



BOULDER VALLEY
SCHOOL DISTRICT



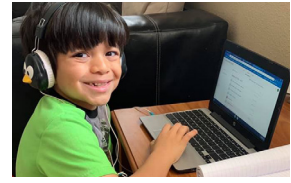
COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Boulder, Colorado • Boulder • Broomfield • Gilpin Counties



BOULDER VALLEY SCHOOL DISTRICT



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the fiscal year ended June 30, 2020 • 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, 2020

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November 20, 2020

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, 2020.

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, 2020. 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, 2020, 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 2019-20 school year, the district's total student funded full time equivalent was 30,302, 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, 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 2020 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, 2019, the 55th annual Colorado Business Economic Outlook, the economic outlook for calendar year 2020, was presented by the Business Research Division of the Colorado Leeds School of Business.

While growing at a slightly slower pace, Colorado's economy outperformed most other states in 2019, with quarterly real GDP and jobs growth still coming in at the 7th-fastest in the country. Colorado's per capita personal income growth rate was the 10th highest in the country. The unemployment rate is also among the best in the nation at 5th-lowest. Wage growth was recorded across all industries.

The entire 2020 Colorado Business Economic Outlook can be found at <https://www.colorado.edu/business/business-research-division>

The economic outlook for Colorado has changed dramatically from the forecast presented in December 2019. The economic shutdown from the COVID-19 pandemic caused historically high unemployment and dramatic reductions in state revenues. In September 2020, the

Colorado Legislative Council Staff issued an Economic and Revenue Forecast, which can be found at <https://leg.colorado.gov/sites/default/files/septforecast.pdf>

Economic expectations have been revised up across all major indicators. However, the national and state economies are each still expected to absorb major blows in 2020. As the steadying effects of monetary and fiscal stimulus dissipate, some economic challenges will become more pronounced in the second half of this year and into 2021. Many key determinants of state revenue, including employment and income, are expected to remain below trend levels through at least 2022.

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 2020-21 fiscal year, was determined to be 1.9 percent. 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.

For the 2020-21 fiscal year, the legislature increased base per pupil funding by 1.9% 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 by up to 5% from the prior fiscal year, related in part to a shift in parental education choices in response to the COVID-19 pandemic. Similarly, statewide enrollment is down 2% to 3%. Historical information on district enrollment can be found in Table 18 of the Statistical Section of this document.

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 \$1,173.5 million for the 2020-21 fiscal year, or 14.0% of total program funding. For the district, the Budget Stabilization Factor is expected to be \$39.2 million, up from \$19.2 million in the prior year. The majority of the reduction in fiscal year 2020-21 funding is expected to be offset by State allocations of federal CARES Act funds, which are non-recurring resources.

On November 3, 2020, Colorado voters repealed the Gallagher Amendment, which will effectively freeze the Residential Assessment Rate (RAR) at 7.15%. As a result, Colorado will avoid anticipated reductions to the RAR, and thus will avoid reduction to local property taxes, a major component of revenue within the School Finance Act.

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 four percent of fiscal year spending. 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, 2020, 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 (Ignite) - all students benefit from challenging and relevant educational opportunities.

Outcome #2 (Equip) - reduce disparities in achievement.

Outcome #3 (Soar) - 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, 2020, 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 nearly all capital projects. As of June 30, 2020, over 90% 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 \$29.1 million in property tax revenues for the fiscal year ended June 30, 2020, based on a levy of 4.000 mills, which is the maximum allowed by voter approval. 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, 2019. 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

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2019.**

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



Claire Hertz, SFO
President

David J. Lewis
Executive Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

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

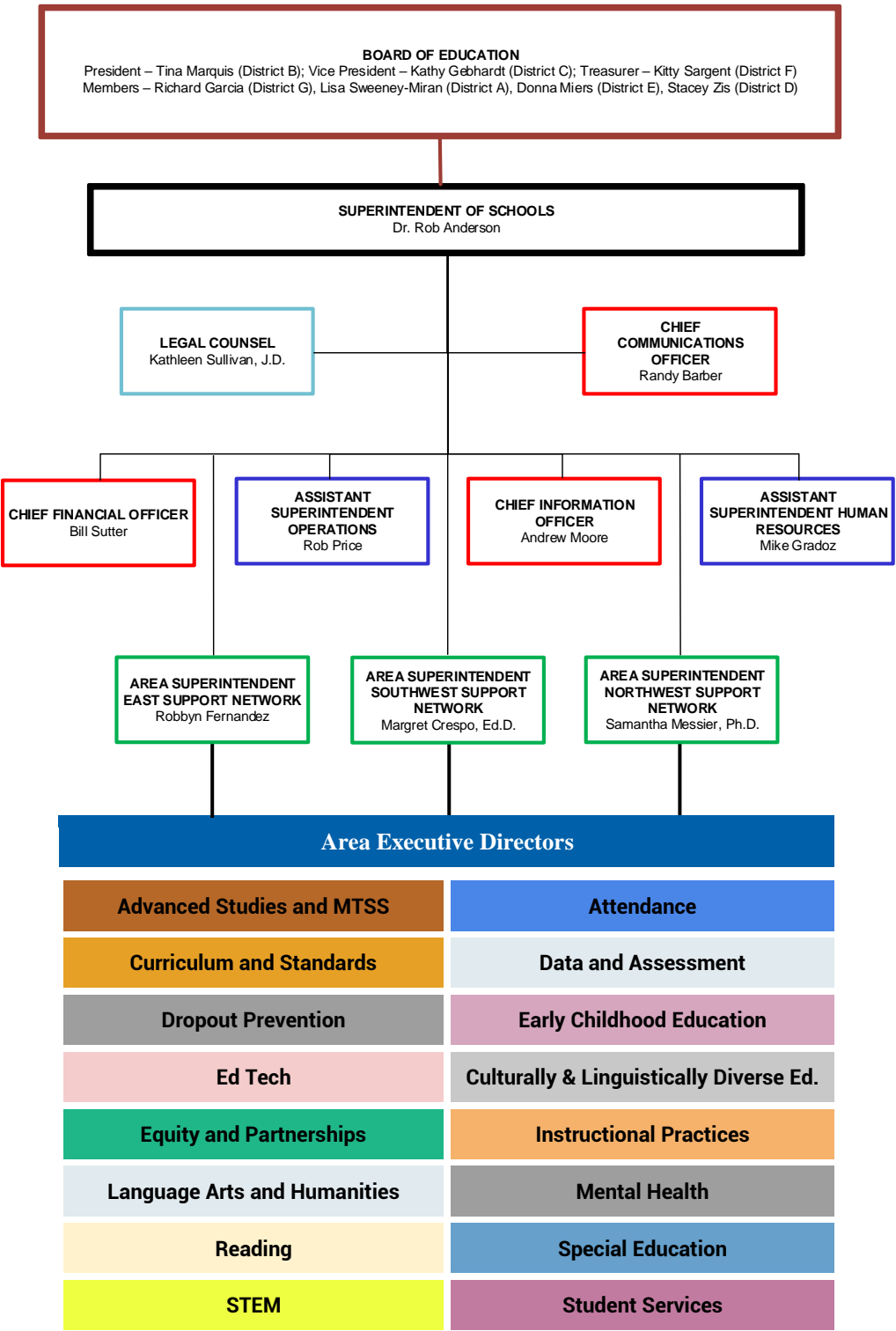
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morrell

Executive Director/CEO

District Organization



BOULDER VALLEY SCHOOL DISTRICT RE-2

List of Elected and Appointed Officials

June 30, 2020

Board of Education



District C
Kathy Gebhardt,
Vice President

District G
Richard Garcia

District E
Donna Miers

District B
Tina Marquis,
President

District F
Kitty Sargent,
Treasurer

District D
Stacey Zis

District A
Lisa Sweeney-Miran

Superintendent's Cabinet



Rob Anderson, Ed.D..... Superintendent
Andrew Moore.....Chief Information Officer
Bill Sutter, SFO.....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..... Director of Communications & Community Affairs
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, 2020, 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, 2020, 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.

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 12 to the financial statements, Boulder Valley School District implemented GASB Statement No. 84, *Fiduciary Activities*. Boulder Valley School District reported a restatement of beginning net position and fund balance for the change in accounting principle. Our opinion is not modified with respect to that matter.

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 and the Grants 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.

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 20, 2020, 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 20, 2020

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, 2020. 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, 2020, the liabilities and deferred inflows of resources of the district exceeded its assets and deferred outflows of resources by \$813.7 million (net position). The net position deficit is due primarily to a June 30, 2020 net pension liability of \$616.5 million, related deferred inflows of resources of \$430.0 million, offset by related deferred outflows of resources of \$76.0 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 \$119.9 million during fiscal year 2019-20, due primarily to net negative pension related expenses, as required by GASB No. 68.
- The district's current and other assets (primarily cash and investments) decreased \$63.3 million and capital assets increased \$64.8 million, due primarily to progress made on capital projects outlined in the Educational Facilities Master Plan.
- The district's noncurrent liabilities decreased \$25.4 million during the current fiscal year, due primarily to debt principal repayments of \$20.9 million and bond premium amortization of \$5.8 million.
- At June 30, 2020, the district's governmental funds reported combined fund balance of \$239.3 million, a decrease of \$82.7 million from the prior year. The decrease is due primarily to progress towards completion of capital projects in the 2014 Building Fund.
- At June 30, 2020, unassigned fund balance for the General Fund is \$39.3 million or 11.2% of total General Fund expenditures.

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 four 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 Grants 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 Student Activities 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 36-42 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 43-45 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 46-47 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 49-83 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 budgetary comparison schedules for the General Fund and Grants Fund, certain supporting pension and other post employment benefit schedules, and accompanying notes. Required supplementary information can be found on pages 86-92 of this report.

Combining and individual fund statements and schedules can be found on pages 96-119 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 \$813.7 million (net position) at June 30, 2020.

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

	Governmental Activities	
	<u>2020</u>	<u>2019</u>
Assets		
Current and Other Assets	\$ 321,921,979	\$ 385,194,951
Capital Assets	833,854,340	769,070,657
Total Assets	<u>1,155,776,319</u>	<u>1,154,265,608</u>
 Deferred Outflows of Resources	 <u>77,911,337</u>	 <u>233,428,557</u>
 Liabilities		
Noncurrent Liabilities	889,240,921	914,613,529
Net Pension Liability	616,473,576	745,436,907
Net OPEB Liability	30,311,397	37,229,999
Other Liabilities	75,261,049	63,197,675
Total Liabilities	<u>1,611,286,943</u>	<u>1,760,478,110</u>
 Deferred Inflows of Resources	 <u>436,056,090</u>	 <u>566,272,245</u>
 Net Position		
Net Investment in Capital Assets	64,579,095	71,034,168
Restricted for:		
Debt Service	47,506,984	47,072,101
Multiple Year Obligations	135,000	175,000
Preschool Expenditures	-	27,086
Operations and Technology	21,777,064	12,535,701
Emergencies	11,482,316	11,539,825
Medicaid	1,030,229	1,557,245
Unrestricted	(960,166,065)	(1,082,997,316)
Total Net Position	<u>\$ (813,655,377)</u>	<u>\$ (939,056,190)</u>

(*) Governmental activities beginning net position as of July 1, 2019 (beginning net position for the year ended June 30, 2020) was restated as the district adopted GASB Statements No. 84, *Fiduciary Activities*. 2019 amounts were not restated in the management's discussion and analysis to reflect this change, as information was not available for the prior year. See Note 12 for further restatement explanation.

Since 2015, the district has issued \$576.5 million of general obligation bonds, which represents the entire amount approved by voters November 2014 to complete capital projects defined in the district's Educational Facilities Master Plan. During fiscal year 2019-20, progress towards completion of those projects caused the following changes:

- Current and other assets decreased \$63.3 million, due primarily to a \$102.9 million decrease in cash and investments (bond proceeds) restricted for capital projects, offset by an \$32.9 million increase in unrestricted cash and investments, due primarily to an excess of revenues over expenses, excluding adjustments to net pension and OPEB expense, and the receipt of \$14.3 million of Coronavirus Relief Funds from the State of Colorado, the majority of which remained unspent at June 30, 2020.
- Capital assets increased \$64.8 million, which primarily includes \$99.2 million of additions, primarily as a result of progress made on projects outlined in the Educational Facilities Master Plan, offset by \$32.9 million of depreciation expense.

Noncurrent liabilities decreased \$25.4 million, due to principal payments on general obligation bonds and capital leases of \$20.4 million and \$0.5 million, respectively, and bond premium amortization of \$6.3 million. Decreases were offset by the issuance of capital lease obligations of \$0.5 million and a \$1.3 million increase in compensated absences from the prior year.

Net pension liability decreased \$129.0 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 \$109.7 million of negative pension related expense during 2020 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 \$77.0 million.

At June 30, 2020, \$64.6 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 \$6.5 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, \$81.9 million of the district's net position is subject to external restrictions on how the assets may be used. Restricted net position increased \$9.0 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 \$960.2 million.

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

	Governmental Activities	
	<u>2020</u>	<u>2019</u>
Revenues:		
Program Revenues:		
Charges For Services	\$ 16,282,618	\$ 21,208,708
Operating Grants and Contributions	38,104,800	30,789,525
Capital Grants and Contributions	1,028,190	1,748,840
General Revenues:		
Local Property Taxes	351,984,077	323,013,456
Specific Ownership Taxes	17,127,553	17,900,304
State Equalization	60,679,348	63,459,349
Other Revenues	6,388,373	6,367,181
Total Revenues	<u>491,594,959</u>	<u>464,487,363</u>
Expenses:		
Instruction	218,587,741	220,754,222
Supporting Services	122,390,418	133,392,310
Interest Expense	30,714,847	28,529,107
Total Expenses	<u>371,693,006</u>	<u>382,675,639</u>
Change in Net Position	119,901,953	81,811,724
Net Position, Beginning, as Restated	<u>(933,557,330)</u>	<u>(1,020,867,914)</u>
Net Position, Ending	<u>\$ (813,655,377)</u>	<u>\$ (939,056,190)</u>

(*) Governmental activities beginning net position as of July 1, 2019 (beginning net position for the year ended June 30, 2020) was restated as the district adopted GASB Statements No. 84, *Fiduciary Activities*. 2019 amounts were not restated in the management's discussion and analysis to reflect this change, as information was not available for the prior year. See Note 12 for further restatement explanation.

Governmental Activities: Overall, the district's net position increased \$119.9 million from the prior year. Factors contributing to this increase include the following:

Charges for Services: The \$4.9 million decrease is due primarily to a \$3.4 million decrease in revenue from the district's Kindergarten Enrichment program. With the passage of House Bill 19-1262, *State Funding For Full-day Kindergarten*, all kindergarten classes at district elementary schools are full-day beginning with fiscal year 2019-20. Accordingly, the Kindergarten Enrichment program managed in the Community Schools Fund has been eliminated.

Operating Grants and Contributions: The \$7.4 million increase is due primarily to the inclusion of revenue from the Student Activities Fund, with the adoption of GASB Statement No. 84, *Fiduciary Funds*. See Note 12.

Local Property Taxes: The \$29.0 million increase is due primarily to a 10.4% increase in net assessed property value and an increase in the operations and technology mill levy approved by voters in November 2016, which generated \$29.1 million of revenue in fiscal year 2019-20, compared to \$24.4 million in the prior year

State Equalization: The \$2.8 million decrease is due to a reduction in State funding under the school finance act. While total program funding increased over the prior year, as determined by the State, increased property values and related local property tax revenues allowed the State to reduce the amount of State equalization revenue provided to the district.

Instruction Expenses: The \$2.2 million decrease in instruction expense is due to a \$23.8 million decrease in net additional pension expense related to GASB No. 68, offset by a 2.7% cost of living increase, movement on the negotiated salary schedules, a 5.0% health insurance cost increase and a 0.25% increase in required contributions to the state's retirement plan. In addition, the adoption of GASB 84, *Fiduciary Funds*, caused an increase of \$8.4 million of expenditures related to the Student Activities Fund. See Note 12.

Supporting Services: The \$11.0 million decrease in supporting services expense is due to a \$11.8 million decrease in net additional pension expense related to GASB No. 68, offset by a 2.7% cost of living increase, movement on the negotiated salary schedules, a 5.0% health insurance cost increase and a 0.25% 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, 2020, the district's governmental funds reported combined fund balances of \$239.3 million, a decrease of \$82.7 million from the prior year. Approximately 16.4% of this amount (\$39.3 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 (\$4.0 million), restricted for particular purposes (\$183.0 million), or assigned for particular purposes (\$13.0 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 96-99 of this report. As of June 30, 2020, the General Fund reports ending fund balance of \$54.1 million, an increase of \$3.5 million from the prior year.

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

	<u>2020</u>	<u>2019</u>	<u>Amount of Change</u>	<u>Percentage Change</u>
Revenues				
Property Taxes	\$258,349,790	\$236,876,053	\$ 21,473,737	9.1%
Specific Ownership Taxes	17,127,553	17,900,304	(772,751)	-4.3%
State Equalization	60,679,348	63,459,349	(2,780,001)	-4.4%
Other State Revenue	16,723,142	15,443,293	1,279,849	8.3%
Local Revenues	13,503,128	18,403,585	(4,900,457)	-26.6%
Federal Grants	1,683,813	1,844,112	(160,299)	-8.7%
Total	<u>\$368,066,774</u>	<u>\$353,926,696</u>	<u>\$ 14,140,078</u>	4.0%

Property Taxes: Property tax revenues were based upon a levy of 35.509 mills applied against an assessed valuation of \$7,335 million compared to 36.009 mills and an assessed valuation of \$6,645 million in the prior year, which caused net increase of 9.1% from the prior year.

State Equalization: State equalization decreased 4.4% from the prior year. While total program funding increased, as determined by the State, the increase in property tax revenues caused the State to reduce its portion of funding to the district.

Local Revenue: Local revenue decreased \$4.9 million over the prior year due primarily to the loss of Kindergarten Enrichment tuition revenue, given the implementation of full-day kindergarten throughout the State of Colorado.

The following table reflects expenditures by major program area. Overall, expenditures increased by 3.6% from the previous year.

	<u>2020</u>	<u>2019</u>	<u>Amount of Change</u>	<u>Percentage Change</u>
<u>Expenditures</u>				
Instruction - Regular Programs	\$193,392,521	\$184,787,677	\$ 8,604,844	4.7%
Instruction - Special Programs	57,130,446	54,252,286	2,878,160	5.3%
Student Support Services	17,353,866	15,603,637	1,750,229	11.2%
Instructional Staff Services	14,844,150	14,016,364	827,786	5.9%
General Administration	4,455,700	4,385,953	69,747	1.6%
School Administration	25,148,642	23,822,668	1,325,974	5.6%
Business Services	4,471,560	4,425,091	46,469	1.1%
Operations and Maintenance	15,456,174	16,410,537	(954,363)	-5.8%
Central Support Services	14,744,639	15,018,798	(274,159)	-1.8%
Community Services	4,969,826	7,136,194	(2,166,368)	-30.4%
Total	<u>\$351,967,524</u>	<u>\$339,859,205</u>	<u>\$ 12,108,319</u>	3.6%

Approximately 90% of General Fund expenditures are for staff salaries and benefits. For fiscal year 2019-20, employees received a 2.7% 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 0.25% contribution to PERA, the State of Colorado's retirement plan, and increased its contribution to health insurance by 5.0%. The \$2.2 million decrease in Community Services is related to elimination of the Kindergarten Enrichment program, discussed above.

Grants Fund: The Grants Fund reported \$0 fund balance, as revenues are only recognized as eligible expenditures are incurred. Revenues increased \$0.8 million to \$12.9 million in the current year. At June 30, 2020, the Grants Fund reported unearned revenue of \$15.4 million, related primarily to unspent Coronavirus Aid, Relief, and Economic Securities (CARES) Act funds from the State of Colorado. In response to the pandemic the State of Colorado received CARES Act funds from the federal government, distributing \$14.3 million to the district in May 2020.

Bond Redemption Fund: The Bond Redemption Fund reported fund balance of \$49.9 million, an increase of \$0.4 million from the prior year. Property tax revenues of \$57.8 million in the current year were based upon a 2020 levy of 7.855 mills applied to an assessed valuation of \$7,334 million, compared to 8.150 mills and an assessed valuation of \$6,645 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, 2020, fund balance of \$98.9 million is restricted for those capital projects.

