boulder	10	1,351	0.58%			
Sun Microsystems, Inc.				5	3,200	1.56%
State of Colorado				6	2,844	1.39%
Boulder Community Hospital				8	2,300	1.12%
Medtronic Surgical Technologies (formerly Covidien)				9	2,300	1.12%
Subtotal		29,283	12.51%		33,690	16.47%
Other Employers		204,662	87.49%		170,868	83.53%
Total		233,945	100.00%		204,558	100.00%

Source: BizWest 2019 Book of Lists and Colorado Department of Labor (for Boulder County and Broomfield County)

Boulder Valley School District RE-2
DISTRICT EMPLOYEES - FULL TIME EQUIVALENTS
Last Ten Fiscal Years

(Unaudited)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Administrators					
Superintendent	1.00	1.00	1.00	1.00	1.00
Assistant Superintendent	12.30	10.50	10.60	11.80	10.80
Non-Instructional Director	17.50	17.30	16.60	16.80	15.90
Instructional Director	15.57	15.02	13.00	11.61	12.90
Principal	54.80	54.80	52.50	52.50	54.20
Assistant Principal	38.70	37.60	41.10	41.10	41.40
Instructional Program Coord.	2.00	2.48	5.60	5.83	3.90
Non-Instructional Program Coord.	-	-	3.77	2.90	3.10
Subtotal	<u>141.87</u>	<u>138.70</u>	<u>144.17</u>	<u>143.54</u>	<u>143.20</u>
Professional-Instructional					
Teacher, Regular	1,517.40	1,490.20	1,493.00	1,503.90	1,484.60
Teacher, Special Education	180.16	172.87	191.57	188.68	187.53
Teacher, Title I	18.90	21.80	22.70	18.50	18.80
Counselor	61.80	54.80	66.00	64.20	57.30
Curriculum Specialist Consultant	4.70	4.10	3.50	3.90	8.60
Dean	3.00	2.10	2.00	2.40	2.20
Education Diagnostician	2.76	-	-	-	-
Instructional Program Consultant	1.25	-	2.00	2.00	-
Librarian/Media Consultant	41.60	40.30	39.00	37.80	40.10
Teacher Mentor	48.90	45.77	45.98	33.90	34.20
Behavioral Specialist	-	-	-	-	-
Interventionist	-	-	-	-	-
Audiologist	1.98	1.50	1.29	1.50	1.50
Licensed Practical Nurse	-	-	-	-	0.46
Registered Nurse	14.73	12.60	14.86	15.11	13.90
Occupational Therapist	15.13	14.30	15.43	15.57	14.81
Physical Therapist	2.06	2.00	2.30	2.30	2.30
Psychologist	25.81	26.04	28.80	24.32	21.01
Social Worker	21.63	18.60	18.71	16.90	18.50
Speech-Language Pathologist	29.73	36.26	37.99	44.36	42.02
Subtotal	<u>1,991.54</u>	<u>1,943.24</u>	<u>1,985.13</u>	<u>1,975.34</u>	<u>1,947.83</u>
Professional-Other	132.36	130.46	134.56	138.18	135.10
Paraprofessionals	727.88	686.77	708.69	668.55	634.46
Office/Administrative Support	254.77	241.58	238.32	253.92	250.88
Crafts, Trades, and Services					
Bus Driver	196.10	190.60	176.90	178.90	165.90
Food Service Workers	100.60	91.80	81.70	89.20	91.00
Custodian	160.30	150.70	145.70	150.90	149.20
Maintenance Workers	92.10	88.60	88.60	84.10	87.30
Subtotal	<u>549.10</u>	<u>521.70</u>	<u>492.90</u>	<u>503.10</u>	<u>493.40</u>
Total	<u><u>3,797.52</u></u>	<u><u>3,662.45</u></u>	<u><u>3,703.77</u></u>	<u><u>3,682.63</u></u>	<u><u>3,604.87</u></u>

Source: Boulder Valley School District RE-2, based on data submitted to the Colorado Department of Education as of December 1 each year.

