

 BOULDER VALLEY SCHOOL DISTRICT

Popular Annual Financial Report

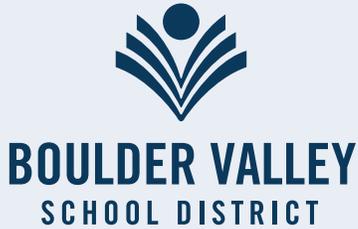
2022-23





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Bill Sutter, SFO
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To the Citizens of the Boulder Valley School District,

The Boulder Valley School District (the district or BVSD) is committed to ensuring residents have access to and understand the district's finances. In pursuit of this commitment, the district has developed its first Popular Annual Financial Report (PAFR) for the fiscal year ending June 30, 2023. This report intends to convey the district's finances in an easy-to-understand format that provides citizens with an overview of how their tax dollars are managed and spent. It is designed to be readily accessible and easily understandable to the general public and other interested parties without a background in public finance.

The PAFR summarizes the financial results of the operations reported in the district's audited Annual Comprehensive Financial Report (ACFR). This information does not replace the ACFR which outlines the district's financial position and operating activities each fiscal year presented in conformity with generally accepted accounting principles (GAAP). The PAFR is unaudited and not presented in GAAP format, but it is suitable for those readers who prefer an overview of the district's financial condition.

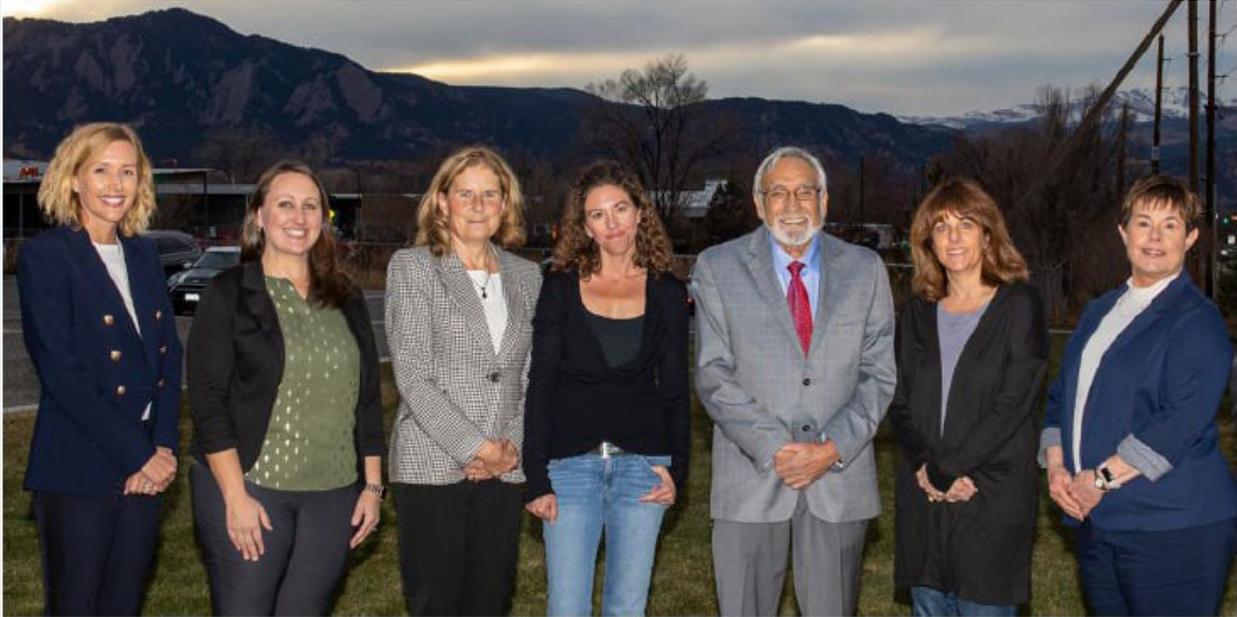
The most recent and previous ACFRs are available on the district's Financial Transparency website (<https://www.bvsd.org/about/financial-transparency/annual-comprehensive-financial-reports>). The PAFR is part of the district's ongoing commitment to keep citizens informed about finances in the district and be accountable for the receipt and expenditure of public funds.