General Operating Fund Highlights

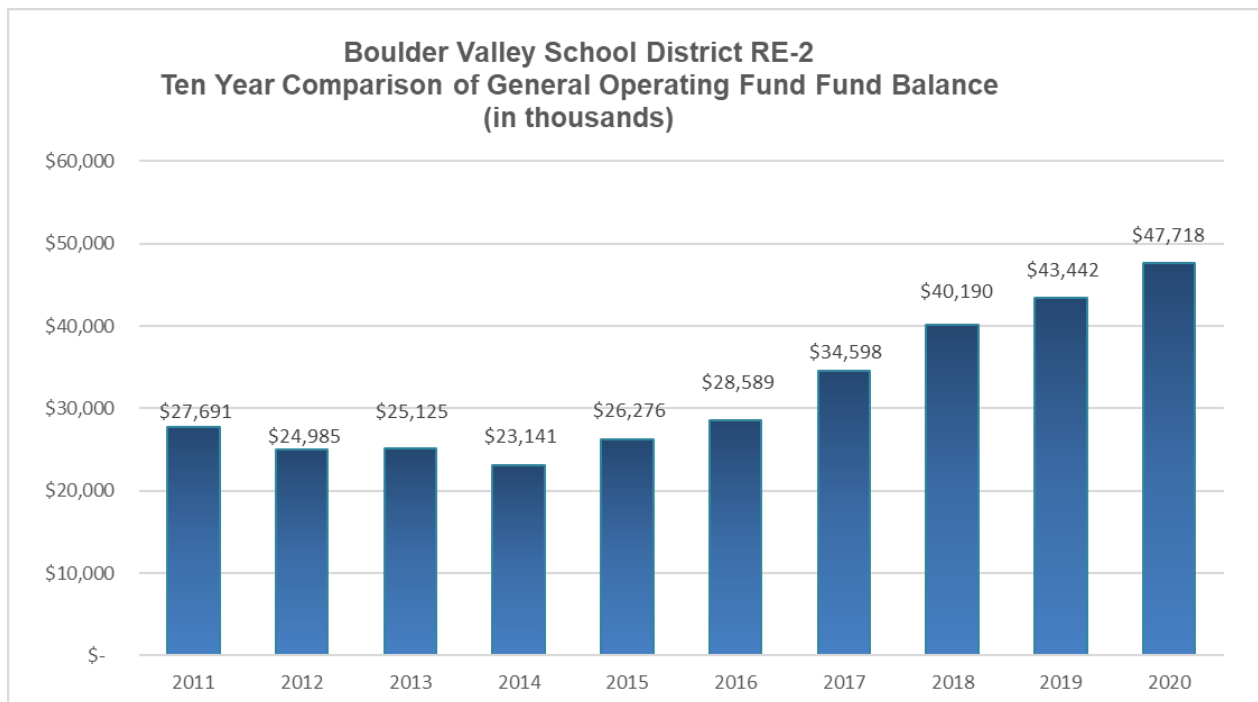
The General Operating Fund is the core operating fund of the district. For the year ended June 30, 2020, fund balance of the General Operating Fund increased \$4.3 million to \$47.7 million. Changes in revenues and expenditures of the General Operating Fund have been explained above as they represent 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>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Regular Instruction	54.41%	55.74%	56.57%	56.52%	56.88%
Special Instruction	15.99%	16.16%	16.46%	16.12%	16.16%
Instructional Support	<u>7.59%</u>	<u>7.93%</u>	<u>8.45%</u>	<u>8.71%</u>	<u>9.15%</u>
Subtotal Instruction	77.99%	79.83%	81.48%	81.35%	82.19%
School Administration and Operations	15.48%	13.79%	12.74%	12.39%	11.73%
District Wide/Community Services	<u>6.53%</u>	<u>6.38%</u>	<u>5.78%</u>	<u>6.26%</u>	<u>6.08%</u>
Subtotal Support	22.01%	20.17%	18.52%	18.65%	17.81%
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. The decrease in school administration and operations expenditures from 2016 to 2020 is due primarily to an increased allocation of certain eligible General Operating Fund expenditures to the Operations and Technology Fund.

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 2010-11 to 2019-20, fund balance of the General Operating Fund has fluctuated from a low of \$23.1 million at June 30, 2014, to a high of \$47.7 million at June 30, 2020.



One of the primary factors causing fluctuations over time is that the district's voters have approved numerous mill levy overrides, as allowed by Colorado Statute. 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 (\$16.5 million of eligible costs in the current year and \$14.0 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 2019-20 budget in June 2019, and approved the revised budget in January 2020. A surplus from fiscal year 2018-19 caused beginning fund balance to come in \$11.1 million higher than anticipated as part of the 2019-20 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:

- \$4.7 million increase in the total General Fund appropriation, excluding reserves.
- \$0.5 million increase in budgeted reserves.
- \$4.1 million increase in transfer out to the Capital Reserve Fund.

Remaining amounts were used to cover reductions in projected revenues and to increase budgeted ending fund balance of the General Fund.

A Budgetary Comparison Schedule for the General Fund is included on page 86 of this report. Significant differences between final budgeted and actual revenues are as follows:

- Actual revenues were \$2.4 million less than budget (0.6%), due primarily to a shortfall in tuition and fees. In response to the COVID-19 pandemic, the district cancelled all in-person learning in March 2020, which eliminated numerous activities and caused reductions in athletic participation fees, in-person preschool tuition and fees for a variety of elective community schools programs.
- Actual expenditures were \$23.2 million less than budget (3.5%), after deducting unspent reserves. \$5.9 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, preschool and community schools spending was less than budget by \$0.9 million, \$0.4 million, \$0.4 million and \$0.7 million, respectively, due primarily to savings related to the COVID pandemic and related move to online learning. In addition, PERA on-behalf payments were \$1.0 million less than budgeted amounts and the district experienced utility savings of \$0.8 million. The remaining balance relates to various personnel and other cost savings throughout the General Fund.
- Transfers out were \$1.1 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, 2020.

Capital Assets and Debt Administration

Capital Assets: The district's investment in capital assets as of June 30, 2020, and 2019, is summarized as follows:

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

	Governmental Activities	
	<u>2020</u>	<u>2019</u>
Land	\$ 10,550,854	\$ 9,738,354
Construction in Progress	50,313,399	63,250,973
Land Improvements	44,271,387	46,561,342
Buildings	719,393,606	639,703,898
Equipment	6,535,562	6,764,866
Vehicles	2,789,532	3,051,224
	<hr/>	<hr/>
Total Capital Assets	<u>\$ 833,854,340</u>	<u>\$ 769,070,657</u>

Changes in capital assets from the prior year include \$99.2 million of capital asset addition, offset by \$32.9 million of depreciation expense and \$1.6 million of capital asset disposals. The majority of current year capital additions and disposals 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, 2020 and 2019, is summarized as follows:

Boulder Valley School District RE-2 Long Term Debt

	Governmental Activities	
	<u>2020</u>	<u>2019</u>
General Obligation Bonds	\$ 791,885,000	\$ 812,260,000
Bond Premium	85,012,161	91,357,339
Capital Lease	1,582,230	1,550,574
Compensated Absences	10,761,530	9,445,616
	<hr/>	<hr/>
Total Long Term Debt	<u>\$ 889,240,921</u>	<u>\$ 914,613,529</u>

During the current fiscal year, the district repaid \$20.4 million of principal on general obligation bonds and \$0.5 million of principal on capital leases, offset by a new capital lease agreement for the purchase of six propane buses (\$0.5 million).

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, 2020, the district’s legal debt limit is \$1,467.9 million, which exceeds the district’s total outstanding debt by \$675.0 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

In March 2020, the World Health Organization declared the spread of the Coronavirus (COVID-19) a worldwide pandemic, which has since had significant impacts to global markets, supply chains, communities and businesses throughout the world. COVID-19 continues to impact the School’s operations and financial results, including but not limited to employee protective gear, cleaning supplies and technology necessary to accommodate distance learning. Management believes the district is taking appropriate actions to mitigate the negative impacts. However, the full impact of the COVID-19 pandemic is unknown and cannot be reasonably estimated as the events are ongoing.

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 2020-21 SFA and increased the statewide per pupil base funding by inflation, or 1.9%. However, for the eleventh 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 \$39.2 million in lost state revenues for 2020-21, up from \$19.2 million for fiscal year 2019-20. Total program funding, defined by the SFA, is projected to be \$240.0 million, a decrease of \$12.7 million from the prior year. As a result, the district’s projected state per pupil revenue (PPR) for 2020-21 is \$7,959 (slightly rounded), down 5.5% from 2019-20 PPR of \$8,425.

The reduction in funding for 2020-21 described above is a direct result of the COVID-19 pandemic, which has had a significant impact to the Colorado economy and thus to projected state revenues necessary to fund K-12 education. As a means to offset this revenue shortfall, the Governor allocated to the district the following federal funds under the CARES Act:

- \$14.3 million under the Coronavirus Relief Fund, received by the district in May 2020, of which \$0.1 million was spent in 2019-20. All funds must be spent by December 30, 2020. The district will use the funds primarily to support teacher salaries and benefits, in

relation to increased instructional time when comparing the amount of instruction time received by students in Fall 2020 at the start of the pandemic to Spring 2020. Remaining funds will be used to cover other costs in response to the COVID-19 pandemic including employee protective gear, cleaning supplies, teacher Chromebooks and other technology necessary to accommodate remote learning.

- \$1.5 million under the Elementary and Secondary School Emergency Relief (ESSER) Fund. The district's spending plan is pending final State approval, but the district anticipates receipt of funds in 2020-21, which must be spent by September 30, 2022.

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

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 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, 2020

	PRIMARY GOVERNMENT GOVERNMENTAL ACTIVITIES	COMPONENT UNITS CHARTER SCHOOLS
ASSETS		
Cash and Investments	\$ 134,070,436	\$ 13,555,132
Restricted Cash and Investments	168,333,792	4,189,983
Accounts Receivable	633,940	39,046
Taxes Receivable, Net	13,816,013	-
Grants Receivable	788,784	-
Inventories	1,549,199	-
Prepaid Items and Other	2,729,815	99,238
Capital Assets, Not Being Depreciated	60,864,253	3,319,748
Capital Assets, Net of Accumulated Depreciation	772,990,087	24,102,041
TOTAL ASSETS	1,155,776,319	45,305,188
DEFERRED OUTFLOWS OF RESOURCES		
Loss on Debt Refunding, Net of Accumulated Amortization	-	2,662,664
Pension Related Items	75,995,645	5,262,818
Other Post-Employment Benefits Related Items	1,915,692	193,591
TOTAL DEFERRED OUTFLOWS OF RESOURCES	77,911,337	8,119,073
LIABILITIES		
Accounts and Retainage Payable	23,351,340	397,753
Accrued Liabilities	13,652,100	-
Accrued Compensation and Benefits	17,801,594	1,436,596
Unearned Revenues	15,807,164	31,264
Accrued Interest Payable	2,911,323	266,456
Claims Payable	1,737,528	-
Noncurrent Liabilities, Due Within One Year	28,997,919	804,657
Noncurrent Liabilities, Due in More Than One Year		
Long-Term Debt	860,243,002	15,238,379
Net Pension Liability	616,473,576	35,233,645
Net Other Post-Employment Benefits Liability	30,311,397	1,732,354
TOTAL LIABILITIES	1,611,286,943	55,141,104
DEFERRED INFLOWS OF RESOURCES		
Pension Related Items	430,012,863	24,028,631
Other Post-Employment Benefits Related Items	6,043,227	359,092
TOTAL DEFERRED INFLOWS OF RESOURCES	436,056,090	24,387,723
NET POSITION		
Net Investment in Capital Assets	64,579,095	14,003,859
Restricted for Debt Service	47,506,984	2,197,296
Restricted for Multiple Year Obligations	135,000	-
Restricted for Medicaid	1,030,229	-
Restricted for Operations and Technology	21,777,064	1,288,213
Restricted for Emergencies	11,482,316	933,187
Restricted for Scholarships	-	1,482,900
Restricted for Advanced Placement Testing	-	10,469
Restricted for Repair and Maintenance	-	211,891
Restricted for Special Education	-	120,000
Restricted for Capital Renewal	-	91,915
Restricted for Donations	-	21,245
Unrestricted	(960,166,065)	(46,465,541)
TOTAL NET POSITION	\$ (813,655,377)	\$ (26,104,566)

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

Boulder Valley School District RE-2

STATEMENT OF ACTIVITIES

Year Ended June 30, 2020

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
PRIMARY GOVERNMENT				
Instruction	\$ 218,585,208	\$ 6,723,372	\$ 26,523,500	\$ 821,190
Supporting Services	122,392,951	9,559,246	11,581,300	207,000
Interest Expense	30,714,847	-	-	-
TOTAL PRIMARY GOVERNMENT	\$ 371,693,006	\$ 16,282,618	\$ 38,104,800	\$ 1,028,190
COMPONENT UNITS				
Charter Schools	24,483,741	1,506,828	1,349,833	578,231
TOTAL COMPONENT UNITS	\$ 24,483,741	\$ 1,506,828	\$ 1,349,833	\$ 578,231

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, as Restated (See Note 12)

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
\$ (184,517,146)	\$ -
(101,045,405)	-
(30,714,847)	-
(316,277,398)	-
	(21,048,849)
	(21,048,849)
351,984,077	-
17,127,553	-
60,679,348	-
22,909	236,142
4,082,275	194,553
-	27,575,195
2,283,189	429,745
436,179,351	28,435,635
119,901,953	7,386,786
(933,557,330)	(33,491,352)
\$ (813,655,377)	\$ (26,104,566)

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

Boulder Valley School District RE-2

BALANCE SHEET GOVERNMENTAL FUNDS

June 30, 2020

	GENERAL	GRANTS	BOND REDEMPTION	2014 BUILDING
ASSETS				
Cash and Investments	\$ 74,413,807	\$ 14,639,079	\$ -	\$ -
Restricted Cash and Investments	107,371	-	48,211,490	120,014,931
Accounts Receivable	58,846	76,775	-	80,000
Taxes Receivable, Net	10,211,370	-	2,206,817	-
Grants Receivable	-	788,784	-	-
Inventories	1,279,490	-	-	-
Prepaid Items	2,683,566	-	-	-
Deposits	46,249	-	-	-
TOTAL ASSETS	\$ 88,800,699	\$ 15,504,638	\$ 50,418,307	\$ 120,094,931
LIABILITIES				
Accounts and Retainage Payable	\$ 2,126,379	\$ -	\$ -	\$ 21,125,554
Accrued Liabilities	13,295,596	45,704	-	-
Accrued Compensation and Benefits	16,758,577	52,153	-	6,599
Unearned Revenues	320,383	15,406,781	-	80,000
TOTAL LIABILITIES	32,500,935	15,504,638	-	21,212,153
DEFERRED INFLOWS OF RESOURCES				
Property Tax Revenue	2,241,455	-	492,452	-
FUND BALANCES				
Nonspendable	3,963,056	-	-	-
Restricted	10,807,521	-	49,925,855	98,882,778
Assigned	-	-	-	-
Unassigned	39,287,732	-	-	-
TOTAL FUND BALANCES	54,058,309	-	49,925,855	98,882,778
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 88,800,699	\$ 15,504,638	\$ 50,418,307	\$ 120,094,931

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

NONMAJOR GOVERNMENTAL FUNDS		TOTAL
\$	36,063,161	\$ 125,116,047
	-	168,333,792
	418,319	633,940
	1,397,826	13,816,013
	-	788,784
	269,709	1,549,199
	-	2,683,566
	-	46,249
<u>\$ 38,149,015</u>		<u>\$ 312,967,590</u>
\$	99,407	\$ 23,351,340
	310,800	13,652,100
	984,265	17,801,594
	-	15,807,164
<u>1,394,472</u>		<u>70,612,198</u>
	307,617	3,041,524
	59,950	4,023,006
	23,372,270	182,988,424
	13,014,706	13,014,706
	-	39,287,732
<u>36,446,926</u>		<u>239,313,868</u>
<u>\$</u>	<u>38,149,015</u>	<u>\$ 312,967,590</u>

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



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Boulder Valley School District RE-2
RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2020

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

Total Fund Balances	\$ 239,313,868
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.	833,854,340
Other long-term assets are not available to pay for current year expenditures and, therefore, are reported as unavailable revenue in the funds.	3,041,524
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.	7,216,861
Long-term liabilities and related items, including bonds payable (\$791,885,000), bond premium (\$85,012,161), capital lease (\$1,582,230), compensated absences (\$10,761,530), and accrued interest payable (\$2,911,323) are not due and payable in the current year and, therefore, are not reported in the funds.	(892,152,244)
Net pension (\$616,473,576) and net OPEB (\$30,311,397) liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(646,784,973)
Deferred outflows of resources related to pensions \$75,995,645 and OPEB \$1,915,692 used in governmental activities are not financial resources and, therefore, are not reported in the funds.	77,911,337
Deferred inflows of resources related to pensions (\$430,012,863) and OPEB (\$6,043,227) used in governmental activities are not due and payable in the current year and, therefore, are not reported in the funds.	(436,056,090)
Net Position of Governmental Activities	<u>\$ (813,655,377)</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, 2020

	GENERAL	GRANTS	BOND REDEMPTION	2014 BUILDING
REVENUES				
Local Sources	\$ 288,980,471	\$ 531,799	\$ 57,832,699	\$ 3,357,999
State Sources	77,402,490	3,018,117	-	-
Federal Sources	1,683,813	9,388,696	-	27,000
TOTAL REVENUES	368,066,774	12,938,612	57,832,699	3,384,999
EXPENDITURES				
Current				
Instruction	250,522,967	6,849,251	-	-
Supporting Services	101,444,557	6,089,361	1,900	-
Capital Outlay	-	-	-	101,279,359
Debt Service				
Principal	-	-	20,375,000	-
Interest	-	-	37,083,900	-
TOTAL EXPENDITURES	351,967,524	12,938,612	57,460,800	101,279,359
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	16,099,250	-	371,899	(97,894,360)
OTHER FINANCING SOURCES (USES)				
Insurance Proceeds	196,945	-	-	-
Capital Lease Proceeds	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	(12,789,389)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(12,592,444)	-	-	-
NET CHANGE IN FUND BALANCES	3,506,806	-	371,899	(97,894,360)
FUND BALANCES, Beginning, as Restated (See Note 12)	50,551,503	-	49,553,956	196,777,138
FUND BALANCES, Ending	\$ 54,058,309	\$ -	\$ 49,925,855	\$ 98,882,778

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

NONMAJOR GOVERNMENTAL FUNDS		TOTAL
\$	50,079,113	\$ 400,782,081
	3,393,716	83,814,323
	3,944,521	15,044,030
	<u>57,417,350</u>	<u>499,640,434</u>
	10,026,230	267,398,448
	42,372,555	149,908,373
	6,520,977	107,800,336
	494,994	20,869,994
	30,163	37,114,063
	<u>59,444,919</u>	<u>583,091,214</u>
	<u>(2,027,569)</u>	<u>(83,450,780)</u>
	-	196,945
	526,650	526,650
	12,789,389	12,789,389
	-	(12,789,389)
	<u>13,316,039</u>	<u>723,595</u>
	11,288,470	(82,727,185)
	<u>25,158,456</u>	<u>322,041,053</u>
\$	<u><u>36,446,926</u></u>	\$ <u><u>239,313,868</u></u>

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

Boulder Valley School District RE-2
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2020

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

Net Change in Fund Balances	\$ (82,727,185)
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 \$99,208,565 exceeded depreciation expense (\$32,860,283) in the current year. In addition, the district disposed of capital assets with a net book value of (\$1,564,599).	64,783,683
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.	163,280
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.	20,869,994
Bond and lease proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position and does not affect the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt related items: capital lease proceeds (\$526,650) and amortization of bond premium \$6,345,178.	5,818,528
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 \$54,038 and compensated absences (\$1,315,914).	(1,261,876)
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.	1,674,661
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 \$109,697,747 and OPEB expense \$883,121 not reported in the governmental funds.	<u>110,580,868</u>
Change in Net Position of Governmental Activities	<u><u>\$ 119,901,953</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, 2020

GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS

ASSETS

Current

Cash and Investments

\$	8,954,389
----	-----------

TOTAL ASSETS

8,954,389

LIABILITIES

Current

Claims Payable

1,737,528

TOTAL LIABILITIES

1,737,528

NET POSITION

Unrestricted

7,216,861

TOTAL NET POSITION

\$	7,216,861
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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, 2020

	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
OPERATING REVENUES	
Premiums and Services	\$ 36,570,367
Other	748,930
TOTAL OPERATING REVENUES	<u>37,319,297</u>
OPERATING EXPENSES	
Personnel	463,408
Insurance Premiums and Claims	33,026,956
Administrative Fees	810,007
Other	1,344,265
TOTAL OPERATING EXPENSES	<u>35,644,636</u>
CHANGE IN NET POSITION	1,674,661
NET POSITION, Beginning	<u>5,542,200</u>
NET POSITION, Ending	<u><u>\$ 7,216,861</u></u>

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, 2020

**GOVERNMENTAL
ACTIVITIES
INTERNAL
SERVICE FUNDS**

Cash Flows From Operating Activities

Premiums Received and Other Receipts	\$ 37,319,297
Cash Payments for Premiums, Claims and Other Expenses	(35,355,238)
Cash Paid to Employees for Salaries and Benefits	(463,408)

Net Cash Provided (Used) by Operating Activities	1,500,651
--	-----------

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,500,651
--	-----------

CASH AND CASH EQUIVALENTS, Beginning

7,453,738

CASH AND CASH EQUIVALENTS, Ending

\$ 8,954,389

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

Change in Net Position	\$ 1,674,661
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	(174,010)

Net Cash Provided (Used) by Operating Activities	<u>\$ 1,500,651</u>
--	---------------------

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, 2020

	PRIVATE PURPOSE TRUST FUND	FRONT RANGE BOCES CUSTODIAL FUND
ASSETS		
Cash and Investments	\$ 1,348,178	\$ 266,449
TOTAL ASSETS	1,348,178	266,449
LIABILITIES		
Accrued Liabilities	-	1,000
TOTAL LIABILITIES	-	1,000
NET POSITION		
Held in Trust	1,348,178	-
Restricted for Other Governments	-	265,449
TOTAL NET POSITION	\$ 1,348,178	\$ 265,449

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, 2020

	PRIVATE PURPOSE TRUST FUND	FRONT RANGE BOCES CUSTODIAL FUND
ADDITIONS		
Contributions and Investment Earnings	\$ 27,771	\$ 310,424
DEDUCTIONS		
Scholarships and Awards	500	-
Personnel	-	155,018
Purchased Services	36,999	126,974
Other	-	12,325
TOTAL DEDUCTIONS	37,499	294,317
CHANGE IN FIDUCIARY NET POSITION	(9,728)	16,107
FIDUCIARY NET POSITION, Beginning, as Restated (See Note 12)	1,357,906	249,342
FIDUCIARY NET POSITION, Ending	<u>\$ 1,348,178</u>	<u>\$ 265,449</u>

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



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Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

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, 2020

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.