Table 15

2015	2016	2017	2018	2019
1.00	1.00	1.00	1.00	1.00
11.80	15.40	15.66	14.62	12.82
16.30	23.30	24.36	25.11	23.44
15.90	16.80	13.21	17.50	19.40
54.70	55.30	56.44	56.35	56.04
41.00	40.40	43.06	43.97	43.62
3.90	2.90	2.92	3.48	3.52
2.10	2.10	2.13	2.13	2.12
<u>146.70</u>	<u>157.20</u>	<u>158.78</u>	<u>164.16</u>	<u>161.96</u>
1,479.10	1,483.50	1,504.04	1,514.33	1,517.05
185.97	183.60	182.86	189.54	195.50
14.70	13.30	12.87	13.02	9.64
63.10	61.00	62.87	73.56	83.80
7.80	9.80	8.61	8.33	5.48
3.00	3.10	1.50	1.00	2.04
-	-	7.80	5.00	6.00
-	-	1.00	-	-
41.00	40.80	41.04	42.45	41.90
42.20	46.20	46.80	41.90	40.23
2.55	2.16	3.63	5.00	3.43
-	-	-	2.60	1.99
1.50	1.60	1.61	1.99	1.99
0.73	0.81	-	-	-
12.18	14.76	16.67	21.53	21.34
14.64	14.78	14.25	16.28	17.28
2.30	2.40	2.40	2.54	2.50
20.78	20.30	20.28	23.48	23.59
15.87	14.90	12.27	13.97	12.44
45.00	44.14	45.43	47.97	49.24
<u>1,952.42</u>	<u>1,957.15</u>	<u>1,985.93</u>	<u>2,024.49</u>	<u>2,035.44</u>
140.60	145.60	148.76	155.26	155.02
651.48	644.93	586.80	583.02	607.73
255.50	248.80	251.72	269.33	252.41
165.80	193.00	153.30	145.24	134.89
98.00	101.40	83.14	89.56	92.85
149.80	145.10	151.91	160.04	160.36
86.80	81.10	81.60	86.39	86.43
<u>500.40</u>	<u>520.60</u>	<u>469.95</u>	<u>481.23</u>	<u>474.53</u>
<u>3,647.10</u>	<u>3,674.28</u>	<u>3,601.94</u>	<u>3,677.49</u>	<u>3,687.09</u>

Boulder Valley School District RE-2

SCHOOL BUILDING INFORMATION

Last Ten Fiscal Years

(Unaudited)

School	2010	2011	2012	2013	2014	2015	2016
<u>Elementary Schools</u>							
Bear Creek							
Square Feet	39,549	54,579	54,579	54,579	54,579	54,579	54,579
Capacity	350	355	475	478	478	478	478
Enrollment	352	367	378	391	414	417	441
Birch							
Square Feet	44,714	51,192	51,192	51,192	51,192	51,192	51,192
Capacity	440	405	436	453	453	453	453
Enrollment	426	443	401	352	359	383	407
BCSIS							
Square Feet	31,745	31,745	31,745	31,745	31,745	31,745	31,745
Capacity	280	280	312	301	301	301	301
Enrollment	284	300	295	294	294	307	301
Coal Creek							
Square Feet	53,916	52,476	57,305	57,305	57,305	57,305	57,305
Capacity	485	490	496	555	555	555	555
Enrollment	448	464	467	453	431	427	426
Columbine							
Square Feet	50,938	68,294	68,787	68,787	68,787	68,787	68,787
Capacity	431	455	579	603	603	603	603
Enrollment	398	410	453	462	480	496	531
Community Montessori							
Square Feet	42,588	42,588	42,588	42,588	42,588	42,588	42,588
Capacity	280	280	287	367	367	367	367
Enrollment	237	251	258	250	255	270	262
Creekside							
Square Feet	46,976	50,661	50,661	50,661	50,661	50,843	50,843
Capacity	334	441	484	505	505	505	505
Enrollment	345	348	353	335	340	333	332
Crest View							
Square Feet	66,884	66,884	66,884	66,884	66,884	66,884	66,884
Capacity	595	670	685	674	674	674	674
Enrollment	594	627	625	617	607	586	580
Douglass							
Square Feet	54,901	54,901	59,705	57,966	57,966	59,836	59,836
Capacity	480	480	491	504	504	504	504
Enrollment	423	430	433	461	478	463	473
Eisenhower							
Square Feet	53,601	59,525	59,525	59,525	59,525	59,525	59,525
Capacity	555	580	613	653	653	653	653
Enrollment	445	474	453	411	404	405	398
Emerald							
Square Feet	56,300	62,542	62,573	62,573	62,573	62,573	62,573
Capacity	413	473	454	484	484	484	484
Enrollment	370	345	341	327	335	376	380
Fireside							
Square Feet	60,307	60,307	61,486	61,486	61,486	61,486	61,486
Capacity	465	515	475	576	576	576	576
Enrollment	437	445	464	470	456	458	453
Flatirons							
Square Feet	43,857	43,857	43,857	43,857	43,857	43,857	43,857
Capacity	305	325	337	339	339	339	339
Enrollment	272	279	306	295	307	290	274
Foothill							
Square Feet	75,951	76,021	76,021	76,021	76,021	76,021	76,021
Capacity	610	610	644	648	648	648	648
Enrollment	572	564	583	569	574	545	547