Respectfully Submitted,



William A. Sutter, SFO
Chief Financial Officer

BOARD OF EDUCATION



Nicole Rajpal (Treasurer) Beth Niznik Kathy Gebhardt (President) Lisa Sweeney-Miran (Vice-President) Richard Garcia Stacey Zis Kitty Sargent

SUPERINTENDENT'S CABINET



Rob Anderson, Ed.D.	Superintendent
Lora De La Cruz	Deputy Superintendent
Frankie Elmore	Chief Information Officer
Bill Sutter, SFO	Chief Financial Officer
Kathleen Sullivan, J.D.	Legal Counsel
Rob Price	Asst. Superintendent of Operational Services
James Hill, Ph.D.	Asst. Superintendent of Human Resources
Robbyn Fernandez	Asst. Superintendent of Schools
Nativity Miller	Asst. Superintendent of Opportunity
Randy Barber	Chief Communications Officer
Patty Delgado	Boulder Valley Education Association President
Ginger Ramsey	Broomfield High School Principal

STRATEGIC PLAN



It has been five years since the Boulder Valley School District began work on the [All Together for All Students Strategic Plan](#), which is focused on three Long Term Student Outcomes:

- To **Inspire** a love of learning in every student
- **Equip** them with the knowledge and skills that will help to make them successful
- Give them the opportunities and connections so that they can **Soar** after high school in the college or career pathway of their choice



All students benefit from challenging and relevant educational opportunities.



Reduce disparities in achievement.



Every student graduates empowered with the skills necessary for post-graduate success.



The Popular Annual Financial Report is designed to provide accessible and easily understandable information as reported in the district's Annual Comprehensive Financial Report.

STRATEGIC THEMES

Over that time we have accomplished a lot. Here is some of the work accomplished, grouped within our four strategic themes:

Theme 1: Challenging, Engaging & Relevant Instruction

- Prioritized standards
- Adopted common instructional practices
- Supported the development of school and district leaders
- Cultivated culturally responsive instruction, materials and supports

Theme 2: Customized Supports

- Strengthened the tiered system of supports for students
- Developed a needs-based allocation system
- Monitored the academic return on investment of efforts within the district

Theme 3: Community & Family Partnerships

- Invested in school-family connectedness
- Revamped and nurtured community partnerships, aligned to key district goals
- Launched Grad Plus to accelerate student opportunities in career discovery and postgraduate preparation
- Centralized interpretation and translation services to ensure non-English speaking families can fully participate in their child's education

Theme 4: Positive & Inclusive Culture

- Challenged inquiry and bias by strengthening anti-bullying and harassment efforts and supports
- Worked towards ensuring our staff matches the outstanding diversity of our communities and have built safe and supportive spaces for employees of color

BVSD is now in the process of reviewing what has been accomplished, understanding that there is still room for growth and improvement. We are undergoing a process to gather feedback from students, families and employees that district leadership will review to determine next steps.



DISTRICT OVERVIEW

Boulder Valley School District RE-2 is a public school district and body corporate, organized and existing under the School District Organization Act of 1965, Article 30, Title 22, and Colorado Revised Statutes. The district has the authority to determine its own budget, levy taxes or set rates or charges, and issue bonded debt without approval from the state or by another government, making BVSD fiscally independent.

Originally organized in 1860, the district was reorganized in 1961 to include numerous smaller districts. There is a seven-member Board of Education, elected by the citizens of Boulder, Broomfield, and Gilpin Counties, that govern the district. Board members serve four-year terms, with four members elected every two years; they are term-limited at two terms.