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. For the year ended June 30, 2020, the district considers property tax revenues to be available if they are collected within 90 days. This temporary policy change is a result of a unique delay in property tax receipts. In response to the COVID-19 pandemic, the State of Colorado provided for no interest, no penalty extensions for property owners. As a result, the district received a significant portion of current year property taxes in September 2020.

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, 2020

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 *Grants Fund* accounts for monies received from various federal, state and local grant programs.

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 and other resources held by the district 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, 2020

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, 2020

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, 2020

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, 2020, 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, 2020

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 2020 are certified to the county in December 2019 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, 2020, the district had the following cash and investments:

Cash on Hand	\$ 71,246
Deposits	75,369,021
Investments	<u>233,669,635</u>
Total	<u>\$ 309,109,902</u>

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

NOTE 2: CASH AND INVESTMENTS (Continued)

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

Primary Government Cash and Investments	\$ 134,070,436
Primary Government Restricted Cash and Investments	168,333,792
Fiduciary Funds Cash and Investments	1,614,627
Charter School Cash Held by District	<u>5,091,047</u>
 Total	 <u><u>\$ 309,109,902</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, 2020:

	Less than 1 year	1 to 5 years	Total	S&P Rating
Governmental Activities				
Money Market Mutual Fund	\$ 79,489	\$ -	\$ 79,489	AAAm
Local Government Investment Pool	233,590,146	-	233,590,146	AAAm
	<u>\$ 233,669,635</u>	<u>\$ -</u>	<u>\$ 233,669,635</u>	
Component Units				
Money Market Mutual Fund	\$ 1,021,869	\$ -	\$ 1,021,869	AAAm
Colorado Surplus Asset Fund (CSAFE)	1,695,264	-	1,695,264	AAAm
Local Government Investment Pool	6,314,463	-	6,314,463	AAAm
	<u>\$ 9,031,596</u>	<u>\$ -</u>	<u>\$ 9,031,596</u>	

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

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, 2020, the district had \$233,590,146 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, 2020

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, 2020.

Investments by Fair Value Levels	Balance June 30, 2020	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
Component Units				
Endowment (held with Community First Foundation)	\$ 1,462,380	\$ -	\$ -	\$ 1,462,380
Common Stock	33,652	33,652	-	-
Total	<u>\$ 1,496,032</u>	<u>\$ 33,652</u>	<u>\$ -</u>	<u>\$ 1,462,380</u>

Money market mutual funds held by the district and component unit are valued at amortized cost. Component unit investments also include \$187,910 held in a money market fund valued at amortized cost.

Restricted Cash and Investments

Restricted cash and investments include \$48,211,490 in the Bond Redemption Fund restricted for future debt service payments and \$120,014,931 in the 2014 Building Fund for unspent bond proceeds restricted for capital projects.

NOTE 3: INTERFUND TRANSFERS

Transfers In	Transfers Out	Balance
Capital Reserve Fund	General Fund	\$ 5,918,471
Transportation Fund	General Fund	5,328,251
Food Services Fund	General Fund	<u>1,542,667</u>
Total		<u>\$ 12,789,389</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, 2020

NOTE 4: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020, is summarized below.

	Balances 6/30/19	Additions	Deletions	Balances 6/30/20
Governmental Activities				
Capital Assets, Not Being Depreciated				
Land	\$ 9,738,354	\$ 812,500	\$ -	\$ 10,550,854
Construction in Progress	63,250,973	97,746,573	(110,684,147)	50,313,399
Total Capital Assets, Not Being Depreciated	72,989,327	98,559,073	(110,684,147)	60,864,253
Capital Assets, Being Depreciated				
Land Improvements	65,392,709	1,737,079	(37,400)	67,092,388
Buildings	868,454,032	108,303,744	(4,073,942)	972,683,834
Equipment	17,449,573	622,790	(69,100)	18,003,263
Vehicles	21,792,286	670,026	(686,414)	21,775,898
Total Capital Assets, Being Depreciated	973,088,600	111,333,639	(4,866,856)	1,079,555,383
Less Accumulated Depreciation For				
Land Improvements	18,831,367	4,004,906	(15,272)	22,821,001
Buildings	228,750,134	27,178,898	(2,638,804)	253,290,228
Equipment	10,684,707	792,457	(9,463)	11,467,701
Vehicles	18,741,062	884,022	(638,718)	18,986,366
Total Accumulated Depreciation	277,007,270	32,860,283	(3,302,257)	306,565,296
Total Capital Assets, Being Depreciated, Net	696,081,330	78,473,356	(1,564,599)	772,990,087
Governmental Activities Capital Assets, Net	\$ 769,070,657	\$ 177,032,429	\$ (112,248,746)	\$ 833,854,340
Component Units				
Capital Assets, Not Being Depreciated				
Land	\$ 3,318,094	\$ -	\$ (812,500)	\$ 2,505,594
Construction in Progress	17,312	796,842	-	814,154
Total Capital Assets, Not Being Depreciated	3,335,406	796,842	(812,500)	3,319,748
Capital Assets, Being Depreciated				
Land Improvements	4,012,349	121,573	-	4,133,922
Buildings	29,691,477	66,234	(490,625)	29,267,086
Equipment	612,819	43,939	-	656,758
Total Capital Assets, Being Depreciated	34,316,645	231,746	(490,625)	34,057,766
Less Accumulated Depreciation For				
Land Improvements	1,764,736	176,986	-	1,941,722
Buildings	7,090,084	621,646	(39,830)	7,671,900
Equipment	283,492	58,611	-	342,103
Total Accumulated Depreciation	9,138,312	857,243	(39,830)	9,955,725
Total Capital Assets, Being Depreciated, Net	25,178,333	(625,497)	(450,795)	24,102,041
Component Units Capital Assets, Net	\$ 28,513,739	\$ 171,345	\$ (1,263,295)	\$ 27,421,789

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

NOTE 4: CAPITAL ASSETS (Continued)

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

Governmental Activities	
Instruction	\$ 28,588,446
Supporting Services	<u>4,271,837</u>
Total	<u><u>\$ 32,860,283</u></u>

NOTE 5: SHORT-TERM DEBT

During the year ended June 30, 2020, the district borrowed \$98,717,740 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, 2020, from property taxes received primarily from February through June. The schedule of changes is summarized below.

	Balances 6/30/19	Additions	Payments	Balances 6/30/20
State-sponsored interest-free loan	\$ -	\$ 98,717,740	\$ 98,717,740	\$ -
Total	<u>\$ -</u>	<u>\$ 98,717,740</u>	<u>\$ 98,717,740</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, 2020.

	Balances 6/30/19	Additions	Payments	Balances 6/30/20	Due Within One Year
Governmental Activities					
General Obligation Bonds	\$ 812,260,000	\$ -	\$ 20,375,000	\$ 791,885,000	\$ 20,865,000
Bond Premium	91,357,339	-	6,345,178	85,012,161	-
Capital Lease	1,550,574	526,650	494,994	1,582,230	496,701
Compensated Absences	9,445,616	7,251,926	5,936,012	10,761,530	7,636,218
Total	<u>\$ 914,613,529</u>	<u>\$ 7,778,576</u>	<u>\$ 33,151,184</u>	<u>\$ 889,240,921</u>	<u>\$ 28,997,919</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, 2020

NOTE 6: LONG-TERM DEBT (Continued)

General Obligation Bonds

General obligation bonds payable at June 30, 2020, are comprised of the following issues:

\$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%.	\$ 136,175,000
\$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%.	154,055,000
\$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%.	190,000,000
\$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%.	76,655,000
\$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%.	<u>235,000,000</u>
Total	<u><u>\$ 791,885,000</u></u>

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

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>
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	18,975,000	32,411,025	51,386,025
2026 - 2030	109,065,000	147,551,056	256,616,056
2031 - 2035	136,755,000	119,506,131	256,261,131
2036 - 2040	169,970,000	84,933,375	254,903,375
2041 - 2045	216,210,000	37,982,938	254,192,938
2046 - 2049	57,325,000	4,518,875	61,843,875
Total	<u>\$ 791,885,000</u>	<u>\$ 566,036,725</u>	<u>\$ 1,357,921,725</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.

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, 2020, the net book value of buses under capital lease agreements is \$2,147,695 (\$3,585,122 less accumulated depreciation of \$1,437,427). 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, 2020, were as follows:

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

NOTE 6: LONG-TERM DEBT (Continued)

Capital Lease (Continued)

<u>Year Ended June 30,</u>	<u>Governmental Activities</u>
2021	\$ 525,157
2022	525,157
2023	358,724
2024	81,751
2025	81,751
2026	81,751
Total minimum lease payments	1,654,291
Less: amount representing interest	(72,061)
Present value of minimum lease payments	<u>\$ 1,582,230</u>

Operating Lease

The district leases the majority of its non-bus fleet of vehicles. Total costs for the lease was \$498,758 for the year ended June 30, 2020. Future minimum lease payments for the lease are as follows:

<u>Year Ended June 30,</u>	<u>Governmental Activities</u>
2021	\$ 482,514
2022	285,288
2023	185,180
2024	114,204
2025	27,276
Total	<u>\$ 1,094,462</u>

Component Units

Changes in long-term debt of the Component Units for the year ended June 30, 2020, were as follows:

	Balances 6/30/19	Additions	Payments	Balances 6/30/20	Due Within One Year
Loan Payable	\$ 321,512	\$ -	\$ 93,701	\$ 227,811	\$ 91,862
Note Payable	1,073,950	-	1,073,950	-	-
Bonds Payable	15,495,000	-	680,000	14,815,000	710,000
Bond Premium	959,396	-	63,960	895,436	-
Compensated Absences	85,249	151,605	132,065	104,789	2,795
Total	<u>\$ 17,935,107</u>	<u>\$ 151,605</u>	<u>\$ 2,043,676</u>	<u>\$ 16,043,036</u>	<u>\$ 804,657</u>

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

NOTE 6: LONG-TERM DEBT (Continued)

Component Units (Continued)

Component unit loan, note, and bonds payable consist of the following at June 30, 2020:

\$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.

\$ 80,000

\$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, 2020, the interest rate was 4.75%.

147,811

\$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.

14,815,000

Total

\$ 15,042,811

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>
2021	\$ 91,862	\$ 6,765	\$ 98,627
2022	12,438	6,189	18,627
2023	13,042	5,585	18,627
2024	13,675	4,952	18,627
2025	14,339	4,288	18,627
2026 - 2030	<u>82,455</u>	<u>10,297</u>	<u>92,752</u>
Total	<u>\$ 227,811</u>	<u>\$ 38,076</u>	<u>\$ 265,887</u>

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

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>
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	830,000	569,000	1,399,000
2026 - 2030	4,815,000	2,163,125	6,978,125
2031 - 2035	6,150,000	798,250	6,948,250
Total	<u>\$ 14,815,000</u>	<u>\$ 6,136,975</u>	<u>\$ 20,951,975</u>

NOTE 7: FUND BALANCES

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

	<u>GENERAL</u>	<u>BOND REDEMPTION</u>	<u>2014 BUILDING</u>	<u>NONMAJOR GOVERNMENTAL FUNDS</u>	<u>TOTAL</u>
FUND BALANCES					
Nonspendable:					
Inventories	\$ 1,279,490	\$ -	\$ -	\$ 59,950	\$ 1,339,440
Prepaid Items	2,683,566	-	-	-	2,683,566
Total Nonspendable	3,963,056	-	-	59,950	4,023,006
Restricted For:					
Debt Service	-	49,925,855	-	-	49,925,855
Capital Projects	-	-	98,882,778	-	98,882,778
Multiple Year					
Obligations	135,000	-	-	-	135,000
Operations and					
Technology	-	-	-	21,532,246	21,532,246
Emergencies	9,642,292	-	-	1,840,024	11,482,316
Medicaid	1,030,229	-	-	-	1,030,229
Total Restricted	10,807,521	49,925,855	98,882,778	23,372,270	182,988,424
Assigned To:					
Student Activities	-	-	-	5,823,101	5,823,101
Transportation	-	-	-	505,370	505,370
Capital Projects	-	-	-	6,686,235	6,686,235
Total Assigned	-	-	-	13,014,706	13,014,706
Unassigned, Reported In					
General Fund	39,287,732	-	-	-	39,287,732
Total Unassigned	39,287,732	-	-	-	39,287,732
Total Fund Balances	<u>\$ 54,058,309</u>	<u>\$ 49,925,855</u>	<u>\$ 98,882,778</u>	<u>\$ 36,446,926</u>	<u>\$ 239,313,868</u>

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

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, 2020

NOTE 8: RISK MANAGEMENT (Continued)

Health and Dental Self-Insurance (Continued)

	Health Insurance	Dental Insurance
Claims Payable, June 30, 2018	\$ 2,094,455	\$ 179,076
Claims Incurred and Adjustments	22,104,329	2,257,397
Payments	(22,452,277)	(2,271,442)
Claims Payable, June 30, 2019	1,746,507	165,031
Claims Incurred and Adjustments	21,573,763	1,977,583
Payments	(21,746,096)	(1,979,260)
Claims Payable, June 30, 2020	<u>\$ 1,574,174</u>	<u>\$ 163,354</u>

Claims payable at June 30, 2020 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. SB 18-200 makes changes to certain benefit provisions. Some, but not all, of these changes were in effect as of June 30, 2020.

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.

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

Benefits provided as of December 31, 2019 - 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.

As of December 31, 2019, 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, the annual increase for 2019 is 0.00 percent for all benefit recipients. Thereafter, benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 will receive an annual increase of 1.25 percent unless adjusted by the automatic adjustment provision (AAP) pursuant to C.R.S. § 24-51-413. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 will receive the lesser of an annual increase of 1.25 percent or the average Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the SCHDTF. The AAP may raise or lower the aforementioned annual increase by up to 0.25 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(s) 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.

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

Contributions provisions as of June 30, 2020 - Eligible employees, the district and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. § 24-51-401, *et seq.* and § 24-51-413. Eligible employees are required to contribute 8.75 percent of their PERA-includable salary during the period of July 1, 2019 through June 30, 2020. Employer contribution requirements are summarized in the table below:

	July 1, 2019 Through June 30, 2020
Employer Contribution Rate	10.40%
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	(1.02)%
Amount Apportioned to the SCHDTF	9.38%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	5.50%
Total Employer Contribution Rate to the SCHDTF	19.38%

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

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.

Subsequent to the SCHDTF's December 31, 2019, measurement date, HB 20-1379 *Suspend Direct Distribution to PERA Public Employees Retirement Association for 2020-21 Fiscal Year*, was passed into law during the 2020 legislative session and signed by Governor Polis on June 29, 2020. This bill suspends the July 1, 2020, \$225 million direct distribution allocated to the State, School, Judicial, and DPS Divisions, as required under Senate Bill 18-200.

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 \$47,656,317 for the year ended June 30, 2020.

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

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, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. Standard update procedures were used to roll-forward the total pension liability to December 31, 2019. The district's proportion of the net pension liability was based on the district's contributions to the SCHDTF for the calendar year 2019 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

At June 30, 2020, the district reported a liability of \$616,473,576 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	\$ 616,473,576
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the district	\$ 78,191,832
Total	<u>\$ 694,665,408</u>

At December 31, 2019, the district's proportion was 4.12638909 percent, which was a decrease of 0.08344111 percent from its proportion measured as of December 31, 2018. The district's proportion includes the primary government (approximately 97.76%) and four of the district's five charter schools (approximately 2.24%). Peak to Peak Charter School's proportion is calculated separately by PERA. The district allocates its proportion to the primary government and to each of the four charter schools based on contributions to the SCHDTF for the calendar year, which is the same methodology used by PERA in allocating to its members. Required footnote disclosures for each of the five charter schools are included in their respective separately issued financial statements.

For the year ended June 30, 2020, the district recognized net negative pension expense of \$108,741,089 and revenue of \$2,476,292 for support from the State as a nonemployer contributing entity. At June 30, 2020, 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	\$ 33,598,215	\$ -
Changes of assumptions or other inputs	17,599,380	279,626,572
Net difference between projected and actual earnings on pension plan investments	-	73,027,431
Changes in proportion and differences between contributions recognized and proportionate share of contributions	817,567	77,358,860
Contributions subsequent to the measurement date	23,980,483	-
Total	<u>\$ 75,995,645</u>	<u>\$ 430,012,863</u>

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

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)

\$23,980,483 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, 2021. 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,

2021	\$ (206,891,217)
2022	(144,849,951)
2023	(1,414,765)
2024	(24,841,768)
2025	-
Thereafter	-

Actuarial assumptions. The total pension liability in the December 31, 2018 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	7.25 percent
Post-retirement benefit increases:	
PERA Benefit Structure hired prior to 1/1/07	1.25 percent compounded annually
PERA Benefit Structure hired after 12/31/06 (ad hoc, substantively automatic) ¹	Financed by the Annual Increase Reserve

¹ For 2019, the annual increase was 0.00 percent.

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.

Post-retirement non-disabled mortality assumptions were based on the RP-2014 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.

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

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)

- 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 actuarial assumptions used in the December 31, 2018, 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%	

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

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)

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:

- 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 and the additional 0.50 percent resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020. 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 and the additional 0.50 percent, resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020. 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.

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

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 projected benefit payments reflect the lowered annual increase cap, from 1.50 percent to 1.25 percent resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020.
- 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. There was no change in the discount rate from the prior measurement date.

Sensitivity of the district's proportionate share of the net pension liability to changes in the discount rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25 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	\$ 817,575,954	\$ 616,473,576	\$ 447,630,606

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.

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

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

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.

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.

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

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

General Information about the OPEB Plan (Continued)

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.

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 \$2,508,227 for the year ended June 30, 2020.

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

At June 30, 2020, the district reported a liability of \$30,311,397 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2018. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2019. The district's proportion of the net OPEB liability was based on the district's contributions to the HCTF for the calendar year 2019 relative to the total contributions of participating employers to the HCTF.

At December 31, 2019, the district's proportion was 2.69674835 percent, which was a decrease of 0.03966100 percent from its proportion measured as of December 31, 2018.

For the year ended June 30, 2020, the district recognized net negative OPEB expense of \$840,494. At June 30, 2020, 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	\$ 100,588	\$ 5,093,430
Changes of assumptions or other inputs	251,472	-
Net difference between projected and actual earnings on OPEB plan investments	-	505,937
Changes in proportion and differences between contributions recognized and proportionate share of contributions	293,388	443,860
Contributions subsequent to the measurement date	1,270,244	-
Total	<u>\$ 1,915,692</u>	<u>\$ 6,043,227</u>

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

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)

\$1,270,244 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, 2021. 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,

2021	\$ (1,080,749)
2022	(1,080,695)
2023	(934,208)
2024	(1,164,228)
2025	(1,073,360)
Thereafter	(64,539)

Actuarial assumptions - The total OPEB liability in the December 31, 2018 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	5.60 percent in 2019, gradually decreasing to 4.50 percent in 2029
Medicare Part A premiums	3.50 percent for 2019, gradually increasing to 4.50 percent in 2029

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, 2018, 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.

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

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 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 2019 for the PERA Benefit Structure:

Medicare Plan	<u>Cost for Members Without Medicare Part A</u>	<u>Premiums for Members Without Medicare Part A</u>
Medicare Advantage/Self-Insured Prescription	\$601	\$240
Kaiser Permanente Medicare Advantage HMO	605	237

The 2019 Medicare Part A premium is \$437 per month.