Table 16

2017	2018	2019
54,579	54,579	54,579
492	492	492
438	448	457
52619	52619	52619
418	418	418
408	415	375
31,745	31,745	31,745
295	295	319
309	304	306
57,305	57,305	57,305
565	565	565
417	416	410
68,787	68,787	68,787
615	615	615
536	531	497
42,588	42,588	42,588
417	392	392
251	248	254
50,843	52,690	52,690
492	369	369
319	311	337
66,884	66,884	66,884
664	664	664
606	582	566
56333	58985	58985
492	467	467
448	426	403
59,525	59,525	59,525
590	590	541
418	385	407
62,573	62,264	62,264
541	393	393
388	402	440
61,486	61,486	61,486
492	516	516
469	453	453
43,857	43,857	43,857
320	320	320
254	245	228
76,021	76,021	76,021
615	664	664
541	493	457

Boulder Valley School District RE-2

SCHOOL BUILDING INFORMATION

Last Ten Fiscal Years

(Unaudited)

School	2010	2011	2012	2013	2014	2015	2016
<u>Elementary Schools (continued)</u>							
Gold Hill							
Square Feet	3,316	3,316	3,316	3,293	3,293	3,293	3,293
Capacity	41	36	37	41	41	41	41
Enrollment	21	29	26	29	23	27	26
Heatherwood							
Square Feet	51,975	60,797	60,797	60,797	60,797	60,797	60,797
Capacity	440	540	552	555	555	555	555
Enrollment	363	385	381	378	390	384	385
High Peaks							
Square Feet	32,983	32,983	32,983	32,983	32,983	32,983	32,983
Capacity	280	280	312	301	301	301	301
Enrollment	311	306	303	299	297	297	314
Jamestown							
Square Feet	5,030	5,030	5,030	5,032	5,032	5,032	5,032
Capacity	18	18	19	21	21	21	21
Enrollment	27	25	21	20	21	15	18
Kohl							
Square Feet	54,113	57,417	57,417	57,417	57,417	57,417	57,417
Capacity	490	490	521	525	525	525	525
Enrollment	478	498	473	506	485	487	481
Lafayette							
Square Feet	62,208	62,203	62,203	62,203	62,203	62,203	62,203
Capacity	492	555	623	628	628	628	628
Enrollment	603	636	606	619	583	590	592
Louisville							
Square Feet	57,018	63,034	63,034	63,034	63,034	63,034	63,034
Capacity	485	535	572	628	628	651	651
Enrollment	459	502	540	572	600	584	582
Mapleton Early Childhood Center							
Square Feet	na	na	na	na	21,387	21,387	21,387
Capacity	na						
Enrollment	na	na	na	na	41	70	70
Mesa							
Square Feet	45,670	54,963	55,195	55,195	55,195	55,195	55,195
Capacity	375	385	485	494	494	494	494
Enrollment	365	378	371	352	341	330	320
Nederland							
Square Feet	61,470	61,470	61,470	61,470	61,470	61,470	61,470
Capacity	375	405	432	468	468	468	468
Enrollment	278	287	280	280	282	285	276
Pioneer							
Square Feet	72,398	74,874	74,864	74,864	74,864	74,864	74,864
Capacity	419	391	477	525	525	525	525
Enrollment	433	423	422	419	448	473	480
Ryan							
Square Feet	49,398	55,075	55,075	55,075	55,075	55,075	55,075
Capacity	377	460	512	530	530	530	530
Enrollment	422	419	443	454	408	410	417
Sanchez							
Square Feet	49,900	55,320	55,320	55,320	55,320	55,320	55,320
Capacity	266	294	301	330	330	330	330
Enrollment	286	295	330	320	321	359	379
Superior							
Square Feet	69,725	69,673	71,480	71,480	71,480	71,480	71,480
Capacity	505	505	521	525	525	525	525
Enrollment	635	591	573	553	556	505	486
University Hill							
Square Feet	67,276	69,701	69,701	69,701	69,701	69,701	69,701
Capacity	402	427	426	474	474	474	474
Enrollment	338	358	385	366	419	427	436