BVSD is located in Boulder County near the foothills of the Rocky Mountains, approximately twenty miles northwest of Denver. Its boundaries encompass approximately 500 square miles in Boulder, Broomfield, and Gilpin Counties and contain a population of approximately 211,000. The communities of Boulder, Louisville, Lafayette, Erie, Superior, Broomfield, Nederland, Ward, Jamestown, and Gold Hill are served. Residents within the district, particularly in the more densely settled urban areas where most of the population resides, participate in the large and increasingly diverse front-range economy, which includes the cities of Denver, Boulder, and Fort Collins and the growing communities in between. The city of Boulder is home to the University of Colorado, Boulder Campus, and is a significant stabilizing force for the local economy. Other major employers in the area include Oracle Inc., IBM Corporation, Ball Corporation, numerous federal research laboratories, and other smaller software, research, manufacturing, and pharmaceutical firms.

BVSD provides a full and challenging range of educational programs and services authorized by Colorado State Statute including kindergarten through grade twelve education in elementary, middle, and high schools; Special Education; Career and Technical Education; an Online Education program; Culturally and Linguistically Diverse Education; and numerous other educational and support programs. In addition, the district offers preschool programs through the Colorado's Universal Pre-K Program, Community Montessori focus school, and the Special Education program. The district also has five charter schools that comprise the Charter Funds of the Boulder Valley School District: Summit Middle Charter School, Horizons K-8 School, Boulder Preparatory High School, Justice High School, and Peak to Peak Charter School.



DEMOGRAPHICS



We have 56 schools in the Boulder Valley School District.



The Boulder Valley School District covers more than 500 square miles and 11 communities.



The on-time graduation rate for the class of 2017 was 91.3%



The average SAT score for BVSD juniors in 2018 was 1139.



More than 31,000 students attend BVSD schools.



More than 4,000 staff are employed by the district.



BVSD bus drivers travel nearly 2.4 million miles per year.



More than 13,000 healthy, cooked from scratch meals are served every day.



Forbes Magazine
top employer
in Colorado

AA+

Bond Rating for
strong fiscal
management

#1

**Best School District
in Denver Area**

according to niche.com 2022

UNDERSTANDING SCHOOL FINANCE IN COLORADO

Every homeowner and business owner in Colorado pays property taxes for schools, along with sales taxes for police, fire, and other local public services. The Colorado state government is responsible for funding other public services such as prisons and transportation, in addition to determining the funding for schools.

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.

Constitutional Amendments that affect school funding:

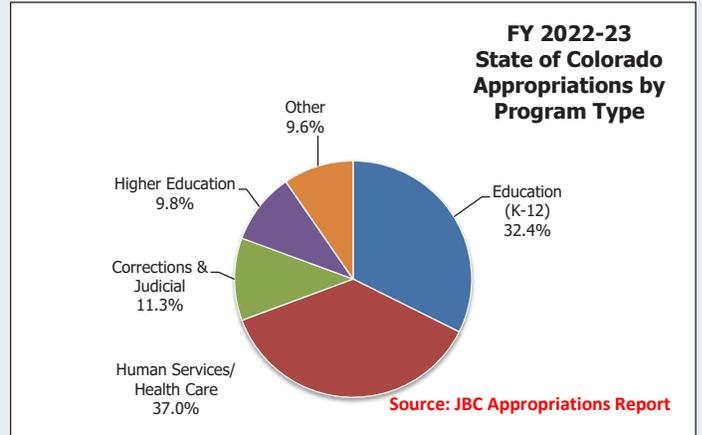
TABOR:

Colorado's "Taxpayer's Bill of Rights," also known as TABOR, sets taxing and spending limits on all levels of government in the state, from special districts such as fire protection and schools to county and state governments. TABOR's primary objective is to "restrain the growth of government" as stated in the Colorado Constitution. TABOR has many provisions that impact school funding from the state. The most significant limitations are:



- TABOR requires voter approval of tax increases.
- TABOR limits revenue collections.
- TABOR limits spending.