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	<u>Cost for Members Without Medicare Part A</u>
Medicare Advantage/Self-Insured Prescription	\$562
Kaiser Permanente Medicare Advantage HMO	571

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 industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2018, 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.

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

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)

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>
2019	5.60%	3.50%
2020	8.60%	3.50%
2021	7.30%	3.50%
2022	6.00%	3.75%
2023	5.70%	3.75%
2024	5.50%	3.75%
2025	5.30%	4.00%
2026	5.10%	4.00%
2027	4.90%	4.25%
2028	4.70%	4.25%
2029+	4.50%	4.50%

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.

Post-retirement non-disabled mortality assumptions for the State and Local Government Divisions were based on the RP-2014 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:

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

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)

- 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 morbidity assumptions were updated to reflect the assumed standard aging factors.
- 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.

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%	

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

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 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
Initial PERACare Medicare trend rate	4.60%	5.60%	6.60%
Ultimate PERACare Medicare trend	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	\$29,591,365	\$30,311,397	\$31,143,452

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, 2019, 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.
- 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.

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

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)

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	\$34,273,136	\$30,311,397	\$26,923,283

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.

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, 2020, 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, 2020, the district had construction commitments totaling approximately \$49.1 million, primarily for facility construction contracts to be funded with bond proceeds. Subsequent to June 30, 2020, the district entered into additional construction commitments of approximately \$1.4 million for the same purpose.

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

NOTE 11: COMMITMENTS AND CONTINGENCIES (Continued)

TABOR Amendment

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

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

The Amendment requires all governments to establish a reserve for emergencies, which is calculated as three percent of fiscal year spending. At June 30, 2020, \$11,482,316 was restricted to satisfy the reserve requirement.

NOTE 12: RESTATEMENT OF NET POSITION

For the year ended June 30, 2020, the district adopted the provisions of GASB Statement No. 84, *Fiduciary Activities*, effective for financial statements for periods beginning after December 15, 2018. GASB No. Statement 84 establishes improved guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

Implementation of GASB Statement No. 84 resulted in a restatement of the prior period net position as shown below.

	Governmental Activities	Private Purpose Trust Fund
Net Position, June 30, 2019, as Previously Reported	\$ (939,056,190)	\$ 1,401,564
Previously reported as agency fund - Student Groups	2,556,394	-
Previously reported as agency fund - School Groups	2,898,808	-
Previously reported as private purpose trust fund - Scholarship	43,658	(43,658)
Cumulative effect of GASB Statement No. 84 implementation	5,498,860	(43,658)
Net Position, June 30, 2019, as Restated	<u>\$ (933,557,330)</u>	<u>\$ 1,357,906</u>

Also as a result of the implementation of GASB Statement No. 84, the district reports a new custodial fund, representing the remaining activity previously reported in the School Groups agency fund. Net position of the custodial fund at June 30, 2019, as restated, is \$249,342. In addition, the impact to Governmental Activities is related to the creation of a new Student Activities special revenue fund, with a beginning fund balance of \$5,498,860, as described above.



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REQUIRED SUPPLEMENTARY INFORMATION

Boulder Valley School District RE-2

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Year Ended June 30, 2020

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL Positive (Negative)
REVENUES				
Property Taxes	\$ 259,693,270	\$ 257,652,707	\$ 258,349,790	\$ 697,083
Specific Ownership Taxes	17,712,312	18,212,312	17,127,553	(1,084,759)
Tuition and Fees	8,781,988	8,989,532	6,969,805	(2,019,727)
Other Local Revenue	6,409,649	5,961,819	6,533,323	571,504
State Equalization	60,434,383	60,657,848	60,679,348	21,500
Other State Revenue	9,601,982	17,282,081	16,723,142	(558,939)
Federal Grants	1,500,000	1,700,000	1,683,813	(16,187)
TOTAL REVENUES	<u>364,133,584</u>	<u>370,456,299</u>	<u>368,066,774</u>	<u>(2,389,525)</u>
EXPENDITURES				
Current				
Instruction - Regular Programs	201,543,096	207,667,504	193,392,521	14,274,983
Instruction - Special Programs	59,325,697	59,827,872	57,130,446	2,697,426
Student Support Services	16,050,685	18,706,510	17,353,866	1,352,644
Instructional Staff Services	16,154,340	17,038,355	14,844,150	2,194,205
General Administration	4,593,737	4,669,631	4,455,700	213,931
School Administration	24,608,572	25,305,094	25,148,642	156,452
Business Services	4,679,540	4,760,727	4,471,560	289,167
Operations and Maintenance	19,169,628	16,585,185	15,456,174	1,129,011
Central Support Services	11,623,645	14,940,999	14,744,639	196,360
Community Services	5,720,069	5,689,742	4,969,826	719,916
Emergency Reserves	10,018,241	10,266,992	-	10,266,992
Reserves	14,840,741	15,120,415	-	15,120,415
TOTAL EXPENDITURES	<u>388,327,991</u>	<u>400,579,026</u>	<u>351,967,524</u>	<u>48,611,502</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(24,194,407)</u>	<u>(30,122,727)</u>	<u>16,099,250</u>	<u>46,221,977</u>
OTHER FINANCING SOURCES (USES)				
Insurance Proceeds	50,000	50,000	196,945	146,945
Transfers Out	(9,404,494)	(13,871,036)	(12,789,389)	1,081,647
TOTAL OTHER FINANCING SOURCES (USES)	<u>(9,354,494)</u>	<u>(13,821,036)</u>	<u>(12,592,444)</u>	<u>1,228,592</u>
NET CHANGE IN FUND BALANCE	<u>(33,548,901)</u>	<u>(43,943,763)</u>	<u>3,506,806</u>	<u>47,450,569</u>
FUND BALANCE, Beginning	<u>39,428,587</u>	<u>50,551,503</u>	<u>50,551,503</u>	<u>-</u>
FUND BALANCE, Ending	<u>\$ 5,879,686</u>	<u>\$ 6,607,740</u>	<u>\$ 54,058,309</u>	<u>\$ 47,450,569</u>

Boulder Valley School District RE-2

BUDGETARY COMPARISON SCHEDULE

GRANTS FUND

Year Ended June 30, 2020

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Local Sources	\$ 9,131,613	\$ 5,118,448	\$ 531,799	\$ (4,586,649)
State Sources	1,792,314	4,040,605	3,018,117	(1,022,488)
Federal Sources	8,576,073	24,640,947	9,388,696	(15,252,251)
TOTAL REVENUES	19,500,000	33,800,000	12,938,612	(20,861,388)
EXPENDITURES				
Current				
Instruction and Supporting Services-Unallocated	19,500,000	20,123,373	-	20,123,373
Instruction - Regular Programs	-	2,465,921	1,848,908	617,013
Instruction - Special Programs	-	5,496,586	5,000,343	496,243
Student Support Services	-	2,353,281	2,349,130	4,151
Instructional Staff Services	-	2,088,808	1,806,568	282,240
School Administration	-	864,840	780,976	83,864
Business Services	-	61,840	58,453	3,387
Operations and Maintenance	-	-	624,572	(624,572)
Food Services Operations	-	-	146,815	(146,815)
Community Services	-	49,583	44,165	5,418
Adult Education	-	295,768	278,682	17,086
TOTAL EXPENDITURES	19,500,000	33,800,000	12,938,612	20,861,388
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE, Beginning	-	-	-	-
FUND BALANCE, Ending	\$ -	\$ -	\$ -	\$ -

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, 2020

As of December 31,	2019	2018	2017
Net Pension Liability			
District's proportion of the net pension liability	4.12638909%	4.20983020%	4.78284365%
District's proportionate share of the net pension liability	\$ 616,473,576	\$ 745,436,907	\$ 1,546,601,653
State's proportionate share of the net pension liability associated with the district**	78,191,832	101,928,144	-
Total	<u>\$ 694,665,408</u>	<u>\$ 847,365,051</u>	<u>\$ 1,546,601,653</u>
District's covered payroll	242,480,353	231,436,700	220,627,079
District's proportionate share of the net pension liability as a percentage of its covered payroll	254.24%	322.09%	701.00%
Plan fiduciary net position as a percentage of the total pension liability	64.52%	57.01%	43.96%
Net Other Post Employment Benefit (OPEB) Liability			
District's proportion of the net OPEB liability	2.69674835%	2.73640935%	2.71759543%
District's proportionate share of the net OPEB liability	30,311,397	37,229,999	35,317,870
District's covered payroll	242,480,353	231,436,700	220,627,079
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	12.50%	16.09%	16.01%
Plan fiduciary net pension as a percentage of the total OPEB liability	24.49%	17.03%	17.53%

* 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.

2016	2015	2014	2013
4.74682720%	4.71872892%	4.67428842%	4.61595307%
\$ 1,413,314,018	\$ 721,696,274	\$ 633,523,091	\$ 588,763,568
-	-	-	-
<u>\$ 1,413,314,018</u>	<u>\$ 721,696,274</u>	<u>\$ 633,523,091</u>	<u>\$ 588,763,568</u>
213,046,306	205,643,263	195,818,956	186,083,709
663.38%	350.95%	323.52%	316.40%
43.10%	59.20%	62.80%	64.06%
2.69815594%			
34,982,509			
213,046,306			
16.42%			
16.72%			

Boulder Valley School District RE-2
SCHEDULE OF THE CONTRIBUTIONS AND RELATED RATIOS
June 30, 2020

As of June 30,	2020	2019	2018
Defined Benefit Pension Plan			
Statutorily required contributions	\$ 47,656,317	\$ 45,436,835	\$ 42,710,516
Contributions in relation to the statutorily required contribution	<u>47,656,317</u>	<u>45,436,835</u>	<u>42,710,516</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	245,904,631	237,516,126	226,254,847
Contribution as a percentage of covered payroll	19.38%	19.13%	18.88%
Defined Benefit Other Post Employment Benefit Plan			
Statutorily required contributions	\$ 2,508,227	\$ 2,422,664	\$ 2,307,799
Contributions in relation to the statutorily required contribution	<u>2,508,227</u>	<u>2,422,664</u>	<u>2,307,799</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	245,904,631	237,516,126	226,254,847
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.

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 39,564,497	\$ 37,290,415	\$ 33,858,535	\$ 30,643,126
<u>39,564,497</u>	<u>37,290,415</u>	<u>33,858,535</u>	<u>30,643,126</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
215,258,416	210,323,829	200,583,738	191,759,237
18.38%	17.73%	16.88%	15.98%
\$ 2,195,636	\$ 2,145,303	\$ 2,045,954	\$ 1,955,944
<u>2,195,636</u>	<u>2,145,303</u>	<u>2,045,954</u>	<u>1,955,944</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
215,258,416	210,323,829	200,583,738	191,759,237
1.02%	1.02%	1.02%	1.02%

Boulder Valley School District RE-2
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2020

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, 2020

	GENERAL OPERATING	RISK MANAGEMENT	TECHNOLOGY
ASSETS			
Cash and Investments	\$ 69,020,210		\$ 2,188,251
Restricted Cash and Investments	107,371	-	-
Accounts Receivable	30,865	-	20,181
Taxes Receivable, Net	10,211,370	-	-
Due from Other Funds	1,770,101	-	-
Inventories	938,836	-	340,654
Prepaid Items	215,703	2,467,863	-
Deposits	-	-	-
TOTAL ASSETS	<u>\$ 82,294,456</u>	<u>\$ 2,467,863</u>	<u>\$ 2,549,086</u>
LIABILITIES			
Accounts Payable	\$ 2,126,379	\$ -	\$ -
Accrued Liabilities	13,295,596	-	-
Accrued Compensation and Benefits	16,741,372	-	-
Due to Other Funds	-	1,770,101	-
Unearned Revenues	171,858	-	-
TOTAL LIABILITIES	<u>32,335,205</u>	<u>1,770,101</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
Property Tax Revenue	2,241,455	-	-
FUND BALANCES			
Nonspendable	1,154,539	2,467,863	340,654
Restricted	10,174,005	138,514	59,784
Unassigned	36,389,252	(1,908,615)	2,148,648
TOTAL FUND BALANCES	<u>47,717,796</u>	<u>697,762</u>	<u>2,549,086</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 82,294,456</u>	<u>\$ 2,467,863</u>	<u>\$ 2,549,086</u>

ATHLETICS	COMMUNITY SCHOOLS	PRESCHOOL	TOTAL GENERAL FUND
\$ 60,961	\$ 2,683,194	\$ 461,191	\$ 74,413,807
-	-	-	107,371
-	7,800	-	58,846
-	-	-	10,211,370
-	-	-	1,770,101
-	-	-	1,279,490
-	-	-	2,683,566
33,332	12,917	-	46,249
<u>\$ 94,293</u>	<u>\$ 2,703,911</u>	<u>\$ 461,191</u>	<u>\$ 90,570,800</u>
\$ -	\$ -	\$ -	\$ 2,126,379
-	-	-	13,295,596
2,123	-	15,082	16,758,577
-	-	-	1,770,101
-	34,310	114,215	320,383
<u>2,123</u>	<u>34,310</u>	<u>129,297</u>	<u>34,271,036</u>
-	-	-	2,241,455
-	-	-	3,963,056
82,171	131,257	221,790	10,807,521
9,999	2,538,344	110,104	39,287,732
<u>92,170</u>	<u>2,669,601</u>	<u>331,894</u>	<u>54,058,309</u>
<u>\$ 94,293</u>	<u>\$ 2,703,911</u>	<u>\$ 461,191</u>	<u>\$ 90,570,800</u>

Boulder Valley School District RE-2
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GENERAL FUND
Year Ended June 30, 2020

	GENERAL OPERATING	RISK MANAGEMENT	TECHNOLOGY
REVENUES			
Local Sources	\$ 282,266,742	\$ 1,228	\$ 435,378
State Sources	77,396,012	-	-
Federal Sources	1,683,813	-	-
TOTAL REVENUES	361,346,567	1,228	435,378
EXPENDITURES			
Current			
Instruction - Regular Programs	187,670,109	-	1,092,938
Instruction - Special Programs	53,304,934	-	-
Student Support Services	16,465,416	-	-
Instructional Staff Services	13,753,545	-	235,406
General Administration	4,455,615	-	-
School Administration	24,964,448	-	-
Business Services	4,430,267	41,293	-
Operations and Maintenance	13,731,058	1,654,999	-
Central Support Services	11,128,665	3,171,377	444,597
Community Services	41,972	-	-
TOTAL EXPENDITURES	329,946,029	4,867,669	1,772,941
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	31,400,538	(4,866,441)	(1,337,563)
OTHER FINANCING SOURCES (USES)			
Insurance Proceeds	-	196,945	-
Transfers In	150,000	4,652,227	1,579,097
Transfers Out	(27,275,191)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(27,125,191)	4,849,172	1,579,097
NET CHANGE IN FUND BALANCES	4,275,347	(17,269)	241,534
FUND BALANCES, Beginning	43,442,449	715,031	2,307,552
FUND BALANCES, Ending	\$ 47,717,796	\$ 697,762	\$ 2,549,086

ATHLETICS	COMMUNITY SCHOOLS	PRESCHOOL	TOTAL GENERAL FUND
\$ 814,887	\$ 4,610,232	\$ 852,004	\$ 288,980,471
-	-	6,478	77,402,490
-	-	-	1,683,813
814,887	4,610,232	858,482	368,066,774
-	91,217	4,538,257	193,392,521
2,971,286	-	854,226	57,130,446
-	-	888,450	17,353,866
-	-	855,199	14,844,150
85	-	-	4,455,700
-	-	184,194	25,148,642
-	-	-	4,471,560
245	-	69,872	15,456,174
-	-	-	14,744,639
-	4,623,241	304,613	4,969,826
2,971,616	4,714,458	7,694,811	351,967,524
(2,156,729)	(104,226)	(6,836,329)	16,099,250
-	-	-	196,945
1,974,488	-	6,413,465	14,769,277
-	(235,000)	(48,475)	(27,558,666)
1,974,488	(235,000)	6,364,990	(12,592,444)
(182,241)	(339,226)	(471,339)	3,506,806
274,411	3,008,827	803,233	50,551,503
\$ 92,170	\$ 2,669,601	\$ 331,894	\$ 54,058,309



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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.

Student Activities Fund - This fund accounts for student activities and school fundraising activities throughout the district. The fund is required as the result of GASB Statement No. 84, *Fiduciary Activities*, effective fiscal year 2019-20.

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, 2020

	SPECIAL REVENUE			
	FOOD SERVICES	STUDENT ACTIVITIES	TRANS- PORTATION	OPERATIONS AND TECHNOLOGY
ASSETS				
Cash and Investments	\$ 107,206	\$ 6,014,289	\$ 1,495,875	\$ 21,464,267
Accounts Receivable	418,319	-	-	-
Taxes Receivable, Net	-	-	279,889	1,117,937
Inventories	269,709	-	-	-
TOTAL ASSETS	\$ 795,234	\$ 6,014,289	\$ 1,775,764	\$ 22,582,204
LIABILITIES				
Accounts and Retainage Payable	\$ -	\$ -	\$ -	\$ -
Accrued Liabilities	310,800	-	-	-
Accrued Compensation and Benefits	265,598	16,442	702,225	-
TOTAL LIABILITIES	576,398	16,442	702,225	-
DEFERRED INFLOWS OF RESOURCES				
Property Tax Revenue	-	-	62,799	244,818
FUND BALANCES				
Nonspendable	59,950	-	-	-
Restricted	158,886	174,746	505,370	22,337,386
Assigned	-	5,823,101	505,370	-
TOTAL FUND BALANCES	218,836	5,997,847	1,010,740	22,337,386
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 795,234	\$ 6,014,289	\$ 1,775,764	\$ 22,582,204

**CAPITAL
PROJECTS**

CAPITAL RESERVE	TOTAL
\$ 6,981,524	\$ 36,063,161
-	418,319
-	1,397,826
-	269,709
<u>\$ 6,981,524</u>	<u>\$ 38,149,015</u>
\$ 99,407	\$ 99,407
-	310,800
-	984,265
<u>99,407</u>	<u>1,394,472</u>
-	307,617
-	59,950
195,882	23,372,270
<u>6,686,235</u>	<u>13,014,706</u>
<u>6,882,117</u>	<u>36,446,926</u>
<u>\$ 6,981,524</u>	<u>\$ 38,149,015</u>

Boulder Valley School District RE-2
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2020

	SPECIAL REVENUE			
	FOOD SERVICES	STUDENT ACTIVITIES	TRANS- PORTATION	OPERATIONS AND TECHNOLOGY
REVENUES				
Local Sources	\$ 3,799,396	\$ 8,858,245	\$ 7,427,524	\$ 29,078,342
State Sources	92,361	-	3,301,355	-
Federal Sources	3,764,521	-	-	-
TOTAL REVENUES	7,656,278	8,858,245	10,728,879	29,078,342
EXPENDITURES				
Current				
Instruction - Special Programs	-	8,359,258	1,666,972	-
Operations and Maintenance	-	-	275,943	15,324,311
Student Transportation	-	-	14,161,805	-
Central Support Services	-	-	-	3,452,749
Food Services Operations	9,157,747	-	-	-
Capital Outlay	-	-	-	1,041,038
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
TOTAL EXPENDITURES	9,157,747	8,359,258	16,104,720	19,818,098
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,501,469)	498,987	(5,375,841)	9,260,244
OTHER FINANCING SOURCES				
Capital Lease Proceeds	-	-	-	-
Transfers In	1,542,667	-	5,328,251	-
TOTAL OTHER FINANCING SOURCES	1,542,667	-	5,328,251	-
NET CHANGE IN FUND BALANCE	41,198	498,987	(47,590)	9,260,244
FUND BALANCE, Beginning, as Restated (see Note 12)	177,638	5,498,860	1,058,330	13,077,142
FUND BALANCE, Ending	\$ 218,836	\$ 5,997,847	\$ 1,010,740	\$ 22,337,386

**CAPITAL
PROJECTS**

CAPITAL RESERVE	TOTAL
\$ 915,606	\$ 50,079,113
-	3,393,716
180,000	3,944,521
1,095,606	57,417,350
-	10,026,230
-	15,600,254
-	14,161,805
-	3,452,749
-	9,157,747
5,479,939	6,520,977
494,994	494,994
30,163	30,163
6,005,096	59,444,919
(4,909,490)	(2,027,569)
526,650	526,650
5,918,471	12,789,389
6,445,121	13,316,039
1,535,631	11,288,470
5,346,486	25,158,456
\$ 6,882,117	\$ 36,446,926