Table 16
(continued)

2017	2018	2019
3,293	3,293	3,293
49	49	49
26	19	19
60,797	60,797	60,797
516	516	541
379	346	312
32,983	32,983	32,983
295	295	320
305	307	291
5,032	5,032	5,032
25	25	25
19	17	15
57,417	57,417	57,417
565	565	565
479	446	423
62,203	62,203	62,203
639	639	639
655	485	449
63,034	63,034	63,034
639	639	639
569	551	563
21,387	21,387	21,387
na	na	na
75	79	74
55,195	55,195	55,195
467	467	467
287	271	260
61,470	61,470	61,470
467	467	467
278	273	263
74,864	74,864	74,864
541	541	541
469	477	474
55,075	55,075	55,075
516	492	492
458	482	500
55,320	55,320	55,320
369	393	418
405	401	382
71,480	71,480	71,480
516	516	492
465	457	439
69,701	69,701	69,701
565	565	565
449	443	446

Boulder Valley School District RE-2

SCHOOL BUILDING INFORMATION

Last Ten Fiscal Years

(Unaudited)

School	2010	2011	2012	2013	2014	2015	2016
<u>Elementary Schools (continued)</u>							
Whittier							
Square Feet	35,123	46,517	46,517	46,517	46,517	46,517	46,518
Capacity	325	380	371	412	412	412	412
Enrollment	334	369	394	401	389	396	415
<u>Middle Schools</u>							
Angevine							
Square Feet	121,676	121,676	121,961	121,961	121,961	121,953	121,953
Capacity	902	946	968	962	962	962	962
Enrollment	581	545	587	573	611	662	725
Broomfield Heights							
Square Feet	107,239	107,239	111,379	111,379	111,379	111,379	111,379
Capacity	932	932	935	935	935	935	935
Enrollment	530	526	561	531	552	550	547
Casey							
Square Feet	44,923	109,072	109,072	109,072	109,072	109,072	109,072
Capacity	521	743	743	743	743	743	743
Enrollment	349	440	546	582	608	607	632
Centennial							
Square Feet	99,515	99,515	117,772	117,772	117,772	117,772	117,772
Capacity	750	750	750	750	750	750	750
Enrollment	627	562	554	548	581	595	630
Louisville							
Square Feet	101,483	101,483	101,483	101,483	101,483	101,483	101,483
Capacity	669	669	673	691	691	691	691
Enrollment	569	603	623	632	631	633	621
Manhattan							
Square Feet	93,632	93,542	93,542	93,551	93,551	93,551	93,551
Capacity	638	642	642	642	642	642	642
Enrollment	498	468	466	487	547	543	493
Platt							
Square Feet	81,495	117,552	123,958	123,958	123,958	123,958	123,958
Capacity	888	827	860	860	860	860	860
Enrollment	546	533	502	510	510	557	602
Southern Hills							
Square Feet	98,342	98,340	98,340	98,340	98,340	98,340	98,340
Capacity	701	701	701	683	683	683	683
Enrollment	539	545	535	542	550	560	555
<u>High Schools</u>							
Boulder							
Square Feet	245,772	245,971	245,971	245,971	245,971	245,971	245,971
Capacity	1900	1900	1900	1900	1900	1900	1900
Enrollment	1786	1775	1790	1846	1938	1978	1979
Broomfield							
Square Feet	240,535	240,535	240,535	240,535	240,535	240,535	240,535
Capacity	1805	1805	1805	1762	1762	1762	1762
Enrollment	1401	1437	1329	1401	1429	1498	1548
Centaurus							
Square Feet	194,687	194,687	194,687	194,687	194,687	194,687	194,687
Capacity	1874	1874	1874	1874	1874	1874	1874
Enrollment	1092	1029	1008	999	1013	1020	1079
Fairview							
Square Feet	262,019	264,007	264,007	264,007	264,007	264,007	264,007
Capacity	1958	1990	1990	1996	1996	1996	1996
Enrollment	1913	1971	2065	2132	2118	2169	2183
Monarch							
Square Feet	233,909	233,909	241,819	241,823	241,823	241,823	241,823
Capacity	1728	1728	1728	1833	1833	1833	1833
Enrollment	1511	1527	1514	1576	1626	1653	1749