TABOR also impacts district spending as the law requires that a school district hold 3 percent of expenditures in reserve. This reserve can only be spent in an emergency, which excludes economic conditions, revenue shortfalls, or salary and fringe benefit increases. A statute change in 2009-10 now allows a district to hold a letter of credit or utilize real asset value (buildings) as this 3 percent reserve, rather than cash. BVSD continues to hold a 3 percent cash reserve for its TABOR requirement.



Referendum C:

In November 2005, Colorado voters passed Referendum C, which temporarily overrides the current TABOR revenue formula that limits annual growth in state revenues to the rate of change of inflation plus population. With no increase to current tax rates, Referendum C allows the state to keep and spend the revenue it collects under current rates for five years. The revenue retained by this change will be used to fund healthcare, K-12 and higher education, pension plans for firefighters and police officers, and specifically identified Department of Transportation projects. The referendum's stated goal was to restore state budget cuts since 2001 and reset the base funding level.

Amendment 23:

In November of 2000, Colorado taxpayers approved Amendment 23 to the Colorado Constitution. This amendment identifies increases in funding to public elementary and secondary schools at a rate of inflation plus 1 percent for a total of 10 years, through the 2010-11 fiscal year, and then at the rate of inflation thereafter. The amendment's stated goal was to restore public education funding back to 1988 levels.

CAPITAL PROJECTS HIGHLIGHTS

In support of the district's critical needs related to aging infrastructure, overcrowding in areas of growth, expanding opportunities for college and career preparedness, and addressing playground accessibility for all, the district has the following capital projects:



NEW VISTA HIGH SCHOOL

The New Vista rebuild project is on schedule for students and staff to take occupancy during Winter Break 2024. Following the move-in, the final phases of the project will occur in 2025, including asbestos abatement, demolition and site work.

NEW SCHOOL FOR ENROLLMENT GROWTH IN ERIE

Additional capacity is needed in the northeastern area of the district, which is still growing. Construction of an elementary school in Erie will accommodate new students and relieve overcrowding in other schools within the district.



CAREER AND TECHNICAL EDUCATION

BVSD has recognized the need to expand opportunities for college and career preparedness. The plan includes renovations that will create flexible, agile spaces where students can experience industry-inspired environments with the latest equipment, helping them acquire valuable technical skills along with the real-world, hands-on experiences that lead to high-wage and high-growth jobs that are in high-demand.

PLAYGROUND IMPROVEMENTS

Playground mulch on a number of elementary playgrounds will be replaced with rubberized solid surfaces that are wheelchair friendly so that students of all physical abilities can benefit from play and exercise.



BVSD recognized as national leader in sustainability



SUSTAINABILITY INITIATIVE

As a leader in whole district sustainability, BVSD creates healthy learning environments and experiences that equip all students and staff with the knowledge and skills to create more equitable and sustainable communities. Learn more about BVSD's sustainability efforts and progress on the greenBVSD website.

FINANCIAL RESULTS: GOVERNMENT-WIDE

The government-wide statements provide a broad overview of the district's long-term and short-term financial activities using accounting methods similar to a private-sector organization.

Statement of Net Position

This is a balance sheet that provides a snapshot of what the district owns in assets and deferred outflows of resources and what the district owes in liabilities and deferred inflows of resources. The net position represents the district's investment in the assets it uses to provide instruction and support services to its students. 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.

Statement of Activities

This is an income statement that summarizes amounts received (revenue) and amounts spent (expenses).