Boulder Valley School District RE-2

BUDGETARY COMPARISON SCHEDULE

FOOD SERVICES FUND

Year Ended June 30, 2020

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Regular School Lunch	\$ 3,243,904	\$ 3,275,307	\$ 2,552,604	\$ (722,703)
State Sources	107,147	103,002	92,361	(10,641)
Federal Reimbursements	3,304,699	3,190,535	3,764,521	573,986
Breakfast Revenue	158,324	166,521	130,556	(35,965)
A La Carte	314,500	352,759	281,714	(71,045)
Other	722,190	990,866	834,522	(156,344)
TOTAL REVENUES	<u>7,850,764</u>	<u>8,078,990</u>	<u>7,656,278</u>	<u>(422,712)</u>
EXPENDITURES				
Current				
Food Services Operations	9,236,847	9,555,764	9,157,747	398,017
Reserves	170,361	172,126	-	172,126
TOTAL EXPENDITURES	<u>9,407,208</u>	<u>9,727,890</u>	<u>9,157,747</u>	<u>570,143</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,556,444)</u>	<u>(1,648,900)</u>	<u>(1,501,469)</u>	<u>147,431</u>
OTHER FINANCING SOURCES				
Transfers In	1,382,362	1,471,262	1,542,667	71,405
NET CHANGE IN FUND BALANCE	<u>(174,082)</u>	<u>(177,638)</u>	<u>41,198</u>	<u>218,836</u>
FUND BALANCE, Beginning	<u>174,082</u>	<u>177,638</u>	<u>177,638</u>	<u>-</u>
FUND BALANCE, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 218,836</u>	<u>\$ 218,836</u>

Boulder Valley School District RE-2

BUDGETARY COMPARISON SCHEDULE

STUDENT ACTIVITIES FUND

Year Ended June 30, 2020

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Local Sources				
Board Approved Fees	\$ -	\$ 1,500,000	\$ 829,637	\$ (670,363)
Donations and Contributions	8,900,000	4,000,000	3,343,801	(656,199)
Other Local Revenue	5,600,000	6,500,000	4,684,807	(1,815,193)
TOTAL REVENUES	14,500,000	12,000,000	8,858,245	(3,141,755)
EXPENDITURES				
Current				
Instruction - Special Programs	14,450,000	11,600,000	8,359,258	3,240,742
Reserves	-	348,000	-	348,000
TOTAL EXPENDITURES	14,450,000	11,948,000	8,359,258	3,588,742
NET CHANGE IN FUND BALANCE	50,000	52,000	498,987	446,987
FUND BALANCE, Beginning, as Restated (see Note 12)	5,365,293	5,748,202	5,498,860	(249,342)
FUND BALANCE, Ending	\$ 5,415,293	\$ 5,800,202	\$ 5,997,847	\$ 197,645

Boulder Valley School District RE-2

BUDGETARY COMPARISON SCHEDULE

TRANSPORTATION FUND

Year Ended June 30, 2020

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Property Taxes	\$ 7,263,500	\$ 7,263,500	\$ 7,243,651	\$ (19,849)
State Transportation Reimbursement	3,313,235	3,294,435	3,301,355	6,920
Other Local Revenue	190,000	190,000	183,873	(6,127)
TOTAL REVENUES	10,766,735	10,747,935	10,728,879	(19,056)
EXPENDITURES				
Current				
Instruction - Special Programs	1,725,621	1,751,079	1,666,972	84,107
Operations and Maintenance	252,683	257,483	275,943	(18,460)
Student Transportation	14,651,446	14,837,088	14,161,805	675,283
Emergency Reserves	498,893	505,370	-	505,370
Reserves	498,893	505,370	-	505,370
TOTAL EXPENDITURES	17,627,536	17,856,390	16,104,720	1,751,670
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(6,860,801)	(7,108,455)	(5,375,841)	1,732,614
OTHER FINANCING SOURCES				
Transfers In	6,246,603	6,481,303	5,328,251	(1,153,052)
NET CHANGE IN FUND BALANCE	(614,198)	(627,152)	(47,590)	579,562
FUND BALANCE, Beginning	1,843,611	1,058,330	1,058,330	-
FUND BALANCE, Ending	\$ 1,229,413	\$ 431,178	\$ 1,010,740	\$ 579,562

Boulder Valley School District RE-2

BUDGETARY COMPARISON SCHEDULE OPERATIONS AND TECHNOLOGY FUND

Year Ended June 30, 2020

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Property Taxes	\$ 24,399,672	\$ 29,021,664	\$ 29,078,342	\$ 56,678
TOTAL REVENUES	24,399,672	29,021,664	29,078,342	56,678
EXPENDITURES				
Current				
Operations and Maintenance	12,204,870	15,324,311	15,324,311	-
Central Support Services	10,190,277	3,452,749	3,452,749	-
Capital Outlay	-	1,100,000	1,041,038	58,962
Reserves				
Emergency Reserves	731,990	870,650	-	870,650
Other Reserves	-	4,000,000	-	4,000,000
TOTAL EXPENDITURES	23,127,137	24,747,710	19,818,098	4,929,612
NET CHANGE IN FUND BALANCE	1,272,535	4,273,954	9,260,244	4,986,290
FUND BALANCE, Beginning	13,096,990	13,077,142	13,077,142	-
FUND BALANCE, Ending	\$ 14,369,525	\$ 17,351,096	\$ 22,337,386	\$ 4,986,290

Boulder Valley School District RE-2

BUDGETARY COMPARISON SCHEDULE

BOND REDEMPTION FUND

Year Ended June 30, 2020

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Property Taxes	\$ 55,530,000	\$ 56,884,386	\$ 57,149,014	\$ 264,628
Investment Earnings	350,000	600,000	683,685	83,685
TOTAL REVENUES	55,880,000	57,484,386	57,832,699	348,313
EXPENDITURES				
Fiscal Charges	10,000	10,000	1,900	8,100
Debt Service				
Principal	20,375,000	20,375,000	20,375,000	-
Interest	37,083,900	37,083,900	37,083,900	-
TOTAL EXPENDITURES	57,468,900	57,468,900	57,460,800	8,100
NET CHANGE IN FUND BALANCE	(1,588,900)	15,486	371,899	356,413
FUND BALANCE, Beginning	49,092,642	49,553,956	49,553,956	-
FUND BALANCE, Ending	\$ 47,503,742	\$ 49,569,442	\$ 49,925,855	\$ 356,413

Boulder Valley School District RE-2

BUDGETARY COMPARISON SCHEDULE

2014 BUILDING FUND

Year Ended June 30, 2020

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Local Sources				
Investment Earnings, Net	\$ 2,500,000	\$ 2,500,000	\$ 2,656,989	\$ 156,989
Capital Contribution	80,000	80,000	80,000	-
Other	-	100,000	621,010	521,010
Federal Sources	-	-	27,000	27,000
TOTAL REVENUES	<u>2,580,000</u>	<u>2,680,000</u>	<u>3,384,999</u>	<u>704,999</u>
EXPENDITURES				
Capital Outlay	<u>118,293,750</u>	<u>116,767,108</u>	<u>101,279,359</u>	<u>15,487,749</u>
TOTAL EXPENDITURES	<u>118,293,750</u>	<u>116,767,108</u>	<u>101,279,359</u>	<u>15,487,749</u>
NET CHANGE IN FUND BALANCE	(115,713,750)	(114,087,108)	(97,894,360)	16,192,748
FUND BALANCE, Beginning	<u>192,634,834</u>	<u>196,777,138</u>	<u>196,777,138</u>	<u>-</u>
FUND BALANCE, Ending	<u>\$ 76,921,084</u>	<u>\$ 82,690,030</u>	<u>\$ 98,882,778</u>	<u>\$ 16,192,748</u>

Boulder Valley School District RE-2

BUDGETARY COMPARISON SCHEDULE

CAPITAL RESERVE FUND

Year Ended June 30, 2020

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Local Sources	\$ 426,288	\$ 602,512	\$ 915,606	\$ 313,094
Federal Sources	-	-	180,000	180,000
TOTAL REVENUES	<u>426,288</u>	<u>602,512</u>	<u>1,095,606</u>	<u>493,094</u>
EXPENDITURES				
Capital Outlay				
Building Improvements	1,465,000	1,479,614	1,119,666	359,948
Operating Departments	2,061,184	1,691,674	1,353,582	338,092
School Projects	3,048,936	6,590,181	3,006,691	3,583,490
Debt Service				
Principal	501,595	501,595	494,994	6,601
Interest	24,561	24,561	30,163	(5,602)
Reserves	213,038	2,106,494	-	2,106,494
TOTAL EXPENDITURES	<u>7,314,314</u>	<u>12,394,119</u>	<u>6,005,096</u>	<u>6,389,023</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(6,888,026)	(11,791,607)	(4,909,490)	6,882,117
OTHER FINANCING SOURCES				
Capital Lease Proceeds	526,650	526,650	526,650	-
Transfers In	1,775,529	5,918,471	5,918,471	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>2,302,179</u>	<u>6,445,121</u>	<u>6,445,121</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(4,585,847)	(5,346,486)	1,535,631	6,882,117
FUND BALANCE, Beginning	<u>4,585,847</u>	<u>5,346,486</u>	<u>5,346,486</u>	<u>-</u>
FUND BALANCE, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,882,117</u>	<u>\$ 6,882,117</u>

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, 2020

	HEALTH INSURANCE FUND	DENTAL INSURANCE FUND	TOTAL
ASSETS			
Current			
Cash and Investments	\$ 7,647,992	\$ 1,306,397	\$ 8,954,389
TOTAL ASSETS	7,647,992	1,306,397	8,954,389
LIABILITIES			
Current			
Claims Payable	1,574,174	163,354	1,737,528
TOTAL LIABILITIES	1,574,174	163,354	1,737,528
NET POSITION			
Unrestricted	6,073,818	1,143,043	7,216,861
TOTAL NET POSITION	\$ 6,073,818	\$ 1,143,043	\$ 7,216,861

Boulder Valley School District RE-2
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
Year Ended June 30, 2020

	HEALTH INSURANCE FUND	DENTAL INSURANCE FUND	TOTAL
OPERATING REVENUES			
Premiums and Services	\$ 33,920,831	\$ 2,649,536	\$ 36,570,367
Other	737,015	11,915	748,930
TOTAL OPERATING REVENUES	<u>34,657,846</u>	<u>2,661,451</u>	<u>37,319,297</u>
OPERATING EXPENSES			
Personnel	405,203	58,205	463,408
Insurance Premiums and Claims	31,049,373	1,977,583	33,026,956
Administrative Fees	669,974	140,033	810,007
Other	1,336,465	7,800	1,344,265
TOTAL OPERATING EXPENSES	<u>33,461,015</u>	<u>2,183,621</u>	<u>35,644,636</u>
CHANGE IN NET POSITION	1,196,831	477,830	1,674,661
NET POSITION, Beginning	<u>4,876,987</u>	<u>665,213</u>	<u>5,542,200</u>
NET POSITION, Ending	<u><u>\$ 6,073,818</u></u>	<u><u>\$ 1,143,043</u></u>	<u><u>\$ 7,216,861</u></u>

Boulder Valley School District RE-2

COMBINING STATEMENT OF CASH FLOWS

INTERNAL SERVICE FUNDS

Year Ended June 30, 2020

	HEALTH INSURANCE FUND	DENTAL INSURANCE FUND	TOTAL
Cash Flows From Operating Activities			
Premiums Received and Other Receipts	\$ 34,657,846	\$ 2,661,451	\$ 37,319,297
Cash Payments for Premiums, Claims and Other Expenses	(33,228,145)	(2,127,093)	(35,355,238)
Cash Paid to Employees for Salaries and Benefits	(405,203)	(58,205)	(463,408)
Net Cash Provided (Used) by Operating Activities	1,024,498	476,153	1,500,651
Net Change in Cash and Cash Equivalents	1,024,498	476,153	1,500,651
CASH AND CASH EQUIVALENTS, Beginning	6,623,494	830,244	7,453,738
CASH AND CASH EQUIVALENTS, Ending	<u>\$ 7,647,992</u>	<u>\$ 1,306,397</u>	<u>\$ 8,954,389</u>
RECONCILIATION OF CHANGE IN NET POSITION TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Change in Net Position	\$ 1,196,831	\$ 477,830	\$ 1,674,661
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	(172,333)	(1,677)	(174,010)
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,024,498</u>	<u>\$ 476,153</u>	<u>\$ 1,500,651</u>

Boulder Valley School District RE-2

BUDGETARY COMPARISON SCHEDULE

HEALTH INSURANCE FUND

Year Ended June 30, 2020

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
OPERATING REVENUES				
Premiums and Services	\$ 32,872,875	\$ 33,131,879	\$ 33,920,831	\$ 788,952
Other	665,000	870,900	737,015	(133,885)
TOTAL OPERATING REVENUES	33,537,875	34,002,779	34,657,846	655,067
OPERATING EXPENSES				
Personnel	411,252	405,961	405,203	758
Insurance Premiums and Claims	31,158,171	31,258,171	31,049,373	208,798
Administrative Fees	555,000	600,000	669,974	(69,974)
Other	1,738,295	1,565,000	1,336,465	228,535
Reserves	3,905,350	5,050,634	-	5,050,634
TOTAL OPERATING EXPENSES	37,768,068	38,879,766	33,461,015	5,418,751
CHANGE IN NET POSITION	(4,230,193)	(4,876,987)	1,196,831	6,073,818
NET POSITION, Beginning	4,230,193	4,876,987	4,876,987	-
NET POSITION, Ending	\$ -	\$ -	\$ 6,073,818	\$ 6,073,818

Boulder Valley School District RE-2

BUDGETARY COMPARISON SCHEDULE

DENTAL INSURANCE FUND

Year Ended June 30, 2020

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
OPERATING REVENUES				
Premiums and Services	\$ 2,640,869	\$ 2,605,623	\$ 2,649,536	\$ 43,913
Other	13,000	14,000	11,915	(2,085)
TOTAL OPERATING REVENUES	<u>2,653,869</u>	<u>2,619,623</u>	<u>2,661,451</u>	<u>41,828</u>
OPERATING EXPENSES				
Personnel	59,223	58,297	58,205	92
Insurance Premiums and Claims	2,504,263	2,554,263	1,977,583	576,680
Administrative Fees	175,000	175,000	140,033	34,967
Other	22,000	22,000	7,800	14,200
Reserves	443,061	475,276	-	475,276
TOTAL OPERATING EXPENSES	<u>3,203,547</u>	<u>3,284,836</u>	<u>2,183,621</u>	<u>1,101,215</u>
CHANGE IN NET POSITION	(549,678)	(665,213)	477,830	1,143,043
NET POSITION, Beginning	<u>549,678</u>	<u>665,213</u>	<u>665,213</u>	<u>-</u>
NET POSITION, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,143,043</u>	<u>\$ 1,143,043</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, 2020

	SUMMIT	HORIZONS	BOULDER PREP
ASSETS			
Cash and Investments	\$ 2,617,503	\$ 1,910,067	\$ 786,379
Restricted Cash and Investments	-	-	-
Accounts Receivable	-	-	-
Prepaid Items and Other	19,069	4,778	-
Capital Assets, Not Being Depreciated	-	-	76,400
Capital Assets, Net of Accumulated Depreciation	129,785	205,937	511,458
TOTAL ASSETS	2,766,357	2,120,782	1,374,237
DEFERRED OUTFLOWS OF RESOURCES			
Loss on Debt Refunding, Net of Accumulated Amortization	-	-	-
Pension Related Items	616,318	1,116,800	195,041
OPEB Related Items	20,232	49,074	4,209
TOTAL DEFERRED OUTFLOWS OF RESOURCES	636,550	1,165,874	199,250
LIABILITIES			
Accounts Payable	24,262	688	4,106
Accrued Compensation and Benefits	193,754	244,966	5,469
Unearned Revenues	-	-	-
Accrued Interest Payable	-	-	-
Noncurrent Liabilities			
Due Within One Year	80,000	-	11,862
Due in More Than One Year	-	-	135,949
Net Pension Liability	4,837,287	6,125,081	1,599,375
Net OPEB Liability	237,845	301,164	78,640
TOTAL LIABILITIES	5,373,148	6,671,899	1,835,401
DEFERRED INFLOWS OF RESOURCES			
Pension Related Items	3,403,471	3,787,939	1,254,502
OPEB Related Items	50,211	57,302	23,387
TOTAL DEFERRED INFLOWS OF RESOURCES	3,453,682	3,845,241	1,277,889
NET POSITION			
Net Investment in Capital Assets	129,785	205,937	440,047
Restricted for Advanced Placement Testing	-	-	-
Restricted for Scholarships	-	-	20,520
Restricted for Debt Service	-	-	-
Restricted for Repair and Maintenance	-	-	-
Restricted for Operations and Technology	563,665	-	70,695
Restricted for Special Education	120,000	-	-
Restricted for Capital Renewal	-	72,312	19,603
Restricted for Emergencies	130,308	131,964	45,031
Restricted for Donations	21,245	-	-
Unrestricted	(6,388,926)	(7,640,697)	(2,135,699)
TOTAL NET POSITION	\$ (5,423,923)	\$ (7,230,484)	\$ (1,539,803)

JUSTICE HIGH	PEAK TO PEAK	TOTAL
\$ 617,628	\$ 7,623,555	\$ 13,555,132
-	4,189,983	4,189,983
-	39,046	39,046
24,000	51,391	99,238
-	3,243,348	3,319,748
7,005	23,247,856	24,102,041
<hr/> 648,633	<hr/> 38,395,179	<hr/> 45,305,188
-	2,662,664	2,662,664
633,877	2,700,782	5,262,818
25,724	94,352	193,591
<hr/> 659,601	<hr/> 5,457,798	<hr/> 8,119,073
526	368,171	397,753
-	992,407	1,436,596
-	31,264	31,264
-	266,456	266,456
-	712,795	804,657
-	15,102,430	15,238,379
1,557,164	21,114,738	35,233,645
76,564	1,038,141	1,732,354
<hr/> 1,634,254	<hr/> 39,626,402	<hr/> 55,141,104
1,080,447	14,502,272	24,028,631
17,044	211,148	359,092
<hr/> 1,097,491	<hr/> 14,713,420	<hr/> 24,387,723
7,005	13,221,085	14,003,859
-	10,469	10,469
-	1,462,380	1,482,900
-	2,197,296	2,197,296
-	211,891	211,891
118,846	535,007	1,288,213
-	-	120,000
-	-	91,915
41,417	584,467	933,187
-	-	21,245
(1,590,779)	(28,709,440)	(46,465,541)
<hr/> <u>\$ (1,423,511)</u>	<hr/> <u>\$ (10,486,845)</u>	<hr/> <u>\$ (26,104,566)</u>

Boulder Valley School District RE-2

COMBINING STATEMENT OF ACTIVITIES

COMPONENT UNITS

Year Ended June 30, 2020

	SUMMIT	HORIZONS	BOULDER PREP
EXPENSES			
Instruction	\$ 1,874,901	\$ 2,863,100	\$ 490,551
Supporting Services	1,292,752	1,194,604	294,435
Interest Expense	-	-	8,341
Component Unit	36,624	-	-
TOTAL EXPENSES	3,204,277	4,057,704	793,327
PROGRAM REVENUES			
Charges for Services	55,331	123,743	-
Operating Grants and Contributions	35,391	104,880	200,088
Capital Grants and Contributions	50,054	60,329	38,558
TOTAL PROGRAM REVENUES	140,776	288,952	238,646
NET EXPENSE (REVENUE)	(3,063,501)	(3,768,752)	(554,681)
GENERAL REVENUES			
Per Pupil Revenues	3,025,675	2,924,486	889,325
Mill Levy Override	1,178,766	1,178,883	344,699
At-Risk Supplemental Aid	-	-	-
Grants and Contributions Not Restricted to Specific Programs	94,549	89,617	51,976
Investment Earnings	965	-	3,177
Other	-	5,193	-
TOTAL GENERAL REVENUES	4,299,955	4,198,179	1,289,177
CHANGE IN NET POSITION	1,236,454	429,427	734,496
NET POSITION, Beginning	(6,660,377)	(7,659,911)	(2,274,299)
NET POSITION, Ending	\$ (5,423,923)	\$ (7,230,484)	\$ (1,539,803)

JUSTICE HIGH	PEAK TO PEAK	TOTAL
\$ 724,532	\$ 8,532,078	\$ 14,485,162
605,183	5,678,185	9,065,159
48,275	840,180	896,796
-	-	36,624
<u>1,377,990</u>	<u>15,050,443</u>	<u>24,483,741</u>
17,468	1,310,286	1,506,828
491,887	517,587	1,349,833
24,957	404,333	578,231
<u>534,312</u>	<u>2,232,206</u>	<u>3,434,892</u>
<u>(843,678)</u>	<u>(12,818,237)</u>	<u>(21,048,849)</u>
746,250	12,174,125	19,759,861
276,828	4,836,158	7,815,334
52,902	-	52,902
-	-	236,142
-	190,411	194,553
-	371,650	376,843
<u>1,075,980</u>	<u>17,572,344</u>	<u>28,435,635</u>
232,302	4,754,107	7,386,786
<u>(1,655,813)</u>	<u>(15,240,952)</u>	<u>(33,491,352)</u>
<u>\$ (1,423,511)</u>	<u>\$ (10,486,845)</u>	<u>\$ (26,104,566)</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	130 - 137
Revenue Capacity		
These tables contain information to help the reader assess the district's largest revenue source: property taxes.	5 - 8	138 - 145
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	146 - 150
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	151 - 153
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	154 - 167

Boulder Valley School District RE-2

NET POSITION BY COMPONENT

Last Ten Fiscal Years

(Unaudited)

	<u>June 30, 2011</u>	<u>June 30, 2012</u>	<u>June 30, 2013</u>	<u>June 30, 2014</u>
Governmental Activities				
Net Investment in Capital Assets	\$ 80,504,664	\$ 85,372,124	\$ 92,872,518	\$ 90,807,938
Restricted	33,808,972	33,189,140	33,197,541	33,435,619
Unrestricted	<u>32,745,041</u>	<u>29,790,356</u>	<u>24,175,800</u>	<u>19,764,725</u>
Total Governmental Activities	<u>147,058,677</u>	<u>148,351,620</u>	<u>150,245,859</u>	<u>144,008,282</u>
Business-Type Activities				
Net Investment in Capital Assets	221,203	175,072	147,140	171,320
Restricted	286,940	175,308	187,102	195,427
Unrestricted	<u>(322,254)</u>	<u>(175,072)</u>	<u>(147,140)</u>	<u>(165,560)</u>
Total Business-Type Activities	<u>185,889</u>	<u>175,308</u>	<u>187,102</u>	<u>201,187</u>
Primary Government				
Net Investment in Capital Assets	80,725,867	85,547,196	93,019,658	90,979,258
Restricted	34,095,912	33,364,448	33,384,643	33,631,046
Unrestricted	<u>32,422,787</u>	<u>31,503,876</u>	<u>24,028,660</u>	<u>19,599,165</u>
Total Primary Government	<u>\$ 147,244,566</u>	<u>\$ 150,415,520</u>	<u>\$ 150,432,961</u>	<u>\$ 144,209,469</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.