Table 16
(continued)

2017	2018	2019
47613	47613	47613
418	418	418
424	381	400
121,953	121,953	121,953
950	950	926
709	670	693
111,379	111,379	111,379
906	888	871
520	545	565
109,072	109,072	109,072
725	725	723
652	669	668
117,772	117,772	117,772
732	732	733
628	646	634
101,483	101,483	101,483
710	710	708
642	659	678
93,551	103,646	103,646
690	690	643
458	488	490
123,958	123,958	123,958
875	962	956
638	627	581
98,340	98,340	98,340
671	671	659
559	554	538
245,971	245,971	245,971
1987	1987	1990
1981	2050	2092
240,535	240,535	240,535
1778	1778	1804
1595	1574	1562
194,687	194,687	194,687
1833	1790	1843
1127	1220	1308
264,007	264,007	264,007
2052	2052	2055
2165	2223	2174
241,823	241,823	241,823
1861	1861	1868
1708	1717	1706

Boulder Valley School District RE-2

SCHOOL BUILDING INFORMATION

Last Ten Fiscal Years

(Unaudited)

School	2010	2011	2012	2013	2014	2015	2016
<u>High Schools (continued)</u>							
New Vista							
Square Feet	76,668	76,668	77,966	77,966	77,966	77,966	77,966
Capacity	659	659	654	654	654	654	654
Enrollment	317	299	309	301	280	294	296
<u>Combination Schools</u>							
Aspen Creek K-8							
Square Feet	115,919	115,919	122,127	122,127	122,127	122,127	122,127
Capacity	892	919	990	1015	1015	1015	1015
Enrollment	921	916	929	917	942	961	933
Eldorado K-8							
Square Feet	120,210	120,207	123,343	123,343	123,343	123,343	123,343
Capacity	926	926	1003	1006	1006	1006	1006
Enrollment	983	987	972	991	958	987	957
Halcyon							
Square Feet	10,163	10,163	10,163	10,163	10,163	10,163	10,163
Capacity	na						
Enrollment	27	24	21	21	18	19	18
Meadowlark							
Square Feet	na						
Capacity	na						
Enrollment	na						
Monarch K-8							
Square Feet	108,802	108,802	114,491	114,491	114,491	114,491	114,491
Capacity	856	904	926	933	933	933	933
Enrollment	748	790	814	844	858	888	880
Nederland Middle/Senior							
Square Feet	97,080	97,080	97,080	102,168	102,168	102,168	102,168
Capacity	674	630	718	718	718	718	718
Enrollment	340	333	299	270	284	290	273
<u>Vocational/Technical Schools</u>							
Arapahoe Ridge High School							
Square Feet	130,707	152,954	152,954	152,146	152,146	152,146	152,146
Capacity	981	1099	1099	1062	1062	1062	1062
Enrollment	175	204	200	147	130	132	139
<u>Charter Schools</u>							
Boulder Preparatory High School							
Square Feet	5,938	5,938	5,938	5,938	5,938	5,938	48408
Capacity	na	na	na	117	117	117	117
Enrollment	158	142	122	117	107	94	109
Horizons K-8 School							
Square Feet	30,810	30,814	43,426	52,009	52,009	52,009	52,009
Capacity	404	404	440	414	414	414	414
Enrollment	325	332	332	340	348	347	348
Peak To Peak K-12 School							
Square Feet	134,284	139,990	139,990	139,990	139,990	139,990	179,258
Capacity	na	na	na	1444	1444	1444	1444
Enrollment	1425	1443	1446	1444	1445	1444	1446
Summit Middle School							
Square Feet	49,934	49,935	49,935	49,944	49,944	49,936	45,609
Capacity	480	493	493	493	493	493	493
Enrollment	324	336	334	339	342	349	353
Justice High 6-12 School							
Square Feet	2,409	6,590	6,590	6,590	6,590	6,590	6,590
Capacity	na	na	na	91	91	91	91
Enrollment	129	111	96	91	115	76	80

Note: Capacity figures are calculated based on the physical building and do not contemplate programmatic decisions that may impact student enrollment capacity of the school.