GOVERNMENTAL ACTIVITIES			
	2022	2023	
STATEMENT OF NET POSITION			
Total Assets and Deferred Outflows	\$ 1,235,959,073	\$ 1,412,863,616	14.3%
Total Liabilities and Deferred Inflows	\$ 1,656,410,265	\$ 1,818,349,017	9.8%
Total Net Position	\$ (420,451,192)	\$ (405,485,401)	3.6%
STATEMENT OF ACTIVITIES			
Total Revenue	\$ 526,848,592	\$ 572,121,999	8.6%
Total Expenses	\$ 326,043,523	\$ 557,156,208	70.9%
Change in Net Position	\$ 200,805,069	\$ 14,965,791	-92.5%

Government-wide Highlights

The net position deficit is due primarily to a June 30, 2023 net position liability of \$628.0 million, related deferred inflows of resources of \$98.3 million, offset by related deferred outflows of resources of \$144.1 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. Overall, the net position increased by 3.6%. Total revenue grew by 8.6% due primarily to an increase in property tax revenue of \$18.2M, an increase in PERA on-behalf payments of \$9.8M for the State's catch-up payment from fiscal year 2021-22, and an increase in investment earnings of \$5.5M as a result of higher interest rates. The 70.9% increase in total expense is due primarily to an increase in pension expense of \$182.5M related to GASB Statement No. 68. In addition, the district provided a 3.5% cost of living adjustment and a 3.5% increase in health insurance costs. The district recognized an additional \$9.8 million of expense related to the State's aforementioned PERA on-behalf payment.

FINANCIAL RESULTS: GOVERNMENTAL FUNDS

Governmental fund financial statements are reported using governmental accounting methods. The figures summarized below are taken from the district's ACFR but are presented here in a non-GAAP format.

Balance Sheet

The summarized balance sheet below reports the assets available to provide services along with the liabilities (amounts for which the district is obligated to pay in the future) and deferred inflows (primarily assets that do not finance the current fiscal year). The excess of assets over liabilities and deferred inflows provide the fund balance, or net worth, of the district's governmental funds.

Statement of Revenues, Expenditures and Changes in Fund Balance

This is an income statement that provides a summary of receipts and resources received by the district compared to the disbursement and services provided by the district that are accounted for in the governmental funds.

GOVERNMENTAL FUNDS			
	2022	2023	
BALANCE SHEET			
Total Assets	\$ 257,265,196	\$ 445,391,065	73.1%
Total Liabilities and Deferred Inflows	\$ 62,496,540	\$ 43,757,739	-30.0%
Total Fund Balance	\$ 194,768,656	\$ 401,633,326	106.2%
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE			
Total Revenue	\$ 530,326,125	\$ 571,250,477	7.7%
Total Expenditures	\$ 526,663,825	\$ 566,000,640	7.5%
Other Financing Sources (Uses)	\$ 744,048	\$ 201,614,833	26997.0%
Net Change in Fund Balance	\$ 4,406,348	\$ 206,864,670	4594.7%