The district adopted GASB No. 84 in fiscal year 2020, which established standards of accounting and financial reporting for fiduciary activities as of July 1, 2019. The district recognized the Agency Fund (previously reported as a fiduciary activity) as a Special Revenue fund and Governmental Activity as of July 1, 2019.

Table 1

<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>	<u>June 30, 2020</u>
\$ 87,284,393	\$ 91,385,753	\$ 82,055,045	\$ 80,455,577	\$ 71,034,168	\$ 64,579,095
40,973,413	48,249,915	57,188,290	59,406,001	72,906,958	81,931,593
<u>(573,818,207)</u>	<u>(619,368,387)</u>	<u>(847,337,304)</u>	<u>(1,160,729,492)</u>	<u>(1,082,997,316)</u>	<u>(960,166,065)</u>
(445,560,401)	(479,732,719)	(708,093,969)	(1,020,867,914)	(939,056,190)	(813,655,377)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
87,284,393	91,385,753	82,055,045	80,455,577	71,034,168	64,579,095
40,973,413	48,249,915	57,188,290	59,406,001	72,906,958	81,931,593
<u>(573,818,207)</u>	<u>(619,368,387)</u>	<u>(847,337,304)</u>	<u>(1,160,729,492)</u>	<u>(1,082,997,316)</u>	<u>(960,166,065)</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>	<u>\$ (813,655,377)</u>

Boulder Valley School District RE-2

CHANGES IN NET POSITION

Last Ten Fiscal Years

(Unaudited)

	<u>June 30, 2011</u>	<u>June 30, 2012</u>	<u>June 30, 2013</u>	<u>June 30, 2014</u>
Primary Government				
Expenses				
Governmental Activities				
Instruction	\$ 188,306,226	\$ 200,020,904	\$ 205,026,722	\$ 214,083,289
Supporting Services	102,051,046	103,678,052	98,720,151	114,982,286
Interest Expense	16,456,075	15,993,118	15,258,134	14,685,794
Total Governmental Activities	<u>306,813,347</u>	<u>319,692,074</u>	<u>319,005,007</u>	<u>343,751,369</u>
Business-Type Activities				
Food Services	5,735,910	5,946,779	6,350,628	6,939,928
Total Business-Type Activities	<u>5,735,910</u>	<u>5,946,779</u>	<u>6,350,628</u>	<u>6,939,928</u>
Total Primary Government Expenses	312,549,257	325,638,853	325,355,635	350,691,297
Program Revenues				
Governmental Activities				
Charges for Services				
Instruction	1,049,174	1,253,365	1,262,543	7,229,664
Supporting Services	10,931,866	11,245,296	11,851,986	6,857,643
Operating Grants and Contributions	25,719,981	23,819,210	22,481,256	22,613,126
Capital Grants and Contributions	386,381	6,531,809	2,708,752	-
Total Governmental Activities	<u>38,087,402</u>	<u>42,849,680</u>	<u>38,304,537</u>	<u>36,700,433</u>
Business-Type Activities				
Charges for Services				
Food Services	2,545,086	2,823,846	3,062,748	3,352,443
Operating Grants and Contributions	2,486,869	2,713,851	2,846,872	3,049,864
Total Business-Type Activities	<u>5,031,955</u>	<u>5,537,697</u>	<u>5,909,620</u>	<u>6,402,307</u>
Total Primary Government Program Revenues	43,119,357	48,387,377	44,214,157	43,102,740
Net (Expense) Revenue				
Governmental Activities	(268,725,945)	(276,842,394)	(280,700,470)	(307,050,936)
Business-Type Activities	<u>(703,955)</u>	<u>(409,082)</u>	<u>(441,008)</u>	<u>(537,621)</u>
Total Primary Government Net (Expense)	(269,429,900)	(277,251,476)	(281,141,478)	(307,588,557)
General Revenues and Transfers				
Governmental Activities				
Local Property Taxes	212,383,487	211,385,970	214,017,080	221,192,341
Specific Ownership Taxes	9,404,630	9,836,876	10,466,659	11,583,505
State Equalization	53,462,090	56,488,225	57,695,380	61,203,456
State Fiscal Stabilization Fund	7,628,224	180,742	-	33,500
Investment Earnings	444,720	126,883	85,715	38,554
Insurance Proceeds	-	-	-	4,920,401
Other Revenues	1,266,488	1,989,913	782,677	2,393,308
Transfers	<u>(1,254,000)</u>	<u>(398,501)</u>	<u>(452,802)</u>	<u>(405,017)</u>
Total Governmental Activities	<u>283,335,639</u>	<u>279,610,108</u>	<u>282,594,709</u>	<u>300,960,048</u>
Business-Type Activities				
Transfers	<u>1,254,000</u>	<u>398,501</u>	<u>452,802</u>	<u>405,017</u>
Total Primary Government Revenues and Transfers	284,589,639	280,008,609	283,047,511	301,365,065
Change in Net Position				
Governmental Activities	14,609,694	2,767,714	1,894,239	(6,237,577)
Business-type Activities	550,045	(10,581)	11,794	14,085
Total Primary Government	<u>\$ 15,159,739</u>	<u>\$ 2,757,133</u>	<u>\$ 1,906,033</u>	<u>\$ (6,223,492)</u>

Table 2

June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
\$ 240,165,692	\$ 254,328,181	\$ 399,988,960	\$ 438,306,597	\$ 220,754,222	\$ 218,585,208
131,540,473	150,229,150	218,805,843	254,949,972	133,392,310	122,392,951
16,003,560	24,306,236	24,858,328	29,659,313	28,529,107	30,714,847
387,709,725	428,863,567	643,653,131	722,915,882	382,675,639	371,693,006
-	-	-	-	-	-
-	-	-	-	-	-
387,709,725	428,863,567	643,653,131	722,915,882	382,675,639	371,693,006
7,938,683	8,770,592	9,659,350	9,814,764	9,822,913	6,723,372
10,918,529	10,133,111	10,396,622	10,848,347	11,385,795	9,559,246
28,672,251	29,408,532	30,155,120	29,388,223	30,789,525	38,104,800
110,791	1,600,806	506,287	2,948,183	1,748,840	1,028,190
47,640,254	49,913,041	50,717,379	52,999,517	53,747,073	55,415,608
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
47,640,254	49,913,041	50,717,379	52,999,517	53,747,073	55,415,608
(340,069,471)	(378,950,526)	(592,935,752)	(669,916,365)	(328,928,566)	(316,277,398)
-	-	-	-	-	-
(340,069,471)	(378,950,526)	(592,935,752)	(669,916,365)	(328,928,566)	(316,277,398)
232,169,602	266,761,506	282,063,169	316,510,576	323,013,456	351,984,077
12,575,734	13,604,213	14,797,314	17,466,367	17,900,304	17,127,553
73,935,111	61,227,625	63,768,538	51,061,211	63,459,349	60,679,348
209,216	85,070	46,781	61,089	32,621	22,909
68,996	1,556,533	1,876,868	4,203,604	5,201,707	4,082,275
336,130	222,511	-	-	-	-
1,332,941	1,320,750	2,021,832	1,684,296	1,132,853	2,283,189
-	-	-	-	-	-
320,627,730	344,778,208	364,574,502	390,987,143	410,740,290	436,179,351
-	-	-	-	-	-
320,627,730	344,778,208	364,574,502	390,987,143	410,740,290	436,179,351
(19,441,741)	(34,172,318)	(228,361,250)	(278,929,222)	81,811,724	119,901,953
-	-	-	-	-	-
<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>	<u>\$ 119,901,953</u>

Boulder Valley School District RE-2

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(Unaudited)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General Fund				
Nonspendable	\$ 373,499	\$ 375,768	\$ 679,078	\$ 956,496
Restricted	8,446,994	8,837,606	8,835,965	9,041,519
Committed	3,579,393	2,471,900	2,636,718	-
Assigned	10,785,148	-	-	-
Unassigned	7,440,288	16,123,842	16,180,855	17,572,988
Subtotal	<u>30,625,322</u>	<u>27,809,116</u>	<u>28,332,616</u>	<u>27,571,003</u>
Other Governmental Funds				
Nonspendable	-	-	-	-
Restricted	24,974,541	30,816,441	27,945,863	26,592,260
Assigned	46,778,607	6,702,180	2,123,646	1,038,977
Unassigned	(100,540)	-	-	-
Subtotal	<u>71,652,608</u>	<u>37,518,621</u>	<u>30,069,509</u>	<u>27,631,237</u>
Total Governmental Funds	<u>\$ 102,277,930</u>	<u>\$ 65,327,737</u>	<u>\$ 58,402,125</u>	<u>\$ 55,202,240</u>

Table 3

2015	2016	2017	2018	2019	2020
\$ 882,881	\$ 1,920,756	\$ 2,042,985	\$ 1,936,864	\$ 2,071,525	\$ 3,963,056
9,655,786	10,682,635	10,892,320	11,215,448	11,590,529	10,807,521
-	-	-	-	-	-
-	-	-	-	-	-
20,431,108	21,677,259	28,592,965	34,546,013	36,889,449	39,287,732
30,969,775	34,280,650	41,528,270	47,698,325	50,551,503	54,058,309
306,280	43,681	47,131	44,218	43,556	59,950
311,325,855	253,033,408	329,987,244	199,630,497	260,384,873	172,180,903
1,480,990	817,791	1,424,727	3,321,793	5,562,261	13,014,706
(306,280)	-	-	-	-	-
312,806,845	253,894,880	331,459,102	202,996,508	265,990,690	185,255,559
\$ 343,776,620	\$ 288,175,530	\$ 372,987,372	\$ 250,694,833	\$ 316,542,193	\$ 239,313,868

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

	(Unaudited)			
	2011	2012	2013	2014
Revenues				
Local Sources				
Current Property Taxes	\$ 212,537,152	\$ 211,543,619	\$ 213,298,330	\$ 222,469,147
Specific Ownership Taxes	9,404,630	9,836,876	10,466,659	11,583,505
Grants	643,019	523,146	554,519	639,331
Tuition and Fees	6,068,801	6,543,035	8,390,490	9,649,790
Interest	444,720	126,883	85,715	38,554
Food Service Revenue	-	-	-	-
Miscellaneous	7,565,108	10,457,358	5,581,447	6,830,825
State Sources				
Equalization	53,462,090	56,488,225	57,695,380	61,203,456
Special Education	4,300,112	4,695,420	4,835,600	5,397,619
State Fiscal Stabilization Fund	2,116,382	-	-	-
Transportation	2,730,405	2,915,419	3,172,498	3,205,307
Career and Technical Education	1,059,030	907,589	1,185,965	1,014,120
Grants	830,508	574,109	314,708	474,378
Miscellaneous	776,173	766,433	798,632	874,855
Federal Sources				
Grants	22,314,753	13,617,836	11,618,553	11,041,016
Food Service Reimbursements	-	-	-	-
Total Revenues	324,252,883	318,995,948	317,998,496	334,421,903
Expenditures				
Regular Instruction	129,694,776	134,540,220	138,803,749	147,962,035
Special Instruction	48,672,908	48,722,631	48,355,374	51,208,372
Instructional Support				
Student Services	7,821,093	10,695,514	11,059,003	12,240,626
Instructional Staff Support	11,839,653	11,754,232	11,261,483	12,512,844
School Administration and Operations				
School Administration	18,178,756	19,037,915	19,527,725	20,442,615
Operations and Maintenance	20,406,434	20,261,982	21,315,547	22,312,345
Student Transportation	10,954,306	11,874,817	11,255,337	12,030,563
District Wide/Community Services				
General Administration	2,783,571	2,916,898	3,014,889	3,030,421
Business Services	2,593,077	2,742,194	3,098,198	3,773,977
Central Services	10,299,898	12,044,255	11,505,688	17,696,836
Food Services Operations	90,810	52,735	141,375	3,053
Community Services	5,215,466	5,056,489	5,019,007	5,478,236
Debt Service				
Principal	11,570,000	14,890,000	12,250,000	12,790,000
Interest and Fiscal Charges	17,075,900	16,615,268	15,882,292	15,312,930
Issuance Costs	-	-	-	-
Capital Outlay	66,234,748	45,481,450	12,291,962	5,195,630
Total Expenditures	363,431,396	356,686,600	324,781,629	341,990,483
Other Financing Sources (Uses)				
Proceeds from Disposal of Capital Assets	-	1,138,960	-	-
Insurance Proceeds	-	-	310,323	4,773,712
Capital Lease Issuance	-	-	-	-
Transfers In	12,051,538	8,098,037	6,072,727	5,038,558
Transfers Out	(15,305,538)	(8,496,538)	(6,525,529)	(5,443,575)
Bonds Issued	-	-	-	-
Bond Premium	-	-	-	-
Payment to Escrow Agent	-	-	-	-
Total Other Financing Sources (Uses)	(3,254,000)	740,459	(142,479)	4,368,695
Net Change in Fund Balances	(42,432,513)	(36,950,193)	(6,925,612)	(3,199,885)
Fund Balance, Beginning	144,710,443	102,277,930	65,327,737	58,402,125
Fund Balance, Ending	<u>\$ 102,277,930</u>	<u>\$ 65,327,737</u>	<u>\$ 58,402,125</u>	<u>\$ 55,202,240</u>
Debt Service as a Percentage of Noncapital Expenditures	9.30%	9.97%	9.11%	8.27%

Table 4

2015	2016	2017	2018	2019	2020
\$ 232,737,396	\$ 265,538,822	\$ 282,661,800	\$ 316,788,318	\$ 322,086,335	\$ 351,820,797
12,575,734	13,604,213	14,797,314	17,466,367	17,900,304	17,127,553
760,001	906,614	475,839	532,949	488,585	893,594
10,393,455	11,203,532	12,244,933	12,463,420	12,659,649	8,370,453
68,996	1,556,533	1,876,868	4,203,604	5,201,707	4,082,275
3,902,609	3,916,335	4,078,093	4,303,249	4,311,696	3,587,662
6,020,558	6,891,706	6,312,380	6,300,670	7,873,148	14,899,747
73,935,111	61,227,625	63,768,538	51,061,211	63,459,349	60,679,348
5,402,497	5,635,253	5,637,318	5,954,555	6,224,256	7,381,966
-	-	-	-	-	-
3,261,096	3,373,313	3,435,924	3,456,332	3,363,466	3,301,356
1,193,205	1,036,753	1,318,335	1,218,600	1,276,597	1,187,682
1,193,149	1,350,313	2,094,887	2,420,509	2,677,983	3,018,117
2,124,898	2,682,316	2,480,955	2,061,492	8,042,819	8,245,854
11,462,839	10,923,247	11,148,542	10,506,954	10,950,452	11,279,509
3,308,404	3,399,479	3,449,718	3,364,608	3,250,399	3,764,521
368,339,948	393,246,054	415,781,444	442,102,838	469,766,745	499,640,434
153,657,447	161,240,464	165,136,756	174,569,011	186,671,782	195,241,429
54,275,508	55,598,390	56,177,077	59,345,228	60,697,979	72,157,019
12,726,343	12,988,596	13,641,261	15,984,302	18,103,317	19,702,996
13,551,009	13,673,608	15,052,235	15,467,009	15,894,288	16,650,718
21,750,812	22,490,479	23,395,287	24,135,687	24,530,158	25,929,618
22,950,430	23,362,058	24,429,867	27,232,358	27,609,710	31,682,900
12,210,790	13,076,272	13,064,692	13,539,572	13,957,693	14,161,805
3,562,599	3,830,105	4,537,316	4,355,610	4,385,953	4,455,700
3,892,155	4,063,248	4,179,456	4,412,421	4,463,748	4,530,013
13,467,695	14,377,750	15,952,518	15,815,301	19,959,179	18,197,388
7,821,082	8,324,680	8,353,744	8,645,754	9,002,173	9,304,562
5,969,646	6,388,203	6,466,584	6,924,930	7,421,006	5,292,673
13,370,000	14,001,432	19,648,553	22,684,533	18,808,258	20,869,994
14,709,074	26,949,772	23,265,293	35,154,085	31,430,248	37,114,063
913,732	-	988,286	-	1,898,279	-
6,275,843	69,822,398	158,383,576	136,346,885	118,661,250	107,800,336
361,104,165	450,187,455	552,672,501	564,612,686	563,495,021	583,091,214
-	-	-	-	1,177,500	-
495,830	222,511	109,068	217,309	92,367	196,945
-	1,117,800	1,855,550	-	-	526,650
6,086,810	6,334,746	6,849,695	9,248,563	11,306,680	12,789,389
(6,086,810)	(6,334,746)	(6,849,695)	(9,248,563)	(11,306,680)	(12,789,389)
250,000,000	-	283,740,000	-	299,265,000	-
30,812,900	-	36,995,651	-	34,418,709	-
-	-	(100,997,370)	-	(175,377,940)	-
281,308,730	1,340,311	221,702,899	217,309	159,575,636	723,595
288,544,513	(55,601,090)	84,811,842	(122,292,539)	65,847,360	(82,727,185)
55,232,107	343,776,620	288,175,530	372,987,372	250,694,833	322,041,053
\$ 343,776,620	\$ 288,175,530	\$ 372,987,372	\$ 250,694,833	\$ 316,542,193	\$ 239,313,868
7.84%	10.69%	10.76%	13.16%	11.01%	11.98%

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 Direct Tax Rate*
	Residential Property	Commercial Property	All Other**	Total	
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
2020	3,891,043,240	2,595,677,059	847,909,865	7,334,630,164	48.359

* 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
38,538,770,816	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%
67,882,694,919	9.2551	7.15%	29.00%



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

Table 6

(Unaudited)

Levy Year	Collection Year	Total Tax Levy	Current Tax Collections	Percent of Current Tax Collected	Delinquent Tax Collections	Total Collections	
						Amount	Percent of Levy
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%
2019	2020	354,695,380	348,098,247	98.14%	261,671	348,359,918	98.21%

Note: Collections through July 31, except for the 2019 levy year, for which collections are through August 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)

	2011	2012	2013	2014
Boulder Valley School District RE-2				
General Fund				
School Finance Act (*)	25.023	25.023	25.023	25.023
Budget Election	11.338	12.096	12.620	12.576
Abatements and Refunds	0.186	0.181	0.354	0.492
Subtotal General Fund	36.547	37.300	37.997	38.091
Operations and Technology Fund (**)	-	-	-	-
Transportation Fund	1.500	1.544	1.543	1.489
Bond Redemption Fund	5.791	5.999	6.007	5.792
Total Boulder Valley School District RE-2	43.838	44.843	45.547	45.372
Boulder County	24.645	24.645	24.645	25.120
Cities and Towns				
Boulder	10.818	11.981	11.981	11.981
Broomfield	28.968	28.968	28.968	28.968
Lafayette	14.334	14.387	14.379	14.368
Louisville	6.710	6.710	6.710	6.710
Jamestown	21.000	21.000	18.500	18.500
Nederland	15.156	16.527	16.917	17.274
Superior	9.480	9.480	9.430	9.430
Ward	3.399	3.700	3.800	3.800
	109.865	112.753	110.685	111.031
Special Districts (Ranges)	.523 to 80.420	.566 to 78.265	.599 to 80.965	.608 to 76.663
Fire Districts (Ranges)	2.500 to 15.130	2.500 to 15.454	2.500 to 17.445	2.500 to 18.445
Water/Sanitation Districts (Ranges)	.184 to 17.545	.184 to 17.746	.184 to 17.743	.184 to 18.506