Source: Boulder Valley School District RE-2

Table 16
(continued)

2017	2018	2019
77,966	77,966	77,966
680	680	611
292	304	312
122,127	123,275	123,275
949	949	964
927	932	881
123,343	129,318	129,318
937	937	1108
916	880	864
10,163	10,163	10,163
na	na	na
17	12	19
na	105,173	105,173
na	746	745
na	454	592
114,491	114,491	114,491
951	903	890
881	821	773
102,168	102,168	102,168
701	654	500
261	242	270
152,797	152,797	152,797
602	602	605
90	100	141
48408	48408	48408
160	160	160
104	80	100
52,009	52,009	52,009
348	373	384
347	348	348
179,258	179,258	179,258
1444	1444	1444
1444	1445	1446
58,750	58,750	58,750
360	325	368
354	357	358
9,680	9,680	9,680
95	95	95
82	79	96

Boulder Valley School District RE-2

TEACHER STATISTICS

Last Ten School Years

(Unaudited)

	2010	2011	2012	2013	2014
Number of Teachers by Education Level					
Bachelor's Degree	141	144	137	132	118
Bachelor's Degree + 12 Hours	66	63	70	63	52
Bachelor's Degree + 24 Hours	58	56	53	55	48
Bachelor's Degree + 36 Hours	64	52	44	47	46
Bachelor's Degree + 48 Hours	233	217	216	201	155
Master's Degree	450	450	467	459	383
Master's Degree + 12 Hours	204	198	207	202	201
Master's Degree + 24 Hours	152	142	151	152	170
Master's Degree + 36 Hours	126	132	154	152	161
Master's Degree + 48 Hours	387	413	411	409	190
Master's Degree + 60 Hours	-	-	-	-	345
Doctorate	40	42	45	38	40
Other	4	4	3	15	2
Total	1,925	1,913	1,958	1,925	1,911
Average Teacher Pay by Education Level					
Bachelor's Degree	36,587	37,280	38,096	42,338	44,511
Bachelor's Degree + 12 Hours	44,281	42,411	42,170	47,234	49,219
Bachelor's Degree + 24 Hours	44,500	44,701	47,842	49,315	52,454
Bachelor's Degree + 36 Hours	48,101	46,883	46,682	51,771	52,806
Bachelor's Degree + 48 Hours	55,448	56,109	56,472	60,979	64,829
Master's Degree	51,033	51,143	50,470	55,473	59,475
Master's Degree + 12 Hours	54,896	54,988	56,963	63,676	65,249
Master's Degree + 24 Hours	59,145	61,192	60,165	65,841	69,071
Master's Degree + 36 Hours	62,768	61,602	61,704	66,512	70,632
Master's Degree + 48 Hours	70,096	69,845	69,924	73,997	77,767
Master's Degree + 60 Hours	-	-	-	-	81,869
Doctorate	65,547	68,594	68,211	74,199	82,048
Other*	63,248	63,248	62,089	43,269	65,745

*Licensed staff less than .5 FTE were paid at the base pay of the salary schedule, prorated by FTE beginning in 2013.

Source: Boulder Valley School District RE-2

Table 17

2015	2016	2017	2018	2019
108	105	104	96	121
50	46	47	51	40
46	41	39	38	37
61	64	64	59	64
132	112	82	66	54
404	405	392	377	383
181	196	196	211	176
166	152	165	170	166
155	150	142	146	132
175	175	166	158	137
425	465	505	544	510
50	55	54	58	46
1	1	1	1	1
1,954	1,967	1,957	1,975	1,867
43,397	43,225	40,480	48,237	49,441
47,171	49,655	47,934	50,887	52,960
53,521	51,034	54,100	55,882	57,950
53,285	54,118	53,090	57,764	59,529
68,002	70,065	69,513	73,268	75,808
61,211	61,408	60,397	65,017	66,888
67,137	67,727	66,384	70,453	72,213
71,331	71,670	70,662	74,809	76,884
74,261	75,938	75,435	78,784	81,828
81,922	83,933	82,535	87,397	89,904
85,999	88,800	89,400	93,573	96,865
83,184	85,868	85,493	92,910	95,794
61,899	63,632	64,396	66,199	68,450

Boulder Valley School District RE-2

MISCELLANEOUS STATISTICAL DATA

Last Ten School Years

(Unaudited)