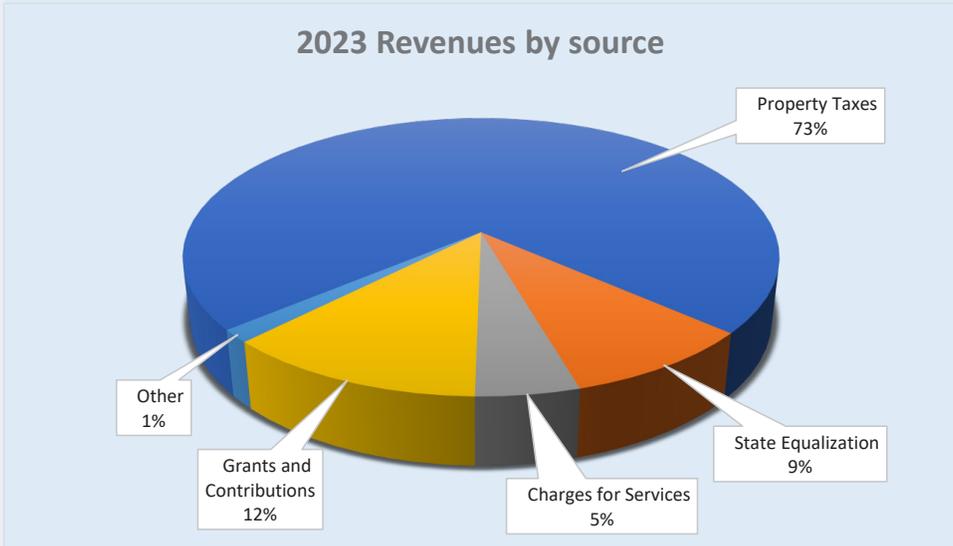
Governmental Funds Highlights

The 73.1% increase in the district's assets and 26997.0% increase in Other Financing Sources is primarily due to \$187.3 million of general obligation bonds issued in April 2023, and related bond premium of \$13.4 million. The 30.0% decrease in liabilities is due to an overpayment of State Equalization the district received from the State in fiscal year 2022 and returned to the State in fiscal year 2023.

REVENUES: WHERE THE MONEY COMES FROM

Boulder Valley School District receives revenue from a variety of sources, described below.

GOVERNMENTAL FUNDS				
	REVENUES BY SOURCE			
	2022	2023		
Property Taxes	\$ 400,591,606	\$ 414,858,232	3.6%	
State Equalization	45,871,548	51,368,556	12.0%	
Charges for Services	19,610,234	27,255,590	39.0%	
Grants and Contributions	61,094,222	69,275,742	13.4%	
Other	3,158,515	8,492,357	168.9%	
Total Revenues	\$ 530,326,125	\$ 571,250,477	7.7%	



Property Taxes are comprised of Local Property Taxes and Specific Ownership Taxes collected by Boulder, Broomfield and Gilpin Counties from which the district receives its portion.

State Equalization from the School Finance Act represents the distribution of funding from the State and is determined by the funded pupil count of the district, adjusted by various factors representing district-specific characteristics such as cost of living, enrollment size, etc.

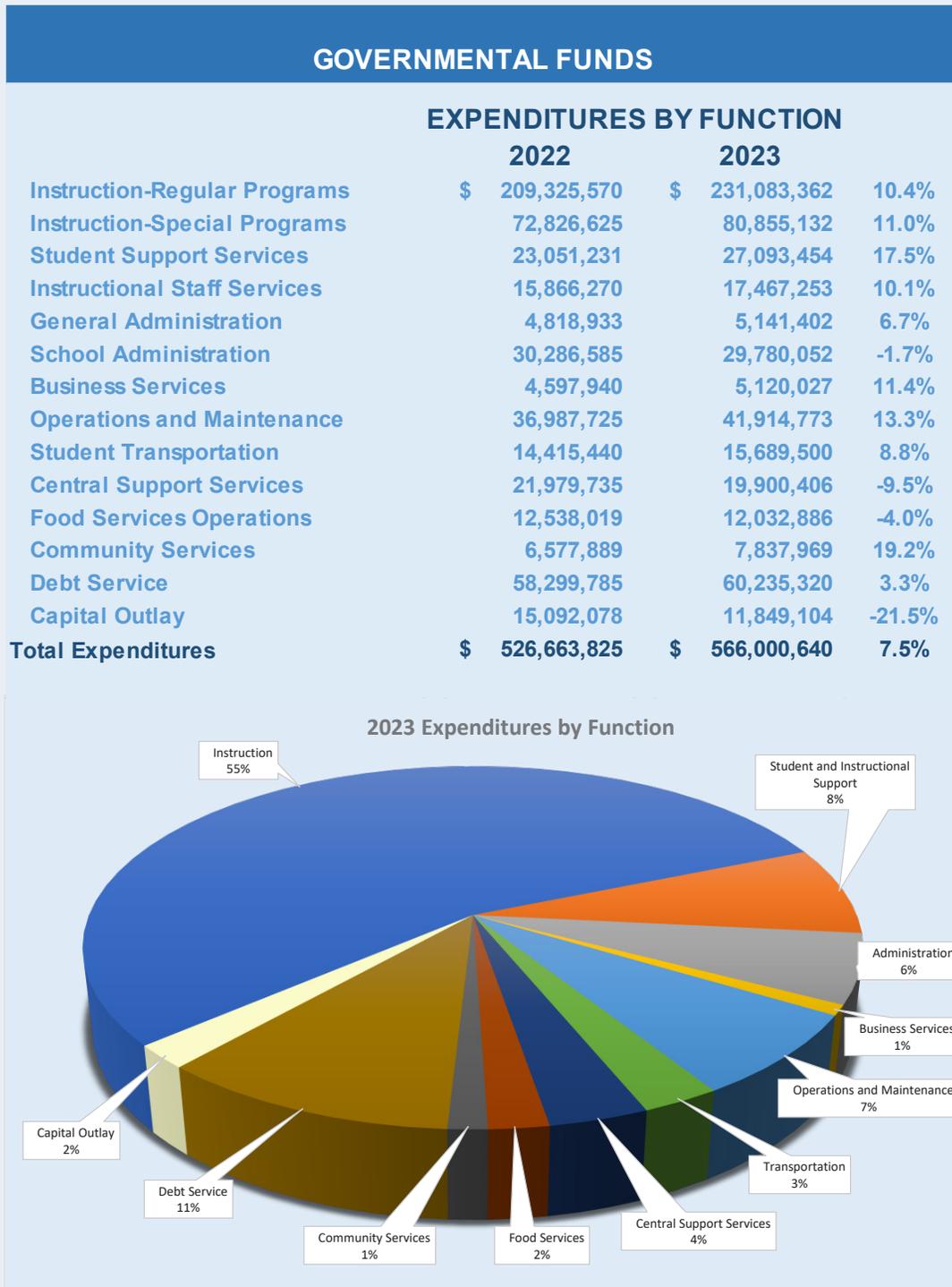
Grants and Contributions are resources received from external entities and are generally restricted to meeting the operational or capital requirements of a particular function.