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

2015	2016	2017	2018	2019	2020
25.023	25.023	25.023	25.023	25.023	25.023
13.012	11.348	11.473	10.416	10.722	10.107
0.526	0.311	0.513	0.440	0.264	0.379
38.561	36.682	37.009	35.879	36.009	35.509
-	-	1.709	2.709	3.709	4.000
1.482	1.247	1.248	1.097	1.099	0.995
7.526	7.885	8.995	8.095	8.150	7.855
47.569	45.814	48.961	47.780	48.967	48.359
24.794	22.624	24.064	22.726	24.026	23.473
11.981	11.981	11.981	11.981	11.981	11.981
28.968	28.968	28.968	28.968	28.968	28.968
16.331	16.039	17.228	16.879	16.572	16.399
6.710	6.710	6.710	8.869	7.934	7.934
18.500	25.200	25.200	25.200	23.500	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
4.325	3.700	3.855	3.866	3.866	3.866
113.519	119.302	120.646	122.467	119.525	119.352
.632 to 73.479	.553 to 39.196	.559 to 39.196	.500 to 47.695	.726 to 32.192	.900 to 32.192
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	2.500 to 20.445
.184 to 25.374	.156 to 22.446	.156 to 23.429	.156 to 18.029	.156 to 19.093	.156 to 17.754



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Boulder Valley School District RE-2

Table 8

PRINCIPAL PROPERTY TAXPAYERS Current Year and Nine Years Ago

(Unaudited)

Taxpayer	2020			2011		
	Rank	Assessed Valuation	Percentage of Total Assessed Valuation	Rank	Assessed Valuation	Percentage of Total Assessed Valuation
Public Service Co of Colorado	1	98,788,442	1.35%	1	55,638,190	1.14%
Flatiron Property Holding LLC	2	52,107,080	0.71%			
Oracle America Inc	3	50,208,910	0.68%	2	48,459,960	1.00%
GPIF Flatiron Business Park LLC	4	44,886,509	0.61%			
IBM Corporation	5	36,895,892	0.50%	10	14,496,680	0.30%
Ball Corporation	6	35,536,379	0.48%	9	15,312,750	0.31%
Charlotte Ball Seymour Childrens Trust	7	30,981,616	0.42%			
Centurylink Communications Co LLC (formerly Level 3)	8	26,303,836	0.36%	5	28,180,320	0.58%
Ten Eleven Pearl LLC	9	24,574,093	0.34%			
Western Office Portfolio Property Owner LLC	10	24,363,480	0.33%			
Flatiron Holding LLC				3	45,240,320	0.93%
Qwest Corporation				4	33,506,100	0.69%
Macerich Twenty ninth Street LLC				6	25,850,260	0.53%
Roche Colorado Corporation				7	20,027,920	0.41%
BJJFH LLC				8	16,486,980	0.34%
Subtotal		424,646,237	5.78%		303,199,480	6.23%
Remaining Assessed Valuation		6,909,983,927	94.22%		4,562,264,617	93.77%
Total Assessed Valuation		<u>\$ 7,334,630,164</u>	<u>100.00%</u>		<u>\$ 4,865,464,097</u>	<u>100.00%</u>

Source: Boulder County and Broomfield County Assessors' Office

Boulder Valley School District RE-2

Table 9

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

Fiscal Year	General Obligation Bonds*	Certificates of Participation	Capital Leases	Total Primary Government	Percentage of Personal Income**	Debt Per Capita**
2011	380,235,881	3,145,000	-	383,380,881	2.46%	1,277
2012	367,912,681	-	-	367,912,681	2.22%	1,205
2013	356,354,757	-	-	356,354,757	2.06%	1,149
2014	342,645,466	-	-	342,645,466	1.85%	1,094
2015	609,200,710	-	-	609,200,710	3.17%	1,910
2016	593,639,485	-	951,368	594,590,853	2.90%	1,845
2017	792,965,939	-	2,383,365	795,349,304	3.63%	2,460
2018	767,165,404	-	1,963,832	769,129,236	3.31%	2,362
2019	903,617,339	-	1,550,574	905,167,913	3.68%	2,781
2020	876,897,161	-	1,582,230	878,479,391	3.37%	2,654

* 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**
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	1,128
2013	356,354,757	23,655,325	332,699,432	0.832437238	1,073
2014	342,645,466	23,855,100	318,790,366	0.775817538	1,018
2015	609,200,710	30,679,879	578,520,831	1.397002231	1,814
2016	593,639,485	36,914,447	556,725,038	1.130484683	1,728
2017	792,965,939	43,885,243	749,080,696	1.510003600	2,317
2018	767,165,404	42,712,366	724,453,038	1.196947065	2,225
2019	812,260,000	47,072,101	765,187,899	1.257442671	2,351
2020	791,885,000	47,506,984	744,378,016	1.096565210	2,249

* 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>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Debt Limit	\$ 973,092,819	\$ 945,587,693	\$ 946,419,725	\$ 980,614,194	\$ 985,403,508
Debt Applicable To Limit	<u>374,280,000</u>	<u>362,535,000</u>	<u>350,285,000</u>	<u>337,495,000</u>	<u>574,125,000</u>
Legal Debt Margin	<u>\$ 598,812,819</u>	<u>\$ 583,052,693</u>	<u>\$ 596,134,725</u>	<u>\$ 643,119,194</u>	<u>\$ 411,278,508</u>
Total Debt Applicable As A Percentage Of Debt Limit	38.46%	38.34%	37.01%	34.42%	58.26%

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

\$ 7,334,630,164

20.00%

1,466,926,033

791,885,000

\$ 675,041,033

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$ 1,170,473,434	\$ 1,169,950,304	\$ 1,331,421,688	\$ 1,328,990,721	\$ 1,466,926,033
<u>560,290,000</u>	<u>725,835,000</u>	<u>703,570,000</u>	<u>812,260,000</u>	<u>791,885,000</u>
<u>\$ 610,183,434</u>	<u>\$ 444,115,304</u>	<u>\$ 627,851,688</u>	<u>\$ 516,730,721</u>	<u>\$ 675,041,033</u>
47.87%	62.04%	52.84%	61.12%	53.98%

Boulder Valley School District RE-2
COMPUTATION OF DIRECT AND OVERLAPPING GENERAL OBLIGATION DEBT
June 30, 2020

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	3,115,000	100.00%	3,115,000
City of Boulder	10,995,000	100.00%	10,995,000
City of Lafayette	5,810,000	100.00%	5,810,000
City of Louisville	25,870,000	100.00%	25,870,000
Colorado Tech Center			
Metropolitan District	6,951,258	100.00%	6,951,258
East Boulder County Water District	175,000	100.00%	175,000
Interlocken Consolidated Metropolitan			
District	67,235,000	100.00%	67,235,000
Lafayette Corp Campus General			
Improvement District	1,855,000	100.00%	1,855,000
Lafayette Tech Center General			
Improvement District	1,615,000	100.00%	1,615,000
Nederland Community Library District	1,488,600	100.00%	1,488,600
North Metro Fire Rescue District	13,720,000	20.88%	2,864,736
Northern Colorado Water Conservancy District	3,053,230	28.45%	868,644
Pine Brook Water District	3,123,969	100.00%	3,123,969
Rocky Mountain Fire	5,690,000	100.00%	5,690,000
Sugar Loaf Fire Protection District	82,841	100.00%	82,841
Superior/McCaslin Interchange District	1,605,000	100.00%	1,605,000
Town of Erie	14,000,000	1.96%	274,400
Town of Nederland	330,000	100.00%	330,000
Town of Superior	2,220,000	100.00%	2,220,000
Subtotal Overlapping Debt			142,169,448
School District Direct Debt (1)			878,479,391
Total Direct and Overlapping Debt			<u>\$ 1,020,648,839</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, 2020
- (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)
2011	300,237	15,564	51,764	28,148.8	6.500%
2012	305,316	16,604	54,341	28,317.5	6.200%
2013	310,053	17,308	55,705	28,538.3	6.100%
2014	313,087	18,492	58,917	28,959.2	5.200%
2015	318,933	19,233	60,220	29,398.3	3.500%
2016	322,201	20,528	63,707	29,702.0	2.900%
2017	323,367	21,940	68,027	29,673.2	2.000%
2018	325,637	23,233	71,206	29,822.3	2.700%
2019	325,508	24,603	74,533	29,766.0	2.600%
2020	330,978	26,054	78,016	30,302.0	9.600%

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	2020			2011		
	Rank	Number of Employees	Percentage of Total County Employment	Rank	Number of Employees	Percentage of Total County Employment
SCL Health - Good Samaritan Comprehensive Cancer Center and Good Samaritan Medical Center	1	8,100	3.46%			
University of Colorado	2	6,463	2.76%	1	6,827	3.35%
St. Vrain Valley School District	3	4,661	1.99%	5	3,238	1.59%
Boulder Valley School District	4	4,000	1.71%	2	4,200	2.06%
Ball Corporation (including Ball Aerospace)	5	3,600	1.54%	6	3,100	1.52%
Boulder County	6	2,008	0.86%	10	1,700	0.83%
CenturyLink (formerly Level 3 Communications, Inc.)	7	2,000	0.85%	8	2,016	0.99%
Oracle	8	2,000	0.85%	4	3,300	1.62%
International Business Machines	9	1,400	0.60%	3	3,400	1.67%
City of Boulder	10	1,351	0.58%			
Boulder Community Hospital				7	2,190	1.08%
Medtronic Surgical Technologies (formerly Covidien)				9	1,750	0.86%
Subtotal		27,483	11.74%		31,721	15.57%
Other Employers		206,593	88.26%		171,924	84.43%
Total		234,076	100.00%		203,645	100.00%

Source: BizWest 2020 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)

	2011	2012	2013	2014
Administrators				
Superintendent	1.00	1.00	1.00	1.00
Assistant Superintendent	10.50	10.60	11.80	10.80
Non-Instructional Director	17.30	16.60	16.80	15.90
Instructional Director	15.02	13.00	11.61	12.90
Principal	54.80	52.50	52.50	54.20
Assistant Principal	37.60	41.10	41.10	41.40
Instructional Program Coord.	2.48	5.60	5.83	3.90
Non-Instructional Program Coord.	-	3.77	2.90	3.10
Subtotal	138.70	144.17	143.54	143.20
Professional-Instructional				
Teacher, Regular	1,490.20	1,493.00	1,503.90	1,484.60
Teacher, Special Education	172.87	191.57	188.68	187.53
Teacher, Title I	21.80	22.70	18.50	18.80
Counselor	54.80	66.00	64.20	57.30
Curriculum Specialist Consultant	4.10	3.50	3.90	8.60
Dean	2.10	2.00	2.40	2.20
Education Diagnostician	-	-	-	-
Instructional Program Consultant	-	2.00	2.00	-
Librarian/Media Consultant	40.30	39.00	37.80	40.10
Teacher Mentor	45.77	45.98	33.90	34.20
Behavioral Specialist/Analyst	-	-	-	-
Interventionist	-	-	-	-
Audiologist	1.50	1.29	1.50	1.50
Licensed Practical Nurse	-	-	-	0.46
Registered Nurse	12.60	14.86	15.11	13.90
Occupational Therapist	14.30	15.43	15.57	14.81
Physical Therapist	2.00	2.30	2.30	2.30
Psychologist	26.04	28.80	24.32	21.01
Social Worker	18.60	18.71	16.90	18.50
Speech-Language Pathologist	36.26	37.99	44.36	42.02
Subtotal	1,943.24	1,985.13	1,975.34	1,947.83
Professional-Other	130.46	134.56	138.18	135.10
Paraprofessionals	686.77	708.69	668.55	634.46
Office/Administrative Support	241.58	238.32	253.92	250.88
Crafts, Trades, and Services				
Bus Driver	190.60	176.90	178.90	165.90
Food Service Workers	91.80	81.70	89.20	91.00
Custodian	150.70	145.70	150.90	149.20
Maintenance Workers	88.60	88.60	84.10	87.30
Subtotal	521.70	492.90	503.10	493.40
Total	<u>3,662.45</u>	<u>3,703.77</u>	<u>3,682.63</u>	<u>3,604.87</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	2020
1.00	1.00	1.00	1.00	1.00	1.00
11.80	15.40	15.66	14.62	12.82	14.82
16.30	23.30	24.36	25.11	23.44	24.39
15.90	16.80	13.21	17.50	19.40	20.76
54.70	55.30	56.44	56.35	56.04	55.39
41.00	40.40	43.06	43.97	43.62	47.35
3.90	2.90	2.92	3.48	3.52	3.91
2.10	2.10	2.13	2.13	2.12	3.15
146.70	157.20	158.78	164.16	161.96	170.77
1,479.10	1,483.50	1,504.04	1,514.33	1,517.05	1,579.37
185.97	183.60	182.86	189.54	195.50	202.96
14.70	13.30	12.87	13.02	9.64	8.05
63.10	61.00	62.87	73.56	83.80	91.53
7.80	9.80	8.61	8.33	5.48	6.30
3.00	3.10	1.50	1.00	2.04	2.40
-	-	7.80	5.00	6.00	3.00
-	-	1.00	-	-	-
41.00	40.80	41.04	42.45	41.90	41.27
42.20	46.20	46.80	41.90	40.23	32.79
2.55	2.16	3.63	5.00	3.43	6.10
-	-	-	2.60	1.99	3.59
1.50	1.60	1.61	1.99	1.99	1.99
0.73	0.81	-	-	-	-
12.18	14.76	16.67	21.53	21.34	22.00
14.64	14.78	14.25	16.28	17.28	18.81
2.30	2.40	2.40	2.54	2.50	2.51
20.78	20.30	20.28	23.48	23.59	25.78
15.87	14.90	12.27	13.97	12.44	13.74
45.00	44.14	45.43	47.97	49.24	54.07
1,952.42	1,957.15	1,985.93	2,024.49	2,035.44	2,116.26
140.60	145.60	148.76	155.26	155.02	167.98
651.48	644.93	586.80	583.02	607.73	588.40
255.50	248.80	251.72	269.33	252.41	251.01
165.80	193.00	153.30	145.24	134.89	130.11
98.00	101.40	83.14	89.56	92.85	93.17
149.80	145.10	151.91	160.04	160.36	168.76
86.80	81.10	81.60	86.39	86.43	87.79
500.40	520.60	469.95	481.23	474.53	479.83
3,647.10	3,674.28	3,601.94	3,677.49	3,687.09	3,774.25

Boulder Valley School District RE-2

SCHOOL BUILDING INFORMATION

Last Ten Fiscal Years

(Unaudited)

School	2011	2012	2013	2014	2015	2016	2017
<u>Elementary Schools</u>							
Bear Creek							
Square Feet	54,579	54,579	54,579	54,579	54,579	54,579	54,579
Capacity	355	475	478	478	478	478	492
Enrollment	367	378	391	414	417	441	438
Birch							
Square Feet	51,192	51,192	51,192	51,192	51,192	51,192	52,619
Capacity	405	436	453	453	453	453	418
Enrollment	443	401	352	359	383	407	408
BCSIS							
Square Feet	31,745	31,745	31,745	31,745	31,745	31,745	31,745
Capacity	280	312	301	301	301	301	295
Enrollment	300	295	294	294	307	301	309
Coal Creek							
Square Feet	52,476	57,305	57,305	57,305	57,305	57,305	57,305
Capacity	490	496	555	555	555	555	565
Enrollment	464	467	453	431	427	426	417
Columbine							
Square Feet	68,294	68,787	68,787	68,787	68,787	68,787	68,787
Capacity	455	579	603	603	603	603	615
Enrollment	410	453	462	480	496	531	536
Community Montessori							
Square Feet	42,588	42,588	42,588	42,588	42,588	42,588	42,588
Capacity	280	287	367	367	367	367	417
Enrollment	251	258	250	255	270	262	251
Creekside							
Square Feet	50,661	50,661	50,661	50,661	50,843	50,843	50,843
Capacity	441	484	505	505	505	505	492
Enrollment	348	353	335	340	333	332	319
Crest View							
Square Feet	66,884	66,884	66,884	66,884	66,884	66,884	66,884
Capacity	670	685	674	674	674	674	664
Enrollment	627	625	617	607	586	580	606
Douglass							
Square Feet	54,901	59,705	57,966	57,966	59,836	59,836	56,333
Capacity	480	491	504	504	504	504	492
Enrollment	430	433	461	478	463	473	448
Eisenhower							
Square Feet	59,525	59,525	59,525	59,525	59,525	59,525	59,525
Capacity	580	613	653	653	653	653	590
Enrollment	474	453	411	404	405	398	418
Emerald							
Square Feet	62,542	62,573	62,573	62,573	62,573	62,573	62,573
Capacity	473	454	484	484	484	484	541
Enrollment	345	341	327	335	376	380	388
Fireside							
Square Feet	60,307	61,486	61,486	61,486	61,486	61,486	61,486
Capacity	515	475	576	576	576	576	492
Enrollment	445	464	470	456	458	453	469
Flatirons							
Square Feet	43,857	43,857	43,857	43,857	43,857	43,857	43,857
Capacity	325	337	339	339	339	339	320
Enrollment	279	306	295	307	290	274	254
Foothill							
Square Feet	76,021	76,021	76,021	76,021	76,021	76,021	76,021
Capacity	610	644	648	648	648	648	615
Enrollment	564	583	569	574	545	547	541

Table 16

2018	2019	2020
54,579	54,579	54,579
492	492	492
448	425	400
52619	52619	52619
418	418	418
415	375	388
31,745	31,745	31,745
295	319	319
304	306	307
57,305	57,305	57,305
565	565	565
416	410	389
68,787	68,787	68,787
615	615	615
531	497	488
42,588	42,588	42,588
392	392	392
248	254	252
52,690	52,690	51,728
369	369	369
311	337	383
66,884	66,884	66,884
664	664	664
582	566	536
58985	58985	58900
467	467	467
426	403	390
59,525	59,525	59,525
590	541	541
385	407	402
62,264	62,264	62,264
393	393	393
402	440	419
61,486	61,486	61,486
516	516	516
453	453	468
43,857	43,857	43,857
320	320	320
245	228	211
76,021	76,021	76,021
664	664	664
493	457	456

Boulder Valley School District RE-2

SCHOOL BUILDING INFORMATION

Last Ten Fiscal Years

(Unaudited)

School	2011	2012	2013	2014	2015	2016	2017
<u>Elementary Schools (continued)</u>							
Gold Hill							
Square Feet	3,316	3,316	3,293	3,293	3,293	3,293	3,293
Capacity	36	37	41	41	41	41	49
Enrollment	29	26	29	23	27	26	26
Heatherwood							
Square Feet	60,797	60,797	60,797	60,797	60,797	60,797	60,797
Capacity	540	552	555	555	555	555	516
Enrollment	385	381	378	390	384	385	379
High Peaks							
Square Feet	32,983	32,983	32,983	32,983	32,983	32,983	32,983
Capacity	280	312	301	301	301	301	295
Enrollment	306	303	299	297	297	314	305
Jamestown							
Square Feet	5,030	5,030	5,032	5,032	5,032	5,032	5,032
Capacity	18	19	21	21	21	21	25
Enrollment	25	21	20	21	15	18	19
Kohl							
Square Feet	57,417	57,417	57,417	57,417	57,417	57,417	57,417
Capacity	490	521	525	525	525	525	565
Enrollment	498	473	506	485	487	481	479
Lafayette							
Square Feet	62,203	62,203	62,203	62,203	62,203	62,203	62,203
Capacity	555	623	628	628	628	628	639
Enrollment	636	606	619	583	590	592	655
Louisville							
Square Feet	63,034	63,034	63,034	63,034	63,034	63,034	63,034
Capacity	535	572	628	628	651	651	639
Enrollment	502	540	572	600	584	582	569
Mapleton Early Childhood Center							
Square Feet	na	na	na	21,387	21,387	21,387	21,387
Capacity	na	na	na	na	na	na	na
Enrollment	na	na	na	41	70	70	75
Mesa							
Square Feet	54,963	55,195	55,195	55,195	55,195	55,195	55,195
Capacity	385	485	494	494	494	494	467
Enrollment	378	371	352	341	330	320	287
Nederland							
Square Feet	61,470	61,470	61,470	61,470	61,470	61,470	61,470
Capacity	405	432	468	468	468	468	467
Enrollment	287	280	280	282	285	276	278
Pioneer							
Square Feet	74,874	74,864	74,864	74,864	74,864	74,864	74,864
Capacity	391	477	525	525	525	525	541
Enrollment	423	422	419	448	473	480	469
Ryan							
Square Feet	55,075	55,075	55,075	55,075	55,075	55,075	55,075
Capacity	460	512	530	530	530	530	516
Enrollment	419	443	454	408	410	417	458
Sanchez							
Square Feet	55,320	55,320	55,320	55,320	55,320	55,320	55,320
Capacity	294	301	330	330	330	330	369
Enrollment	295	330	320	321	359	379	405
Superior							
Square Feet	69,673	71,480	71,480	71,480	71,480	71,480	71,480
Capacity	505	521	525	525	525	525	516
Enrollment	591	573	553	556	505	486	465
University Hill							
Square Feet	69,701	69,701	69,701	69,701	69,701	69,701	69,701
Capacity	427	426	474	474	474	474	565
Enrollment	358	385	366	419	427	436	449