	2010	2011	2012	2013
Student Teacher Ratio*				
Elementary	15.60	16.37	16.27	16.44
Combination	16.72	17.43	17.49	18.61
Middle	16.97	17.18	17.43	17.01
Senior	18.71	19.28	19.33	19.48
Governmental Activities Expenses	\$ 294,156,553	\$ 306,813,347	\$ 319,692,074	\$ 319,005,007
Cost Per Student	\$ 10,200	\$ 10,464	\$ 10,821	\$ 10,734
Enrollment Data				
Student Full Time Equivalent**				
Elementary	11,717	12,030	12,056	12,097
Middle	6,576	6,536	6,671	6,682
Senior	9,128	9,325	9,305	9,480
Other	252	258	286	279
Total	27,673	28,149	28,318	28,538
Total Enrollment				
K-12 Enrollment	28,344	28,815	28,986	29,181
Pre-K Enrollment	494	505	558	537
Total	28,838	29,320	29,544	29,718
Number of Students Eligible to Receive School Lunches Free Or At Reduced Cost				
Elementary	2,473	2,646	2,714	2,740
Combination	256	317	342	336
Middle	893	946	1,033	1,033
Senior	1,025	1,177	1,223	1,247
Total	4,647	5,086	5,312	5,356
Percent of Students Receiving Free or Reduced Cost Meals	16.11%	17.35%	17.98%	18.02%

* Ratios include all FTE related to special education and title programs, and are consistent with balances reported by the Colorado Department of Education.

** In addition to funded full time equivalent counts reported to the Colorado Department of Education, data includes certain additional students funded outside of the standard state funding formula (CPP, ECARES, ASCENT, Online).

Source: Boulder Valley School District RE-2

* Colorado Department of Education

Table 18

2014	2015	2016	2017	2018	2019
16.76	17.22	17.37	17.55	17.06	17.04
18.54	19.42	18.97	18.07	17.83	17.73
17.77	17.86	18.29	18.10	18.14	17.83
19.79	20.24	20.46	19.76	20.03	19.57
\$ 343,751,369	\$ 387,709,725	\$ 428,863,567	\$ 643,653,131	\$ 722,915,882	\$ 382,675,639
\$ 11,403	\$ 12,684	\$ 13,890	\$ 20,873	\$ 23,331	\$ 12,392
12,154	12,229	12,222	12,211	12,050	11,924
6,914	7,107	7,184	7,186	7,303	7,268
9,610	9,731	9,958	9,925	10,116	10,227
281	331	338	351	353	347
28,959	29,398	29,702	29,673	29,822	29,766
29,595	29,941	30,231	30,168	30,317	30,224
550	625	644	669	668	656
30,145	30,566	30,875	30,837	30,985	30,880
2,709	2,988	3,171	3,018	2,707	2,875
379	364	443	406	405	495
1,103	1,157	1,282	1,190	1,119	1,209
1,240	1,457	1,688	1,617	1,492	1,694
5,431	5,966	6,584	6,231	5,723	6,273
18.02%	19.52%	21.32%	20.21%	18.47%	20.31%



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SINGLE AUDIT



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

Board of Education
Boulder Valley School District
Boulder, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Boulder Valley School District, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Boulder Valley School District's basic financial statements, and have issued our report thereon dated November 19, 2019.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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



CliftonLarsonAllen LLP

Broomfield, Colorado
November 19, 2019



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

Board of Education
Boulder Valley School District
Boulder, Colorado

Report on Compliance for Each Major Federal Program

We have audited Boulder Valley School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on Boulder Valley School District's major federal program for the year ended June 30, 2019. Boulder Valley School District's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, Boulder Valley School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2019.

Report on Internal Control Over Compliance

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

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

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

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



CliftonLarsonAllen LLP

Broomfield, Colorado
November 19, 2019

**BOULDER VALLEY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019**

Section I – Summary of Auditors’ Results

Financial Statements

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

Federal Awards

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

Identification of Major Federal Programs

CFDA Number(s)

84.027, 84.173

Name of Federal Program or Cluster

IDEA Special Education Cluster

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

\$ \$750,000

Auditee qualified as low-risk auditee?

 x yes _____ no

**BOULDER VALLEY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019**

Section II – Financial Statement Findings

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

Section III – Findings and Questioned Costs – Major Federal Programs

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

**BOULDER VALLEY SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2019**

Boulder Valley School District respectfully submits the following summary schedule of prior audit findings for the year ended June 30, 2019.

Audit period: July 1, 2018 - June 30, 2019

The findings from the prior audit's schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the prior year.

FINDINGS—FINANCIAL STATEMENT AUDIT

There were no financial statement findings in the prior year.

FINDINGS— FEDERAL AWARD PROGRAMS AUDITS

There were no federal award program audit findings in the prior year.

If there are questions regarding this schedule, please call Justin Petrone, Director of Accounting Services, at (720) 561-5008.