Charges for Services are payments received directly by the district for goods, services, or privileges provided by a given function. These revenues include tuition, admissions, meals, rentals, and fees. The 39.0% increase is due primarily to an increase in paid lunch revenues, which were provided at no charge in the prior year in response to the pandemic.

Other Revenues are derived from a variety of sources including investment earnings and insurance proceeds. The 168.9% is related primarily to increased investment earnings, as a result of higher interest rates available to the district.

EXPENDITURES: WHERE THE MONEY GOES

Information on how the district uses the revenue it receives to provide education to its students is provided below.



EXPENDITURES: WHERE THE MONEY GOES (continued)

Instruction includes all activities directly associated with the interaction between teachers and students. This consists of teacher salaries and benefits, instructional assistants, and classroom materials (such as textbooks).

Student Support includes activities designed to assess and improve the well-being of students and supplement teaching, such as counselors, nurses, and psychologists.

Instructional staff services include activities associated with providing learning experiences for students, such as teacher-librarians, curriculum development and professional development.

General Administration includes activities concerned with establishing and administering policy in connection with operating the district (superintendent, assistant superintendents, and legal counsel).

School Administration includes activities concerned with overall administrative responsibility for a school (principals, assistant principals, and clerical staff).

Business Services include activities such as accounting, budget, payroll, purchasing and risk management.

Operations and Maintenance relates to utilities, maintenance, grounds, custodial, security services, and associated supplies of buildings and schools.

Transportation includes student transportation for school and extra curricular activities.

Central Support includes activities such as planning, research, information technology, communications, and human resources.

Food Services include activities to prepare and serve approximately 10,000 meals per day.

Community Services provide educational and enrichment opportunities through extended use of BVSD facilities to the community.

Debt Service includes activities related to servicing the long-term debt of the district, including payments of principal and interest.

Capital Outlay includes expenditures that result in the acquisition of or addition to capital assets.

CONTACT INFORMATION



Questions concerning any of the information provided in this report may be addressed to:

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303-447-1010, www.bvsd.org