Table 16
(continued)

2018	2019	2020
3,293	3,293	3,293
49	49	49
19	19	20
60,797	60,797	60,797
516	541	541
346	312	285
32,983	32,983	32,983
295	320	320
307	291	296
5,032	5,032	5,032
25	25	25
17	15	20
57,417	57,417	57,417
565	565	565
446	423	378
62,203	62,203	62,203
639	639	639
485	449	491
63,034	63,034	63,034
639	639	639
551	563	516
21,387	21,387	21,387
na	na	na
79	74	78
55,195	55,195	55,195
467	467	467
271	260	261
61,470	61,470	61,470
467	467	467
273	263	244
74,864	74,864	74,864
541	541	541
477	474	473
55,075	55,075	55,075
492	492	492
482	500	549
55,320	55,320	55,320
393	418	418
401	382	358
71,480	71,480	71,480
516	492	492
457	439	434
69,701	69,701	69,701
565	565	565
443	446	452

Boulder Valley School District RE-2

SCHOOL BUILDING INFORMATION

Last Ten Fiscal Years

(Unaudited)

School	2011	2012	2013	2014	2015	2016	2017
<u>Elementary Schools (continued)</u>							
Whittier							
Square Feet	46,517	46,517	46,517	46,517	46,517	46,518	47,613
Capacity	380	371	412	412	412	412	418
Enrollment	369	394	401	389	396	415	424
<u>Middle Schools</u>							
Angevine							
Square Feet	121,676	121,961	121,961	121,961	121,953	121,953	121,953
Capacity	946	968	962	962	962	962	950
Enrollment	545	587	573	611	662	725	709
Broomfield Heights							
Square Feet	107,239	111,379	111,379	111,379	111,379	111,379	111,379
Capacity	932	935	935	935	935	935	906
Enrollment	526	561	531	552	550	547	520
Casey							
Square Feet	109,072	109,072	109,072	109,072	109,072	109,072	109,072
Capacity	743	743	743	743	743	743	725
Enrollment	440	546	582	608	607	632	652
Centennial							
Square Feet	99,515	117,772	117,772	117,772	117,772	117,772	117,772
Capacity	750	750	750	750	750	750	732
Enrollment	562	554	548	581	595	630	628
Louisville							
Square Feet	101,483	101,483	101,483	101,483	101,483	101,483	101,483
Capacity	669	673	691	691	691	691	710
Enrollment	603	623	632	631	633	621	642
Manhattan							
Square Feet	93,542	93,542	93,551	93,551	93,551	93,551	93,551
Capacity	642	642	642	642	642	642	690
Enrollment	468	466	487	547	543	493	458
Platt							
Square Feet	117,552	123,958	123,958	123,958	123,958	123,958	123,958
Capacity	827	860	860	860	860	860	875
Enrollment	533	502	510	510	557	602	638
Southern Hills							
Square Feet	98,340	98,340	98,340	98,340	98,340	98,340	98,340
Capacity	701	701	683	683	683	683	671
Enrollment	545	535	542	550	560	555	559
<u>High Schools</u>							
Boulder							
Square Feet	245,971	245,971	245,971	245,971	245,971	245,971	245,971
Capacity	1,900	1,900	1,900	1,900	1,900	1,900	1,987
Enrollment	1,775	1,790	1,846	1,938	1,978	1,979	1,981
Broomfield							
Square Feet	240,535	240,535	240,535	240,535	240,535	240,535	240,535
Capacity	1,805	1,805	1,762	1,762	1,762	1,762	1,778
Enrollment	1,437	1,329	1,401	1,429	1,498	1,548	1,595
Centaurus							
Square Feet	194,687	194,687	194,687	194,687	194,687	194,687	194,687
Capacity	1,874	1,874	1,874	1,874	1,874	1,874	1,833
Enrollment	1,029	1,008	999	1,013	1,020	1,079	1,127
Fairview							
Square Feet	264,007	264,007	264,007	264,007	264,007	264,007	264,007
Capacity	1,990	1,990	1,996	1,996	1,996	1,996	2,052
Enrollment	1,971	2,065	2,132	2,118	2,169	2,183	2,165
Monarch							
Square Feet	233,909	241,819	241,823	241,823	241,823	241,823	241,823
Capacity	1,728	1,728	1,833	1,833	1,833	1,833	1,861
Enrollment	1,527	1,514	1,576	1,626	1,653	1,749	1,708

Table 16
(continued)

2018	2019	2020
47,613	47,613	47,613
418	418	418
381	400	378
121,953	121,953	121,953
950	926	926
670	693	684
111,379	111,379	111,379
888	871	871
545	565	562
109,072	109,072	109,072
725	723	723
669	668	634
117,772	117,772	117,772
732	733	733
646	634	635
101,483	101,483	101,483
710	708	708
659	678	653
103,646	103,646	103,646
690	643	643
488	490	539
123,958	123,958	130,244
962	956	956
627	581	532
98,340	98,340	98,340
671	659	659
554	538	529
245,971	245,971	245,971
1,987	1,990	1,990
2,050	2,092	2,133
240,535	240,535	240,535
1,778	1,804	1,804
1,574	1,562	1,549
194,687	194,687	194,687
1,790	1,843	1,843
1,220	1,308	1,436
264,007	264,007	264,007
2,052	2,055	2,055
2,223	2,174	2,121
241,823	241,823	241,823
1,861	1,868	1,868
1,717	1,706	1,653

Boulder Valley School District RE-2
SCHOOL BUILDING INFORMATION
Last Ten Fiscal Years

(Unaudited)

School	2011	2012	2013	2014	2015	2016	2017
<u>High Schools (continued)</u>							
New Vista							
Square Feet	76,668	77,966	77,966	77,966	77,966	77,966	77,966
Capacity	659	654	654	654	654	654	680
Enrollment	299	309	301	280	294	296	292
<u>Combination Schools</u>							
Aspen Creek K-8							
Square Feet	115,919	122,127	122,127	122,127	122,127	122,127	122,127
Capacity	919	990	1,015	1,015	1,015	1,015	949
Enrollment	916	929	917	942	961	933	927
Eldorado K-8							
Square Feet	120,207	123,343	123,343	123,343	123,343	123,343	123,343
Capacity	926	1,003	1,006	1,006	1,006	1,006	937
Enrollment	987	972	991	958	987	957	916
Halcyon							
Square Feet	10,163	10,163	10,163	10,163	10,163	10,163	10,163
Capacity	na	na	na	na	na	na	na
Enrollment	24	21	21	18	19	18	17
Meadowlark							
Square Feet	na	na	na	na	na	na	na
Capacity	na	na	na	na	na	na	na
Enrollment	na	na	na	na	na	na	na
Monarch K-8							
Square Feet	108,802	114,491	114,491	114,491	114,491	114,491	114,491
Capacity	904	926	933	933	933	933	951
Enrollment	790	814	844	858	888	880	881
Nederland Middle/Senior							
Square Feet	97,080	97,080	102,168	102,168	102,168	102,168	102,168
Capacity	630	718	718	718	718	718	701
Enrollment	333	299	270	284	290	273	261
<u>Vocational/Technical Schools</u>							
Arapahoe Ridge High School							
Square Feet	152,954	152,954	152,146	152,146	152,146	152,146	152,797
Capacity	1,099	1,099	1,062	1,062	1,062	1,062	602
Enrollment	204	200	147	130	132	139	90
<u>Charter Schools</u>							
Boulder Preparatory High School							
Square Feet	5,938	5,938	5,938	5,938	5,938	48408	48408
Capacity	na	na	117	117	117	117	160
Enrollment	142	122	117	107	94	109	104
Horizons K-8 School							
Square Feet	30,814	43,426	52,009	52,009	52,009	52,009	52,009
Capacity	404	440	414	414	414	414	348
Enrollment	332	332	340	348	347	348	347
Peak To Peak K-12 School							
Square Feet	139,990	139,990	139,990	139,990	139,990	179,258	179,258
Capacity	na	na	1,444	1,444	1,444	1,444	1,444
Enrollment	1,443	1,446	1,444	1,445	1,444	1,446	1,444
Summit Middle School							
Square Feet	49,935	49,935	49,944	49,944	49,936	45,609	58,750
Capacity	493	493	493	493	493	493	360
Enrollment	336	334	339	342	349	353	354
Justice High 6-12 School							
Square Feet	6,590	6,590	6,590	6,590	6,590	6,590	9,680
Capacity	na	na	91	91	91	91	95
Enrollment	111	96	91	115	76	80	82

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)

2018	2019	2020
77,966	77,966	77,966
680	611	611
304	312	324
123,275	123,275	123,275
949	964	964
932	881	850
129,318	129,318	135,049
937	1,108	1,108
880	864	827
10,163	10,163	10,163
na	na	na
12	19	21
105,173	105,173	101,750
746	745	745
454	592	667
114,491	114,491	114,491
903	890	890
821	773	757
102,168	102,168	102,168
654	500	500
242	270	219
152,797	152,797	153,966
602	605	605
100	141	112
48,408	48,408	48,408
160	160	160
80	100	106
52,009	52,009	52,009
373	384	384
348	348	348
179,258	179,258	179,258
1,444	1,444	1,444
1,445	1,446	1,450
58,750	58,750	58,750
325	368	368
357	358	359
9,680	9,680	9,680
95	95	95
79	96	87

Boulder Valley School District RE-2

TEACHER STATISTICS

Last Ten School Years

(Unaudited)

	2011	2012	2013	2014	2015
Number of Teachers by Education Level					
Bachelor's Degree	144	137	132	118	108
Bachelor's Degree + 12 Hours	63	70	63	52	50
Bachelor's Degree + 24 Hours	56	53	55	48	46
Bachelor's Degree + 36 Hours	52	44	47	46	61
Bachelor's Degree + 48 Hours	217	216	201	155	132
Master's Degree	450	467	459	383	404
Master's Degree + 12 Hours	198	207	202	201	181
Master's Degree + 24 Hours	142	151	152	170	166
Master's Degree + 36 Hours	132	154	152	161	155
Master's Degree + 48 Hours	413	411	409	190	175
Master's Degree + 60 Hours	-	-	-	345	425
Doctorate	42	45	38	40	50
Other	4	3	15	2	1
Total	1,913	1,958	1,925	1,911	1,954
Average Teacher Pay by Education Level					
Bachelor's Degree	37,280	38,096	42,338	44,511	43,397
Bachelor's Degree + 12 Hours	42,411	42,170	47,234	49,219	47,171
Bachelor's Degree + 24 Hours	44,701	47,842	49,315	52,454	53,521
Bachelor's Degree + 36 Hours	46,883	46,682	51,771	52,806	53,285
Bachelor's Degree + 48 Hours	56,109	56,472	60,979	64,829	68,002
Master's Degree	51,143	50,470	55,473	59,475	61,211
Master's Degree + 12 Hours	54,988	56,963	63,676	65,249	67,137
Master's Degree + 24 Hours	61,192	60,165	65,841	69,071	71,331
Master's Degree + 36 Hours	61,602	61,704	66,512	70,632	74,261
Master's Degree + 48 Hours	69,845	69,924	73,997	77,767	81,922
Master's Degree + 60 Hours	-	-	-	81,869	85,999
Doctorate	68,594	68,211	74,199	82,048	83,184
Other*	63,248	62,089	43,269	65,745	61,899

*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

2016	2017	2018	2019	2020
105	104	96	121	102
46	47	51	40	35
41	39	38	37	37
64	64	59	64	53
112	82	66	54	46
405	392	377	383	392
196	196	211	176	191
152	165	170	166	187
150	142	146	132	148
175	166	158	137	142
465	505	544	510	626
55	54	58	46	67
1	1	1	1	1
1,967	1,957	1,975	1,867	2,027
43,225	40,480	48,237	49,441	50,691
49,655	47,934	50,887	52,960	53,843
51,034	54,100	55,882	57,950	58,228
54,118	53,090	57,764	59,529	61,244
70,065	69,513	73,268	75,808	79,118
61,408	60,397	65,017	66,888	68,639
67,727	66,384	70,453	72,213	73,539
71,670	70,662	74,809	76,884	78,015
75,938	75,435	78,784	81,828	85,063
83,933	82,535	87,397	89,904	92,167
88,800	89,400	93,573	96,865	99,896
85,868	85,493	92,910	95,794	97,649
63,632	64,396	66,199	68,450	70,298

Boulder Valley School District RE-2

MISCELLANEOUS STATISTICAL DATA

Last Ten School Years

(Unaudited)

	2011	2012	2013	2014
Student Teacher Ratio*				
Elementary	16.37	16.27	16.44	16.76
Combination	17.43	17.49	18.61	18.54
Middle	17.18	17.43	17.01	17.77
Senior	19.28	19.33	19.48	19.79
Governmental Activities Expenses	\$ 306,813,347	\$ 319,692,074	\$ 319,005,007	\$ 343,751,369
Cost Per Student	\$ 10,464	\$ 10,821	\$ 10,734	\$ 11,403
Enrollment Data				
Student Full Time Equivalent**				
Elementary	12,030	12,056	12,097	12,154
Middle	6,536	6,671	6,682	6,914
Senior	9,325	9,305	9,480	9,610
Other	258	286	279	281
Total	28,149	28,318	28,538	28,959
Total Enrollment				
K-12 Enrollment	28,815	28,986	29,181	29,595
Pre-K Enrollment	505	558	537	550
Total	29,320	29,544	29,718	30,145
Number of Students Eligible to Receive School Lunches Free or at Reduced Cost				
Elementary	2,646	2,714	2,740	2,709
Combination	317	342	336	379
Middle	946	1,033	1,033	1,103
Senior	1,177	1,223	1,247	1,240
Total	5,086	5,312	5,356	5,431
Percent of Students Receiving Free or Reduced Cost Meals	17.35%	17.98%	18.02%	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

2015	2016	2017	2018	2019	2020
17.22	17.37	17.55	17.06	17.04	15.94
19.42	18.97	18.07	17.83	17.73	17.17
17.86	18.29	18.10	18.14	17.83	16.91
20.24	20.46	19.76	20.03	19.57	19.49
\$ 387,709,725	\$ 428,863,567	\$ 643,653,131	\$ 722,915,882	\$ 382,675,639	\$ 372,040,003
\$ 12,684	\$ 13,890	\$ 20,873	\$ 23,331	\$ 12,392	\$ 12,111
12,229	12,222	12,211	12,050	11,924	12,440
7,107	7,184	7,186	7,303	7,268	7,185
9,731	9,958	9,925	10,116	10,227	10,293
331	338	351	353	347	384
29,398	29,702	29,673	29,822	29,766	30,302
29,941	30,231	30,168	30,317	30,224	29,998
625	644	669	668	656	720
30,566	30,875	30,837	30,985	30,880	30,718
2,988	3,171	3,018	2,707	2,875	2,706
364	443	406	405	495	451
1,157	1,282	1,190	1,119	1,209	1,193
1,457	1,688	1,617	1,492	1,694	1,651
5,966	6,584	6,231	5,723	6,273	6,001
19.52%	21.32%	20.21%	18.47%	20.31%	19.54%



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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, 2020, 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 20, 2020. The financial statements of the discretely presented component units were not audited in accordance with *Government Auditing Standards*.

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.

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

CliftonLarsonAllen LLP

Broomfield, Colorado
November 20, 2020



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

Board of Education
Boulder Valley School District
Boulder, Colorado

Report on Compliance for Each Major Federal Program

We have audited Boulder Valley School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Boulder Valley School District's major federal programs for the year ended June 30, 2020. Boulder Valley School District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, Boulder Valley School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

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

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

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

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



CliftonLarsonAllen LLP

Broomfield, Colorado
November 20, 2020

**BOULDER VALLEY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2020**

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)

84.010
10.553, 10.555, 10.559

Name of Federal Program or Cluster

Title I, Part A
Child Nutrition 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, 2020**

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, 2020**

Boulder Valley School District respectfully submits the following summary schedule of prior audit findings for the year ended June 30, 2020.

Audit period: July 1, 2019 - June 30, 2020

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, 2020

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>		<u>Pass-Through Entity Grant Code</u>	<u>6/30/2020 Expenditures</u>
U.S. Department of Education				
Direct Programs				
Indian Education	84.060			\$ 17,875
Passed Through State Department of Education				
Adult Education	84.002		5002	117,278
Title I	84.010		4010/92XX	2,092,592
Special Education	84.027	(1)	4027/5027	5,739,332
Special Education Preschool	84.173	(1)	4173	119,168
21st Century Community Learning Centers	84.287		5287	223,301
English Language Acquisition	84.365		4365	154,390
Improving Teacher Quality	84.367		4367	386,807
ESSA - Title IV	84.424		4424	92,493
Passed Through State Community College System				
Career and Technical Education	84.048		5048	139,701
TOTAL U.S. DEPARTMENT OF EDUCATION				<u>9,082,937</u>
U.S. Department of Agriculture				
Direct Programs				
Farm to School	10.575			25,565
Local Food Promotion and Farm to School	10.172			67,528
Passed Through State Department of Human Services				
Donated Commodities	10.555	(2)	4555	516,114
Passed Through State Department of Public Health and Environment				
Child and Adult Care Food Program	10.558		4558	98,915
Passed Through State Department of Education				
Fresh Fruit and Vegetable Program	10.582		4582	74,331
COVID-19 – National School Lunch Program	10.555	(2)	4555	761,642
National School Lunch Program	10.555	(2)	4555	1,486,351
School Breakfast Program	10.553	(2)	4553	449,108
COVID-19 – Summer Food Service Program for Children	10.559	(2)	4559	419,379
Summer Food Service Program for Children	10.559	(2)	4559	33,012
TOTAL U.S. DEPARTMENT OF AGRICULTURE				<u>3,931,945</u>
U.S. Department of Homeland Security				
Passed Through State Department of Transportation				
Highway Planning and Construction	20.205	(3)	6205	207,000
U.S. Department of Treasury				
Passed Through State Department of Education				
Coronavirus Relief Funds (CRF): K-12	21.019		4012	138,335
TOTAL FEDERAL FINANCIAL ASSISTANCE				<u>\$ 13,360,217</u>

(1) Special Education Cluster (IDEA): \$5,858,500

(2) Child Nutrition Cluster: \$3,665,606

(3) Highway Planning and Construction Cluster: \$207,000

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, 2020

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 \$516,114 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 2019-20
Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Governmental	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
10 General Fund		49,033,239		317,486,519	313,491,105		53,028,653
18 Risk Mgmt Sub-Fund of General Fund		7,15,031		4,850,400	4,867,669		697,762
19 Colorado Preschool Program Fund		803,233		7,223,472	7,694,811		331,894
Sub- Total		50,551,503		329,560,391	326,053,585		54,058,309
11 Charter School Fund		13,312,444		29,433,933	28,503,825		14,242,552
20,26-29 Special Revenue Fund		0		1,136,595	1,136,595		0
06 Supplemental Cap Const, Tech, Main. Fund		13,826,028		31,318,682	21,493,391		23,651,319
07 Total Program Reserve Fund		0		0	0		0
21 Food Service Spec Revenue Fund		212,012		9,704,543	9,663,345		253,210
22 Govt Designated-Purpose Grants Fund		0		12,938,612	12,938,612		0
23 Pupil Activity Special Revenue Fund		5,498,860		8,858,245	8,359,258		5,997,847
24 Full Day Kindergarten Mill Levy Override		0		0	0		0
25 Transportation Fund		1,058,330		16,057,130	16,104,720		1,010,740
31 Bond Redemption Fund		49,553,956		57,832,699	57,460,800		49,925,855
39 Certificate of Participation (COP) Debt Service Fund		0		0	0		0
41 Building Fund		196,777,138		3,384,999	101,279,359		98,882,778
42 Special Building Fund		0		0	0		0
43 Capital Reserve Capital Projects Fund		5,346,486		7,540,727	6,005,096		6,882,117
46 Supplemental Cap Const, Tech, Main Fund		0		0	0		0
Totals		336,136,757		507,766,556	588,998,586		254,904,727
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		5,542,200		8,425,635	6,750,974		7,216,861
Totals		5,542,200		8,425,635	6,750,974		7,216,861
Fiduciary							
70 Other Trust and Agency Funds		249,342		310,424	294,317		265,449
72 Private Purpose Trust Fund		1,357,906		27,771	37,499		1,348,178
73 Agency Fund		0		0	0		0
74 Pupil Activity Agency Fund		0		0	0		0
79 GASB 34: Permanent Fund		0		0	0		0
85 Foundations		387,874		75,677	36,624		426,927
Totals		1,995,122		413,872	368,440		2,040,554

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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