Boulder Valley School District RE-2
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2019

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>		<u>Pass- Through Entity Grant Code</u>	<u>6/30/2019 Expenditures</u>
U.S. Department of Education				
Direct Programs				
Indian Education	84.060			\$ 19,112
Passed Through State Department of Education				
Adult Education	84.002		5002	117,278
Title I	84.010		4010/92XX	1,942,046
Special Education	84.027	(1)	4027/5027	5,583,320
Special Education Preschool	84.173	(1)	4173	116,909
21st Century Community Learning Centers	84.287		5287	288,405
English Language Acquisition	84.365		4365	191,578
Improving Teacher Quality	84.367		4367	517,825
ESSA - Title IV	84.424		4424	43,468
Passed Through State Community College System				
Career and Technical Education	84.048		5048	<u>126,208</u>
TOTAL U.S. DEPARTMENT OF EDUCATION				<u><u>8,946,149</u></u>
U.S. Department of Agriculture				
Direct Programs				
Local Food Promotion and Farm to School	10.172			62,371
Passed Through State Department of Human Services				
Donated Commodities	10.555	(2)	4555	524,125
Passed Through State Department of Public Health and Environment				
Child and Adult Care Food Program	10.558		4558	22,299
Passed Through State Department of Education				
National School Lunch Program	10.555	(2)	4555	1,998,189
School Breakfast Program	10.553	(2)	4553	623,580
Summer Food Service Program for Children	10.559	(2)	4559	<u>82,205</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE				<u><u>3,312,769</u></u>
U.S. Department of Homeland Security				
Passed Through State Department of Transportation				
Highway Planning and Construction	20.205	(3)	6205	<u>97,820</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE				<u><u>\$ 12,356,738</u></u>

(1) Special Education Cluster (IDEA): \$5,700,229

(2) Child Nutrition Cluster: \$3,228,099

(3) Highway Planning and Construction Cluster: \$97,820

* Expenditures incurred in prior years

See the Notes to the Schedule of Expenditures of Federal Awards.

Boulder Valley School District RE-2
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2019

NOTE 1: BASIS OF PRESENTATION

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

NOTE 2: NONCASH FEDERAL AWARDS

Commodities donated to the district by the U.S. Department of Agriculture (USDA) of \$524,125 are valued based on the USDA's Donated Commodity Price List. These are shown as part of the National School Lunch Program (CFDA 10.555).

NOTE 3: INDIRECT COSTS

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

NOTE 4: SUBRECIPIENTS

The district provided no federal awards to subrecipients.



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STATE COMPLIANCE



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Colorado Department of Education
Auditors Integrity Report
 District: 0480 - Boulder Valley Re 2
 Fiscal Year 2018-19
 Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental	+	-	=	
10 General Fund	46,532,813	305,597,945	303,097,519	49,033,239
18 Risk Mgmt Sub-Fund of General Fund	640,179	4,454,487	4,379,635	715,031
19 Colorado Preschool Program Fund	525,333	8,051,492	7,773,592	803,233
Sub-Total	47,698,325	318,103,924	315,250,746	50,551,503
11 Charter School Fund	11,603,142	29,255,570	27,546,268	13,312,444
20,26-29 Special Revenue Fund	0	113,568	113,568	0
06 Supplemental Cap Const, Tech, Main, Fund	4,753,127	26,269,606	17,196,705	13,826,028
21 Food Service Spec Revenue Fund	296,435	9,396,086	9,480,509	212,012
22 Govt Designated-Purpose Grants Fund	0	12,175,088	12,175,088	0
23 Pupil Activity Special Revenue Fund	0	0	0	0
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	1,010,191	15,832,488	15,784,349	1,058,330
31 Bond Redemption Fund	44,961,935	230,683,555	226,091,534	49,553,956
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	149,279,877	164,269,062	116,771,801	196,777,138
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	2,849,151	5,809,975	3,312,640	5,346,486
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	262,452,183	811,908,922	743,723,208	330,637,897
Proprietary				
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	6,613,422	8,632,385	9,703,607	5,542,200
Totals	6,613,422	8,632,385	9,703,607	5,542,200
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	1,410,000	37,032	45,468	1,401,564
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	5,215,293	14,026,871	13,500,615	5,741,549
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	318,530	95,775	26,431	387,874
Totals	6,943,823	14,159,678	13,572,514	7,530,987

FINAL

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



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